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Roundtable on Sustainable Palm Oil

Annual Surveillance Audit Report

Report no.: **ASA12-14010**

Certification assessment against the

Indonesian National Interpretation of RSPO Principles & Criteria 2013, July 2016 and RSPO SCCS November 2014

Name of client

Wilmar International Limited

PT Perkebunan Milano - Pinang Awan Palm Oil Mill

Site location :

Pengarungan village, Torgamba Sub District, Labuhan Batu Selatan District,
North Sumatera Province

Date of surveillance audit : May 23-26, 2017

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1.0 SCOPE OF CERTIFICATION ASSESSMENT.

The 2nd surveillance assessment was carried out on 1 of mill and 3 of estates under under PT Perkebunan Milano owned by Willmar International.

The operations of the palm oil mill(s) and its supply base of FFB were assessed against the national interpretation used and year 2016 of the RSPO Principles & Criteria, selected Supply Chain Model according to company's FFB supply base is **MB**

Mill name	Mill1 : Pinang Awan POM		
	Mill 2 : -		
Supply base name			
Company owned Estate :	1. Sungai Daun estate 2. Batang Saponggol estate 3. Merbau estate		
Other operating estate owned by Company	1. -		
Other Source	1. Independent outgrower ¹⁾		
Supply Chain Model	IP	X	MB
National Intepretation used	INA-NI, July 2016		

Note :

Total of independent outgrower year 2016 is 69 parties (include of ramp of Batang Saponggol and Milano).

2.0. Description of Certification Unit

2.1 Location

Table 1: GPS locations for all estates and mills included in surveillance assessment

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Pinang Awan Mill	Pinang Damai Village, Torgamba Sub District, Labuhan Batu Selatan District	01° 50' 34.17" N	100° 12' 11.29" E
PT Perkebunan Milano – Sei Daun Estate	Pengarungan Village, Torgamba Sub District, Labuhan Batu Selatan District	01° 52' 25.93" N	100° 14' 02.29" E
PT Perkebunan Milano – Batang Saponggol Estate	Batang Saponggol Village, Kampung Rakyat Sub District, Labuhan Batu Selatan District	01° 58' 17.61" N	100° 13' 20.34" E
PT Perkebunan Milano – Merbau Estate	Milano Village, Merbau Sub District, Labuhan Batu Utara District	02° 13' 28.58" N	99° 52' 06.43" E

2.2. Maps

Location of mill and estates in relation to region and maps of entities surrounding the mill and estates on **Figure 1 & 2**.

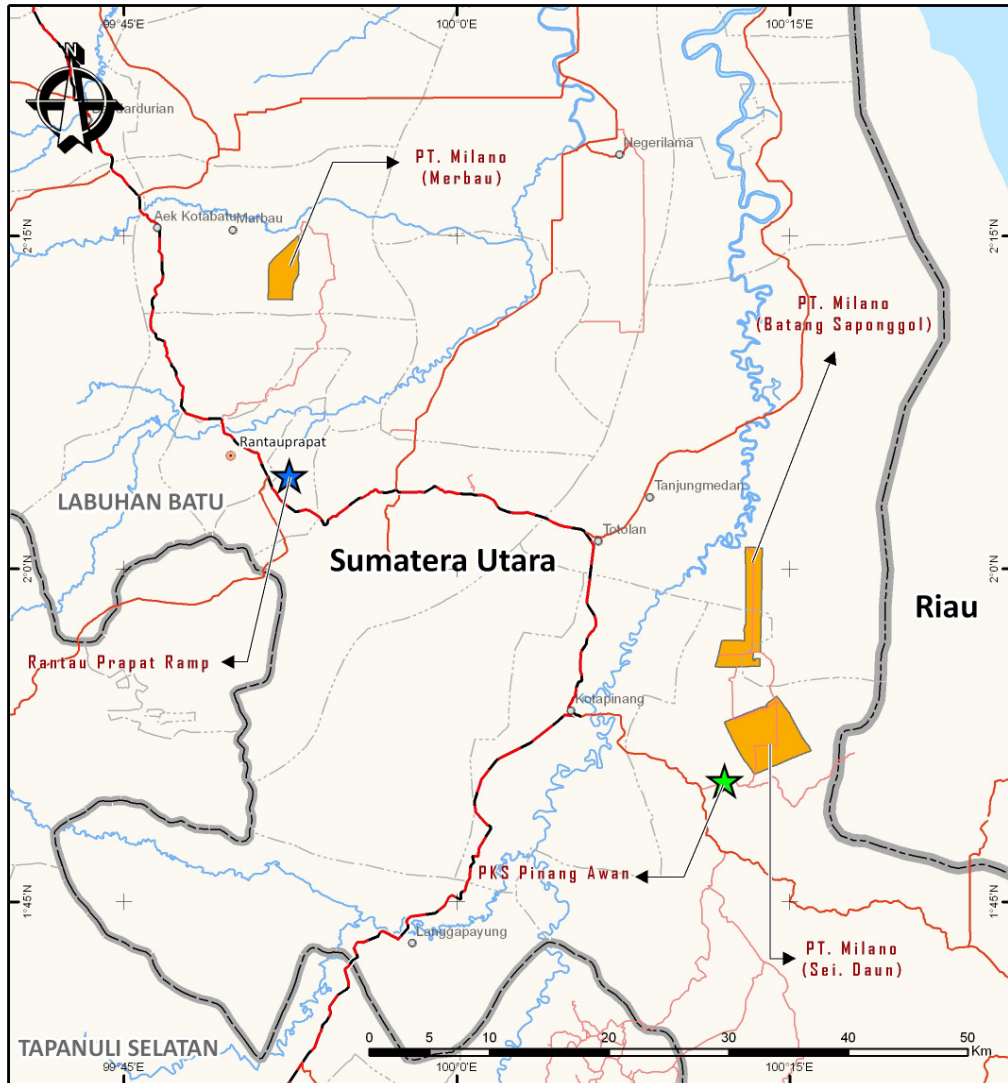


Figure 1.b : Location of PT Perkebunan Milano's Pinang Awan Mill and 3 company estates (Sei Daun Estate, Batang Saponggol Estate, and Merbau Estate) in North Sumatra, Indonesia.

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-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-

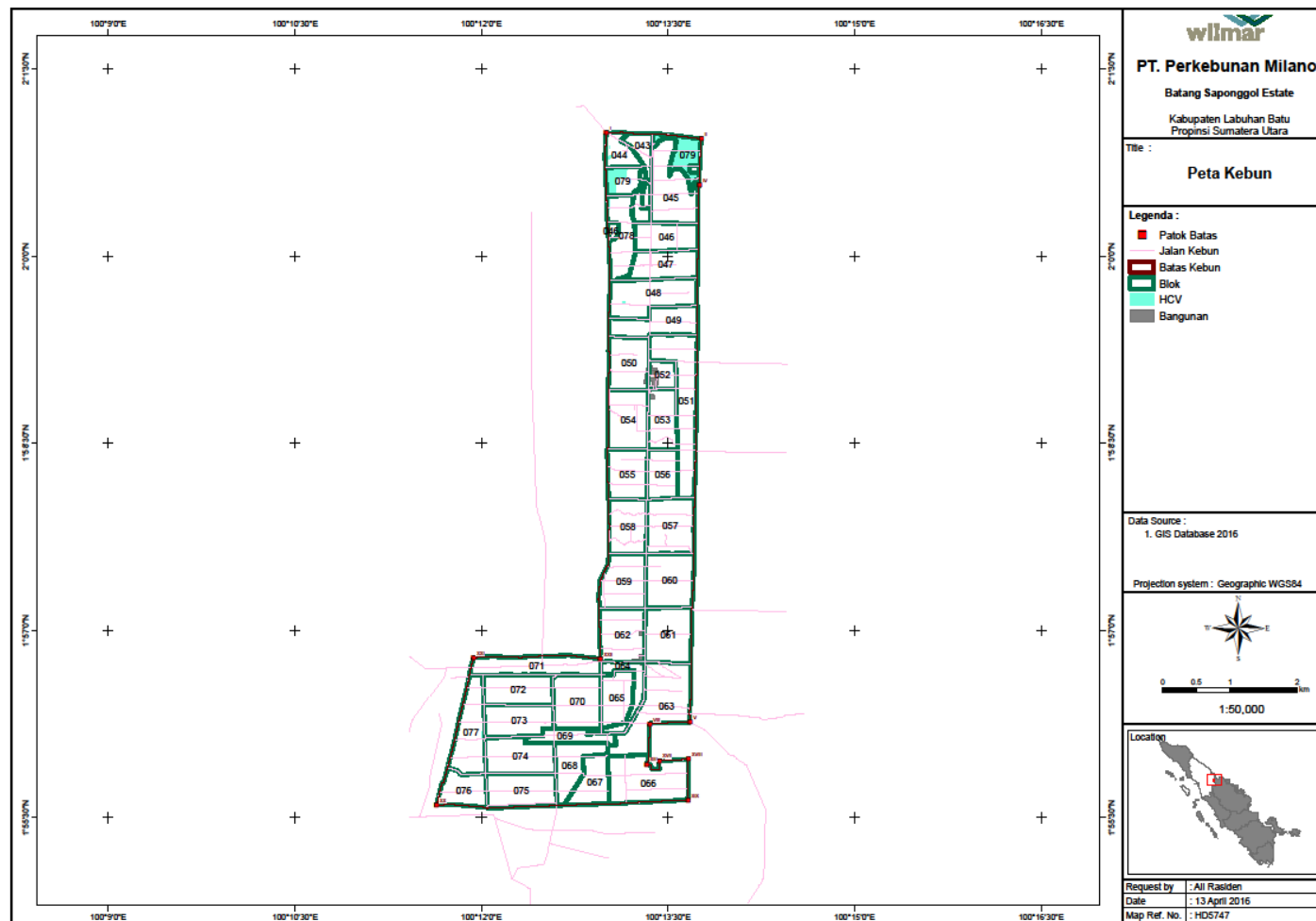


Figure 2.a. : Map of Batang Saponggol Estate

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-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-

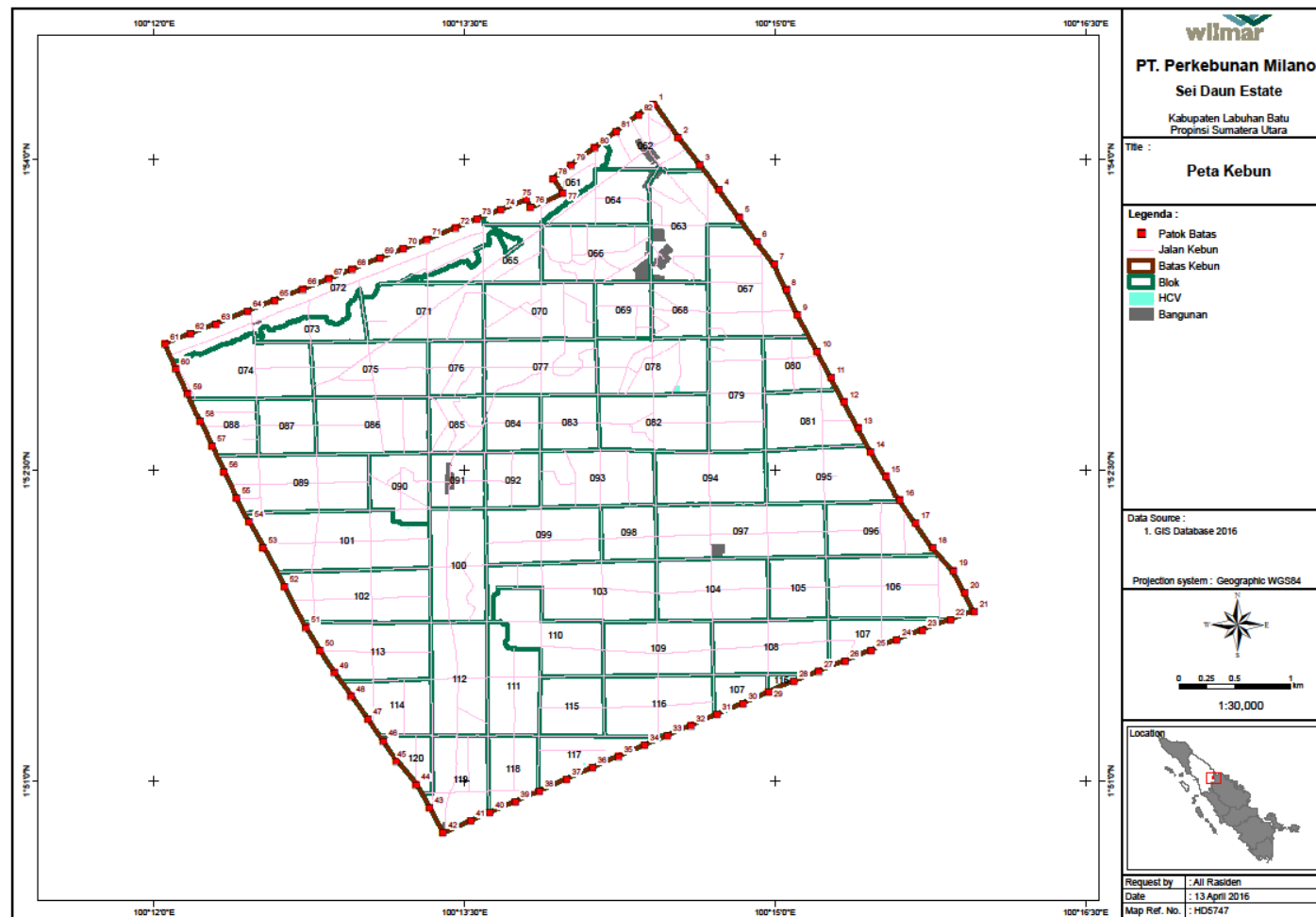


Figure 2.b. : Map of Sei Daun Estate

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-Pinang Awan POM – PT Perkebunan Milano, North Sumatera-



Figure 2.c. : Map of Merbau Estate

2.3. Supply Base Composition

Table 2 : FFB Supply Information for Pinang Awan Palm Oil Mill

FFB Contributors	FFB supplied from January to December 2016 (AG)		FFB supplied from January to April 2017 (AG)	
	Tonnes	%	Tonnes	%
Company owned estates :				
Sei Daun Estate	64,669.47	22.01	17,826.98	22.15
Batang Saponggol Estate	46,191.66	15.72	11,509.78	14.30
Merbau Estate *)	19,217.00	6.54	4,997.00	6.21
Sub Total	130,078.13	44.27	34,333.76	42.66
Independent outgrowers :	163,766.37	55.73	46,136.91	57.34
TOTAL	293,844.50	100.00	80,470.67	100.00

Note:

*) Since year 2015, FFB of merbau estate is not supplied to Pinang Awan Mill but to Daya Labuhan Indah Mill (Wilmar Group), because Daya Labuhan Indah Estates is just replanted. So, FFB of Merbau Estate is to fulfill the capacity process of that mill.

Table 3 : CPO and PK production period 2016 in Pinang Awan POM and projected for year 2017 in PT Perkebunan Milano

FFB supplied in (previous License Year) (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
274,519.50	19.33	53,075.78	5.56	15,271.09
Projection FFB supplied in next 12 months (Tonnes)	OER (%)	CPO (Tonnes)	KER (%)	PK (Tonnes)
297,000.00	19.85	58,954.50	5.50	16,335.00

2.4 Area of Plantation (Total, Planted and Mature)

Table 4 : Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT Perkebunan Milano

Estate Name	Total area (ha)	Oil Palm Planted area* (ha)	Mature (Production) area* (ha)	Immature (Non-production) area* (ha)	FFB Production* (tonnes)	Average yield/ ha
Sei Daun	2,568.37	2,431.74	2,431.74	0.00	64,669.47	26.59
Batang Saponggol	1,749.43	1,646.25	1,646.25	0.00	46,191.66	28.06
Merbau	974.77	920.42	727.87	192.55	19,217.00	26.40
TOTAL	5,292.57	4,998.41	4,805.86	192.55	130,078.13	27.07

Note : * Data for year 2016

2.5 Dates of Plantings and Replanting Cycles

The company follows a replanting cycle of 30 years. Information on the dates of plantings are as per the table below.

Table 5: Age and year of plantings of company estate supplying to Pinang Awan POM*

Age & Year of Plantings	Oil palm planted area at each estate(ha)		
	Sei Daun (Ha)	Batang Saponggol (Ha)	Merbau (Ha)
0 & 2017	0.00	0.00	0.00
1 & 2016	107.93	82.07	85.42
2 & 2015	0.00	0.00	56.41
3 & 2014	0.00	0.00	50.72
9 & 2008	510.46	0.00	0.00
10 & 2007	0.00	51.87	0.00
14 & 2003	72.78	21.08	81.39
16 & 2001	22.51	0.00	111.60
17 & 2000	234.77	732.64	413.20
18 & 1999	30.15	363.67	0.00
19 & 1998	205.18	0.00	51.91
20 & 1997	218.24	0.00	0.00
21 & 1996	134.29	0.00	0.00
22 & 1995	134.82	0.00	0.00
24 & 1993	34.07	0.00	0.00
25 & 1992	45.31	0.00	0.00
26 & 1991	48.69	0.00	0.00
27 & 1990	140.05	160.08	0.00
28 & 1989	0.00	124.89	0.00
29 & 1988	145.45	109.95	0.00
30 & 1987	0.00	0.00	54.62
31 & 1986	345.58	0.00	0.00
32 & 1985	0.00	0.00	15.15
TOTAL	2,430.28	1,646.25	920.42

Note : * Data for year 2017 (per May 2017)

Table 6: Land use data for PT Perkebunan Milano*

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	Other commodities	HCV/ Potential HCV areas** (ha)	Land used for other purposes (ha)			
					Road, Housing & Drainage	Nursery	Cleared Area	Other Land (not plantable)
Sei Daun	2,568.37	2,430.28	0.00	0.00	127.82	9.88	0.00	0.39
Batang Saponggol	1,749.43	1,646.25	0.00	35.68	67.00	0.00	0.00	0.50
Merbau	974.77	920.42	0.00	18.12	54.35	0.00	0.00	0.00
TOTAL	5,292.57	4,996.95	0.00	53.80	249.17	9.88	0.00	0.89

Note :

* Data for year 2017 (per May 2017)

** HCV areas inside of oil palm plantation areas

Table 7 Planned and actual oil palm replanting activities for PT Perkebunan Milano

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)			Actual total area replanted (ha)
		Sei Daun	Batang Saponggol	Merbau	
2016	275.42	107.93	82.07	85.42	275.42
2017*	169.67	99.90	0.00	69.77	0.00
2018	212.24	212.24	0.00	0.00	0.00
2019	151.64	54.80	44.93	51.91	0.00
2020	160.33	50.38	109.95	0.00	0.00
Total	969.30	525.25	236.95	207.10	275.42

Note : * currently in progress of being replanted

2.6 Volume of CPO and PK recommended for Certification

The approximate tonnages certified, based FFB production in year 2017 for company owned estates only (**119,000.00 tonnes**) are as follows :

Crude Palm Oil (CPO) : 23,621.50 tonnes (OER : 19.85%)
Palm Kernel (PK) : 6,545.00 tonnes (KER : 5.50%)

2.7 Organisational Information / Contact Person

Contacts details of the company are as follows:

Company Name:	PT Perkebunan Milano - Pinang Awan POM (Wimar International Group)
RSPO Membership no.	2-0017-05-000-00 on behalf Wilmar International Limited since on August 15, 2005
Address:	Head Office : Multivision Tower Lantai 15, Jl. Kuningan Mulia Blok X-B, Setiabudi - Jakarta Pusat 12960
	Site : Pengarungan village, Torgamba Sub District, Labuhan Batu Selatan District, North Sumatera Province
Contact Person:	Jules Sonny Parapat
Telephone:	0811-5211704
Email:	jules.parapat@id.wilmar-intl.com

3.0 ASSESSMENT PROCESS

3.1 Qualifications of Lead Assessor and Assessment Team

Name	Position	Qualifications / Experience
Hendra Fachrurozy (HF)	Lead Auditor	<p>Education: Bachelors Degree in Forestry - Bogor Agriculture Institute. Indonesia, (1995 to 2000).</p> <p>Trainings attended: ISO 9001 : 2008 lead auditor course - Neville Clark (2011), ISO 14001 : 2004 lead auditor course - TUV Rheinland Indonesia (2011), SMK3 auditor course – Department of manpower and transmigration of the Republic of Indonesia (2009), Sustainable Forest Management (SFM) – Forestry Education and Training Centre (2010), Timber Legality of Verification - Forestry Education and Training Centre (2010), RSPO Lead Auditor Course – Pro Forest & Wild Asia (2011), RSPO SCCS Lead Auditor Course – David Ogg and Partners (2012), ISPO Lead Auditor Course – Indonesian Sustainable Palm Oil Commission (2012), RSPO RED Lead Auditor Course – RSPO & Brinkman Consultant (2013).</p> <p>Working experience: Experienced as Junior Consultant at PT Surveyor Indonesia (2002 s/d 2010), assessor for SFM –mandatory (PHPL & PHTL), assessor for industry performance assessment (IPHHK)-mandatory, auditor for Timber Legality of Verification, auditor for SMK3, auditor for QMS and EMS and auditor for RSPO & ISPO at TUV Rheinland Indonesia.</p>
Wahyu (WHY)	Auditor	<p>Education:</p> <ul style="list-style-type: none"> • Master Degree of Management of Manufacturing Engineering, Faculty of Engineering, University of Pancasila • Degree of Mechanical Engineering, University of Indonesia <p>Training attended: RSPO Lead Auditor Course, Pro-Forest & Daemeter, Calculation of Green House Gas at Palm Oil Plantation, Komisi ISPO, ISPO Lead Auditor Course, Komisi ISPO, Verified Legal Compliance & Reduced Impact Logging Auditor Training, by Tropical Forest Foundation, SVLK Auditor Training, Ministry of Forestry, CoC Auditor – LEI, ISO 9001:2008, IRCA Approved Course, ISO 14001:2004, IRCA Approved Course</p> <p>Working experience : PT Carsurin, as QHSE Coordinator (2006 -2009), PT Mutu Hijau Indonesia, Jakarta as Technical Manager (2010-May 2014) and Auditor PT TUV Rheinland Indonesia (May 2014-present)</p>
Steve Mualim (SM)	Auditor	<p>Education: Master of Science of Environmental and Natural Resources Management (IPB) and Bachelor of Science of Agronomy and Horticulture, Bogor Agriculture University (IPB).</p> <p>Training attended: ISCC Inhouse Training, GHG Calculation, HCV, ISO 9001:2008, ISO 19011, ISPO, RSPO, Forum on Asian Carbon Update, Training Course on Climate Change Mitigation and Adaptation for Agricultural Productivity in Southeast Asia, Environmental Impact Assessment (AMDAL) and Ecological Risk Assessment (ERA).</p> <p>Working experience: Team of Environmental Assessment and Monitoring at PT Alas Consultant, ISPO and RSPO Auditor at PT Mutu Certification International (2013-2015), ISPO and RSPO Auditor at PT TUV Rheinland Indonesia (2016-present).</p>
Doni (DN)	Auditor	<p>Education: Master in Rural Sociology, Graduate School of Bogor Agricultural University completed in 2005.</p> <p>Trainings Attended: GIS Training, Auditor Training of Indonesian Sustainable Palm Oil (ISPO),</p>

Name	Position	Qualifications / Experience
		<p>Training of Participatory Mapping, Training of Document Preparation HCV and SIA, Auditor Training of Sustainable Production Forest Management (SFM), Training and Up-Grading of SFM, Training of Mentoring technique for the Rural Farmers, Conflict Resolution Training and Journalism Training.</p> <p>Work Experience: Frequently conducted certification audits of RSPO and ISPO for Palm plantation, the certification audit of SFM (Sustainable Production Forest Management) for HPH and HTI, worked as a consultant for the National Development Planning Agency, Ministry of Environment and Forestry, Indonesian People Bank (BRI), Ministry of Rural Development (KPDT) and the Ministry of Public Works, Director General of Cipta Karya, JICA and UN-HABITAT and UNDP, HCVF document drafting team for the company of HTI, HPH and constituent team for documents of HCV / SIA for oil palm plantations. Since March 2016 till now, work at PT. TUV Rheinland Indonesia.</p>

3.2. 1st Surveillance Assessment Agenda

Date	Location/ Main sites	Main activities
22 May 2017	-	Travelling from airport to estate
23 May 2017	Head office	<ul style="list-style-type: none"> • Opening meeting • Verification of NCR in previous audit • Verification of partial certification & time bound plan • Verification of document for all requirements
24 May 2017	Sei Daun & Batang Saponggol estate	<ul style="list-style-type: none"> • Verification of document for all requirements • Verification of field or field visit : <ul style="list-style-type: none"> ○ HF : location of all audit objects in Batang Saponggol estate for some activities/objects such as harvesting activity in block 77, spraying activity in block 58, EFB application in block 71, weeding activity in block 88, emplasment of division 2 (pondok sawit), warehouse, workshop, clinic, temporary keep store for hazardous & toxic waste A and road maintenance activity in block 88. ○ DN : location of all audit objects in Sei Daun estate for some activities/objects such as emplasment of division 2 (afdeling 3), landfill for domestic waste, spraying activity in block 089, weeding activity in block 16A, daycare location of division 2 (afdeling 3) and interview with traditional head or head of village in Pangarungan Village. ○ WHY : location of all audit objects in Sei Daun & Batang Saponggol estate for some activities/objects such as HCV areas & boundary pillar ○ SM : location of all audit objects in Sei Daun estate for some activities/objects such as harvesting activity in block 094 (division II), spraying activity in block 089 (division I), circle weeding in block 164/165 (division II), EFB application in block 103 (division II), warehouse of agrochemical or chemical store, fertilizer store, mixing area & washing house for spraying team, temporary keep store for hazardous & toxic waste, immature areas or replanting areas in block 164/165, etc.
25 May 2017	Mess	Public Holiday
26 May	Pinang Awan POM	<ul style="list-style-type: none"> • Verification of document for all requirements (include of RSPO SCCS) • Verification of field or field visit to processing, weighbridge office, effluent pond, land application (block L7 & K7), water treatment plant, temporary keep store for hazardous & toxic waste, emplasment, water treatment plant, waste water treatment plant, etc • Closing meeting

Agenda for Verification of Closure of Major Non-conformities (if necessary)

Date	Location / Main sites	Auditor	Main activities

1st surveillance assessment do not verification of closure of major non-conformities so that agenda/schedule of audit above not available.

3.3 Assessment Methodology

The certification assessment was conducted between 23 to 26 May 2017 as per the assessment program above. The assessment was carried out in accordance with PT TUV Rheinland Indonesia’s RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with common management systems, it was possible to carry out both field and document assessments of all estates and the mill within the time frame without compromising the integrity of the assessment in anyway.

All 3 estates and 1 mill were not visited because we using sampling methodology and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non conformities raised to the certification body no more than 60 days after the closing meeting. Verification of closure of major non-conformances was conducted 2 months after the closing meeting of the main assessment and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The 1st surveillance assessment agenda is as explained above.

4.0 Stakeholder Consultation and Stakeholders Contacted

PT TUV Rheinland Indonesia has carried out interview with stakeholders dated on 24 May 2017 during 1st surveillance audit. The list of stakeholders that attended the stakeholder consultation meeting and stakeholders interviewed during the assessment is included as **Appendix 4**.

5.0 Compliance to Other RSPO Requirement

5.1. Time Bound Plan for Other Management Units

The time frame laid out below is considered to be both challenging and realistic. This time bound plan has been revised by management and the reason for this is legal compliance (legal land) has been processed.

The audit team is satisfied that the company conforms with the RSPO requirements for partial certification as laid out in Clause 4.5 of the RSPO Certification Systems document.

Tabel 8 : Time Bound Plan of Wilmar International Limited

Name of Holding	Location	Time bound plan for certification	Status
Indonesia			
PT Perkebunan Milano (Pinang Awan)	North Sumatra	2009	Certified
PT Mustika Sembuluh I	Central Kalimantan	2009	Certified (include of SH in year 2014)
PT Kencana Sawit Indonesia	West Sumatra.	2010	Certified (include of SH in year 2013)
PT Kerry Sawit Indonesia 1	Central Kalimantan	2010	Certified
PT Tania Selatan	South Sumatra	2010	Certified
PT AMP Plantation	West Sumatra	2011	Certified (include of SH in year 2014)
PT Agro Nusa Investama (Sambas)	West Kalimantan	2012	Certified (their scheme SH has done final audit)
PT Buluh Cawang Plantations 1	South Sumatra	2012	Certified
PT Bumi Sawit Kencana	Central Kalimantan	2012	Certified
PT Gersindo Minang Plantations	West Sumatra	2012	Certified
PT Sarana Titian Permata 1	Central Kalimantan	2012	Certified
PT Daya Labuhan Indah-2	North Sumatra	2013	Certified
PT Mustika Sembuluh 2	Central Kalimantan	2014	Certified
PT Mentaya Sawit Mas	Central Kalimantan	2014	Certified
PT Kerry Sawit Indonesia 2	Central Kalimantan	2014	Certified
PT Agro Palindo Sakti 1	South Sumatra	2014	Certified
PT Musi Banyuasin Indah	South Sumatra	2014	Certified
PT Murini Sam Sam	Riau	2015	Certified
PT Sinarsiak Dianpermai	Riau	2018	Planned
PT Karunia Kencana Permaisejati	Central Kalimantan	2016	Full Assessment on 09/04/2015
PT Rimba Harapan Sakti	Central Kalimantan	2016	Certified
PT. Bumi Pratama Khatulistiwa	West Kalimantan	2016	Full Assessment 26/09/2016
PT Agro Nusa Investama (Landak)	West Kalimantan	2018	Planned
PT Agro Palindo Sakti 2	West Kalimantan	2018	Planned
PT Buluh Cawang Plantation	West Kalimantan	2015	Certified
PT Agrindo Indah Persada 2	Bangko - Jambi	2018	Planned
PT. Putra Indotropical	West Kalimantan	2018	Planned
PT. Pratama Prosentindo	West Kalimantan	2018	Planned
PT. Indoresin Putra Mandiri	West Kalimantan	2018	Planned

Name of Holding	Location	Time bound plan for certification	Status
PT Sarana Titian Permata 2	Central Kalimantan	2018	Planned
PT Asiatic Persada	Jambi	2013	Not classified, company sold
PT Citra Riau Sarana 1	Riau	2014	Not classified, shares are being divested
PT Citra Riau Sarana (ML) 3	Riau	2014	Not classified, shares are being divested
PT Citra Riau Sarana 2	Riau	2014	Not classified, shares are being divested
Malaysia			
Sapi Palm Oil Mill (1 + 2)	Labuk, Sandakan Sabah	2008	Certified
Reka Halus Palm Oil Mill	Labuk, Sandakan Sabah	2008	Certified
Sabahmas Palm Oil Mill	Lahad Datu, Sabah	2008	Certified
Saremas 1 Palm Oil Mill	Miri, Sarawak	2008	Certified
Saremas 2 Palm Oil Mill	Miri, Sarawak	2008	Certified
Kaminsky Palm Oil Mill	Miri, Serawak	2008	Certified
Suai Palm Oil Mill	Miri, Serawak	2008	Certified
Segarmas Palm Oil Mill	Miri, Serawak	2008	Certified
Terusan Palm Oil Mill (1 + 2)	Labuk, Sandakan Sabah	2009	Certified
Kiabau Palm Oil Mill	Sandakan, Sabah	2009	Certified
Ribubonus Palm Oil Mill	Telupid, Sandakan, Sabah	2009	Certified
Hibumas Palm Oil Mill	Sandakan, Sabah	2010	Certified
Sri Kamusan Palm Oil Mill	Sugut, Sandakan Sabah	2010	Certified
Sekar Imej Palm Oil Mill	Sandakan, Sabah	2010	Certified
Aktif Kukuh & Koperasi	Sandakan, Sabah	2010	Certified
Africa			
Benso Oil Palm Plantation (BOPP)	Western Region, Ghana	2014	Certified
Biase Plantation Limited (Calaro estate)	Cross River State, Nigeria	2019	Planned
Biase Plantation Limited (Calaro extension estate & Ibiae estate)	Cross River State, Nigeria	2020	Planned
Eyop Industries	Cross River State, Nigeria	2021	Planned

Note : Detail of information about time bound plan please see **appendix 5**.

5.2. Compliance to Rules for Partial Certification

Compliance of the uncertified management units of **Wilmar International Limited** against the rules for partial certification according to RSPO Certification System clause 4.5 was assessed by desk study as well as web check on relevant complaints; verification to company's parent company, a positive assurance statement based upon company's self assessment completed with sufficient evidence against each requirement; consultation with targeted stakeholders including consultation with the relevant NGO's, and or further stakeholder consultation and

or field inspection considering the risk assessment result of any non compliance with the requirements. A summary of findings is as stated below.

Partial Certification Requirements	Audit Findings
<p>(a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.</p>	<p>PT Perkebunan Milano is subsidiary from Wilmar International Indonesia. Whereas, the parent organization from Wilmar International Indonesia is Wilmar International Limited. Wilmar International Limited is RSPO Member with membership number 2-0017-05-00-00.</p>
<p>(b-d) A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills.</p> <p>Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified</p>	<p>Refer to the time bound plan under Section 5.1 above (Table 8)</p>
<p>(e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure</p>	<p>There are some newly developed plantation areas under Wilmar International such as in Jambi province, West Kalimantan province Indonesia and Nigeria as explained on the table 9 below. Some areas have undergone the New Planting Procedure (NPP) and been approved while some areas are still undergoing the NPP, as shown in Table 9 below.</p>
<p>(f) Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Complaint System or Dispute Settlement Facility, in accordance with RSPO criteria 2.2, 6.4, 7.5 and 7.6.</p>	<p>PT Asiatic Persada, which was previously a subsidiary of Wilmar had a significant land conflict issue but has been sold to other plantation company and is now no longer a subsidiary of Wilmar Plantation.</p> <p>Wilmar International carried out the New Planting Procedure for BIASE Plantation Limited (Ibiae estate) in Nigeria with an announcement made on the RSPO website on 9 November 2012. During this NPP process, a complaint was submitted by the Rainforest Resource & Development Centre (RRDC) on behalf of the Ibiae Land Lord Community. The complaint covered infringements to several aspects of Principle 1 and Principle 2 of the RSPO P&C. The case was taken up and investigated by the RSPO Complaints Panel, with decision made for RSPO to a lawyer well acquainted with Nigerian laws to review and give an authoritative opinion on whether the company had complied with the legal requirements of Nigeria. The legal opinion was received by the RSPO on 27 August 2014, and based on this opinion, the RSPO confirmed that BIASE Plantations was in compliance with legal requirements and closed the case. However, the result was not accepted by RRDC as well as the NGO, Friends of the Earth and the issue remains ongoing with no resolution. As the company has complied with requirements to attempt to resolve the dispute through the RSPO grievance procedure, this is noted by the TUV Rheinland audit team as an observation and progress of the case will be monitored.</p>

Partial Certification Requirements	Audit Findings
	<p>Further details on this case are available here: http://www.rspo.org/members/complaints/status-of-complaints/view/26.</p> <p>There is also on ongoing land dispute at PT Gersindo Minang Plantation (GMP), West Sumatra under Wilmar, which has been ongoing since year 1997 with the village of Jaorang Rantau. This company has been RSPO certified by another certification body who is monitoring the status of the dispute with the RSPO.</p>
(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	A previously ongoing labour conflict in PT Tania Selatan regarding employee bonus has been solved. There are no other identified labour disputes ongoing at other subsidiary companies of Wilmar.
(h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1.	<p>Some of Wilmar's other management units have not complied with certain legal requirements, for example in PT Sarana Titian Permai, PT Kerry Sawit Indonesia, PT Mustika Sembuluh estate under another Wilmar International management unit, there is an issue with the land area stated in the land use right certificate (HGU). However, the company is taking action by inviting the National Land Agency (BPN) to remeasure the land and resolve the issue. The process is still ongoing.</p> <p>At time of this audit, the company was still making efforts to close these legal non-compliances.</p>

5.2. Compliance to other RSPO Procedure

Tabel 9 : New development areas under Wilmar International Limited

Name of Holding	Location	Total area	NPP Status according to RSPO NPP procedure
PT Agro Indah Persada	Merangin. Jambi	1,200 ha	Approved
PT Agro Nusa Investama Sambas	Sambas, West Kalimantan	1,024 ha	Approved
Biase Plantations (Ibiae Estate)	Calabar, Nigeria	5,594 ha	Approved
Biase Plantations (Calaro Extension)	Calabar, Nigeria	3,066 ha	NPP completed. Mill construction yet to start
Eiyup Industry (Oban Estate)	Calabar, Nigeria	2,986 ha	NPP not started yet.
Biase Plantations (Biase estate)	Calabar, Nigeria	8,029 ha	Overlapping boundaries

5.3. Compliance to RSPO Guidance on GHG calculation

During the audit, the audit team verify and confirm that :

The RSPO PalmGHG Calculator used	Version 3.01
Accurate data has been put into the RSPO PalmGHG Calculator	Scope of PalmGHG calculation i.e.: Pinang Awan Palm Oil Mill, Sei Daun Estate, Batang Saponggol Estate and 3 rd party suppliers for pe-

	<p>riods January to December 2016. All datas has accurated accordance real condition.</p> <p>All of GHG emission sources was identified and put into RSPO PalmGHG Calculator version 3.01.</p>
<p>Net GHG Emission Figure (tCO₂e/tCPO)</p>	<p>0.6 tCO₂e/tCPO</p>

5.4 Plan for certification of associated smallholders

As seen from data in **Table 2**, the mill receives 0% supply of FFB from smallholders, of which 0 of these are smallholders associated with the mill.

The mill has not developed a plan for certification of associated smallholders.

6.0 ASSESSMENT FINDINGS

6.1 Summary of Findings

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria INA-NI year 2016 and RSPO SCCS 2014 for detail information about company's compliances to RSPO P & C indicators has been explained on the checklist as stated on **Appendix 6**.

1. RSPO P & C

Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

Findings:

The company has updated list of stakeholders for both estates and mill. The lists are updated periodically and are available at each estate and mill. The list will be updated at least once a year. There is evidence that the list of stakeholder was updated on January 2017.

The company has 2 (two) lists of stakeholders due to the company located at 2 (two) districts, i.e. : Labuhan Batu Selatan and Labuhan Batu Utara districts. The first list was cover Sei Daun Estate, Batang Sepongol Estate, and Pinang Awan Mill, since the estates and mill located at Labuhan Batu Selatan District, Sumatera Utara Province, and the second list was cover Merbau Estate, since the estate located at Labuhan Batu Utara District, Sumatera Utara Province.

The company has some policy and procedures regarding to communication and information, such as :

- Policy of Communication was signed by Group Plantation Head, Group CSR Head and Representatives of Worker (Head of Worker Union/SPSI Sei Daun Estate). The policy was updated on September 2010.
- Procedure No. PRO-BM.GEN-001, Rev.02, Dated November 20, 2009, Namely Procedure of Communication, Consultation, and Coordination to External
- Procedure No. PRO-GEN-011, Rev. 02, dated September 23, 2013, namely Procedure of Internal Communication and Consultation
- Procedure No. PRO-BM.GEN-002, Rev. 03, dated March 01, 2012, namely "Penanganan Hubungan dan Upaya Pemberdayaan Masyarakat". As mentioned in the procedure, number 7.6, stated: "all processes input handling shall be 1 (one) month at maximum time".

The SOP was cover the elements as follow: the frequency of updating the stakeholder list, evidence of stakeholder verification, type of provided information (E.g. Environmental, social and legal), the frequency and level of access to this information,, how and where is the information disseminated, the responsible person for providing & updating information, describing the process (of information sharing/dissemination) and how stakeholders aware of the type of information available and the procedures for accessing the information.

There is evidence that company provide and share adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. As seen on plantation report to Labuhanbatu selatan district for period of July to December 2017 dated on February 15, 2017, report of manpower within company has been reported to head of social and manpower agency of Labuhanbatu selatan district dated on February 15, 2017 and public notice of management decree letter no. 001/MLN-EXT/VI/2015 dated in June 08, 2015 to some villages on surrond of estate & mill.

Records of requests for information and responses have been keep maintain. As seen on log book (handwritten) own Sei Daun estate and Pinang Awan Mill. The information of log book including information on the date when request was received, party making the request, details of request, letter number, the responsible person, response from the mill and date of completion.

There is evidence that response to requests for information Sei Daun Estate and Pinang Awan POM timely and appropriate. However, not all of the response to incoming letter ac-

Compliance status :
 Yes
 No

NCR No :
-

companied by the date of the response.

The PIC was assigned for response to stakeholder and their responsible are :

1. Personnel and General Affair
 - Responsible to register input/output: information request, grievance, and proposal for community development
 - Extend the information/grievance/proposal for community development to Estate and Mill Manager.
2. Estate Manager and Mill Manager
 - Extend the information/grievance/proposal for community development to relevant functions
 - Making decision as their authority as appropriate.
3. Bina Mitra/Head of Functions
 - Conducted field analysis/input classification
 - Input response regarding to priority scale
 - Publicity result of analysis or response results
 - Maintained related records
4. Public Speaker
 - Get analysis response, formulize input handling, socialization of handling input, conducting monitoring/evaluation effectiveness of input handling.
 - Reporting for company's interest and other parties
 - Maintained relevant document/records.

Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

Findings:

The company has the list of documents which is publicly available as stated on management decree letter no. 001/MLN-EXT/VI/2015 dated in June 08, 2015 which was signed by Group Estate Manager i.e. :

- Land titles/user rights
- Occupational health and safety plans (as stated on OHS management system)
- Plans and impact assessments relating to environmental and social impacts (management and monitoring environmental effort (UKL & UPL), identification of environmental aspect and evaluation of environmental impact and identification and social impact handling plan)
- HCV documentation
- Pollution prevention and reduction plans
- Details of complaints and grievances and its handling
- Negotiation procedures
- Continual improvement plans
- Public summary of certification assessment report
- Human Rights Policy
- Company profile
- Company policy
- Area statement and mill production capacity including maps
- Maps of river within company areas
- Procedure of estate & mill operations
- Organizational structure
- CSR & CDP documents

Compliance status :

- Yes
 No

NCR No :
-

Criterion 1.3. Grower and millers commit to ethical conduct in all business operations transactions

Findings:

The company has a written policy committing to a code of ethical conduct and integrity in all operations and transactions, as stated on document no.044/DIR-KP/XII/2015 dated on December 15, 2015 and the policy has communicated and distributed to all levels of the workforce and operations (including contracted third parties. As evidence observed e.g :

- Minute of Socialization of Company Code of ethics and Integrity, held on Apel Pagi

Compliance status :

- Yes
 No

<p>Perawatan Divisi I, II and III dated December 7, 2016. The socialization was attended by 95 persons.</p> <ul style="list-style-type: none"> Minute of Socialization of Company Code of ethics and Integrity, held on Apel Pagi Perawatan Divisi II (Afdeling III), and dated May 19, 2016. Socialization has conducted by J. Lumbanturuan (Bina Mitra SDE). The socialization was attended by 66 persons. <p>Based on interview/discussion with some worker at Merbau Estate and Pinang Awan Mill, was found that the policies has been known and understood by filed operators. e.g.: based on interview results, the gender policy and OHS policy has been known by spraying worker, harvester and one of worker at emplasment 2 in Merbau Estate.</p>	<p>NCR No : -</p>
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Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.

<p>Findings: The company has demonstrated its compliances to legal requirements as evidences observed such as toxic & hazardous waste storage permit, land application permit, surface water utilization permit (Pinang Awan Mill) and recommendation for agrochemical usage for Sei Daun estate and Batang Saponggol estate,etc.</p> <p>The company has a documented system, which includes written information on legal requirements, the system has maintained as example is Ministry of Agriculture regulation no. 11 year 2015, Law no.39 year 2014, Law no. 18 year 2013, Ministry of Forestry decree no.579 year 2014, Governmenr regulation no.71 year 2014, President Regulation no.109 year 2013, Ministry of Man Power Regulation no.26 year 2014, Government regulation no.101 year 2014, etc. Method to maintain with browsing on website, giving information from legal department or local government, etc.</p> <p>There is mechanism for ensuring compliance i.e procedure no.PRO-GEN-031 by EHS officer, the mechanism have been implemented, as observed is toxic & hazardous waste storage permit, land application permit, surface water utilization permit and recommendation for agrochemical usage, etc. Estates and mill done periodically monitoring to ensure accuracy of updated laws at least once a year, while an evaluation on compliance to legal and other requirements shall be carried out at least twice a year</p> <p>The company established a system for tracking any changes in the law. It was observed during the audit that the company has implemented the system consistently.</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No : -</p>
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Criterion 2.2: The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.

<p>Findings: The company demonstrate its legal ownership or lease, history of land tenure and the actual legal use of the land is available. Some legal land rights on behalf PT Perkebunan Milano is 1). Batang Saponggol estate : Head of National Land Agency decree no. 83/HGU/BPN/95 with total of areas is 1,749.43 ha and valid until December 13, 2020; 2).Sei Daun estate : Head of National Land Agency decree no. 15/HGU/BPN RI/2013 with total of areas is 2,568.37 ha and valid until December 31, 2038; 3). Merbau estate : Head of National Land Agency decree no. 20/HGU/BPN/96 with total of areas is 974.77 ha and valid until August, 2021.</p> <p>All legal boundaries are clearly demarcated and visibly maintained. The company has program to maintain legal boundaries as observed on document of the minute of declaration about maintenance of boundary stone. The last monitoring of legal boundaries were conducted on as seen on the minute of declaration about maintenance of boundary stone at Sei Daun estate which has conducted dated on February 27-28, 2017.</p> <p>As observed during the audit, there are not or have not been disputes and there are not significant land conflict so that map of conflict areas, resolution of conflict, evidence of instigated violence in maintaining peace, etc not available.</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No : -</p>
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Criterion 2.3: Use of land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

Findings:

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.

The company has maps of an appropriate scale showing the extent of recognised legal, customary or user rights and has not developed through participatory mapping involving affected because acquisition process has carried out long time ago. The company has documented meeting minutes of an event conducted by the company on since year 2009 at Merbau Estate in order to socialize the results of the company's social impacts assessment as well as discuss the traditional rights of the land users. During this meeting, maps of appropriate scale showing the traditional rights of the land users were developed with the participation of the invited local communities. Socialization regarding the company's recognition of existing traditional and or customary rights was also performed at Sei Daun estate and at Batang Saponggol Estate. The company has conducted an assessment together with a social consulting company to identify all existing traditional and or customary rights of other users within all the company's area, and some existing traditional rights of local communities were identified at Merbau Estate, Batang Saponggol Estate and Sei Daun Estate, such as grazing, fishing, gathering and sale of mushrooms and vegetables, access to roads, and maintainance of graveyards.

All these are activities allowed under agreed conditions between the company and the local communities. There is no specific FPIC procedure,

Compliance status :

Yes
 No

NCR No :

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Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

Findings:

The company both mill and estates has business or management plan (minimum three years) i.e. projection periods management plan but it is not up-date (year 2017-2022). It was raised as nonc-onformity (**NCR No.RSPO01099**). the document has includes information on budget for all area stated considering planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves. Crop projection = Fresh Fruit Bunches (FFB) yield trends , Mill extraction rates = Oil Extraction Rate (OER) trends for year 2015 to 2020 , Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends; Forecast prices for next 5 years considering trend of FFB and Oil price within last 5 years.

The estates has 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, as determined on replanting programme.

Compliance status :

Yes
 No

NCR No :

RSPO01099

Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.

Findings:

The mill and estate has Standard Operating Procedures (SOPs) that covers all aspects of oil palm planting and management as documented on FRM-GEN-019 contains the following SOPs that cover all estate operations such as Nursery Practice, Land Clearing, Preparation and Planting, Soil Conservation and Terracing, Road Construction and Maintenance, Establishment and Maintenance of Legume Covers, Planting Density and Planting Technique, Palm Replacement During Immaturity and Supplying, Upkeep of Immature Oil Palms, Upkeep of Mature Oil Palms, Pests & Diseases, Manuring, EFB Application, Harvesting, Bunch Census and Palm Thinning, transportation manuring, and other supporting SOP's.

The Oil Mill has SOPs covering all mill operations such as FFB Grading, Sterilization Station, Press Station, Threshing Station, Oil Room, Kernel Plant, Laboratory, CPO & PK Despatch, Engine Room, Boiler Room, Electrical, Workshop as well as Raw and Boiler Water Treatment Plant, supply chain requirement for the mill and other supporting SOP's.e.g. document no. FRM-GEN-019.

In order to ensure consistent implementation of the SOPs among all levels of the workforce in the field, the following mechanisms are utilized i.e internal audit. The company have evalua-

Compliance status :

Yes
 No

NCR No :

RSPO01100 & RSPO01101

tion of sub-contractor procedure and the company has conducted monitoring for working/performance output from sub-contractor but the result of assessment are inadequate for describing contractors compliance relate of labour & health care and mechanism for following up those assessment result still not available. It was raised non-conformity (**NCR no. RSPO01100**).

Records of monitoring and any actions taken has maintained and available, as appropriate is the last RSPO P&C internal audit has conducted in April 10th to 12th, 2017. Refer to issue above that working/performance assessment for sub-contractor still general therefore specific labor & health care terms are not verified yet in accordance with employment agreement (Surat Perjanjian Kerja). It was raised as non-conformity (**NCR No. RSPO01101**).

It has been verified that there are 3rd party FFB received by the Mill. The mill has record the origins of all third-party sourced Fresh Fruit Bunches (FFB) as example is daily and summary records of volume and origins of third party FFB received, FFB delivery note (FRM-EST-010), weighbridge slip (FRM-MILL-004), grading note (FRM-MILL-003) and FBB sell-buy agreement from each suppliers (during audit that total of supplier is 45 suppliers) and its origin because the company has verified all suppliers in first time as PT Perkebunan Milano's supplier and updating or re-evaluating each renewal agreement.

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

Findings:

Practices that maintain or enhance soil fertility to ensure sustained yield are contained in manual fertilizer application for oil palm (SOP-EST-004), EFB applications (SOP-EST-009), land applications (SOP-GEN-007), LCC planting (SOP-EST-002).

Actual fertilizer applications are recorded monthly and compared against fertilizer recommendations in the monthly estate manager's report with summary of reconciliation of fertilizer application schedule in the fertilization programme and realization report year 2016 & 2017. Fertilizer application schedule and records for each field is available and maintained at the respective estate offices. Sampled records for year 2017 in Sei Daun estate is NPK (12-12-1) usage are 1 kg/tonne FFB, kieserite usage are 1.34 kg/tonne FFB, dolomite usage are 5.74 kg/tonne FFB and for batang spongol estates RP usage are 1.95 kg/tonne FFB, kieserite 3.74 kg/tonne FFB, and dolomite 3.56 kg/tonne FFB where it has showed that fertilizer application is done according to the expert recommendation.

Foliar sampling is conducted on an annual basis and its results and corresponding fertilizer recommendations are contained in the leaf sampling unit and soil analysis by environmental management unit laboratory. The leaf nutrient assessment to determine the levels of nitrogen, phosphorus, potassium, calcium, magnesium and boron in the palms was conducted. The results of this assessment provided the input for fertilizer recommendations for year 2017 which is now being followed by the estates. Soil analysis is also conducted on an annual basis by an external lab with soil samples taken from each estate field.

As part of the nutrient recycling strategy the company implement of stacking application. and include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. POME application at Sei daun estates on April 2017 are 15,580 m3, EFB applications for March 2017 periods at Batang sepongol estates are 6,042 tonne for 151.06 ha areas, and at Sei Daun estate are 2,669 tonne for 66.73 ha areas.

Compliance status :
 Yes
 No

NCR No :
-

Criterion 4.3: Practices minimise and control erosion and degradation of soils.

Findings:

The company has no maps of any fragile soils detailing their soil profile and slope of lower than 6°. As seen on the soil map of Batang spongol estate and Sei daun estate. So that the company has no strategy to manage and control the operation at fragile soil. The company has no mechanism in place for plantings on slopes above a certain limit.

There is a road maintenance programme that is rigorously adhered to. The road maintenance programme covers the distribution of gravel stones, grading and compacting and levelling of estate roads, construction and maintenance of bridges as well as construction of silt pits es-

Compliance status :
 Yes
 No

NCR No :
-

pecially near slopes to allow for water run-off into the pits and prevent ero-sion of access roads.
There is no peat soil presence within the organization area both of on Sei Daun and Batang Saponggol Estates and also there is no other problem soils (e.g. sandy, low organic, acid sulphate) presence within the organization. Based on information it, drainability assessment and management strategy not available.

Criterion 4.4: Practices maintain the quality and availability of surface and ground water.

Findings:

The company has water management plan as seen on water management document year 2017. The management plan has implemented consistently as seen on report of water management.

Program to protect water courses and wetlands can be seen on water management document year 2017 including maintaining and restoring appropriate riparian and other buffer zones according to national best practice and national guideline ben documented.

Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality , especially Biochemical Oxygen Demand (BOD), has compliance with national regulations (Criteria 2.1 and 5.6), as observed on waste water quality testing document for April 2017.

Mill water use per tonne of Fresh Fruit Bunches (FFB) has been monitored as seen on mill monthly report period of April 2017 and consumption of water record.

Compliance status :

Yes
 No

NCR No :
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Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

Findings:

The company has program of Integrated Pest Management (IPM) plans as documented on Division Work Programme and budget year 2017. The implementation of IPM has monitored as seen on records of census of rats (first rotation) and census of orytes/apogonia.

Training of those involved in IPM implementation has been demonstrated as stated on training of IPM dated on March 13, 2017 (Sei Daun estate) and March 16, 2017 (Batang Saponggol estate) and socialization of material and safety datasheet date on October 25, 2016.

Compliance status :

Yes
 No

NCR No :
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Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

Findings:

Considering the nature of company's condition and target pest, weed or disease, and following recommendation from EMU so that the company use some listed pesticide as determine on list of pesticide used year 2017. All pesticides used shall be demonstrated. The list of pesticide has approved by local government as seen on letter no.560/564/DSTK/2016 dated on 8 September 2016 and letter no.560/083/Naker/III/2017 dated on 6 March 2017 from Social, Man Power and Transmigration Agency in Labuhan Batu Selatan District. The use of selective products that can prove have minimal effect on non-target species shall be used where available.

Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) is provided i.e. in Sei daun estates, active ingredients (A.I) used for Glisat 480SL are 480gr/l, LD50 are 4230 mg/kg, pesticides usages are 1550 litre, are treated are 6012.23 ha, and A.I/ha are 123.75 gr/ha. For batang seponggol estates for examples, active active ingredients used for tiara are 20%, LD50 are 5 g/kg, pesticides usages are 23.29 kg, are treated are 675.41 ha, and A.I/ha are 0.0069 kg/ha

Compliance status :

Yes
 No

NCR No :
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Any use of pesticides has minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There have no prophylactic use of pesticides. Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used. The use of such pesticides have be minimised and eliminated as part of a plan as example is on Batang seponggol estates, cypermetherine usages during 2014-2016 respectively are 75 litre, 19 litre, and 15 litre.

Pesticides has been handled, used or applied by persons who have completed the necessary training and always be applied in accordance with the product label. To maintain pesticides applicators knowledge on pesticides handlings and applications, several training had been conducted for example is Pesticides application techniques for SDE and BSE workers, conducted on Decembember 2016 and training OHS and environmental management (subjects including pesticides application techniques, PPE, circle and path spraying, signboard re-entry point, rinse house, spraying hazard), conducted on April 2017 for 54 sprayer team. The product label as sample is glisat and tiara.

Appropriate safety and application equipment has been provided and used. All precautions attached to the products were properly observed, applied, and understood by workers as observed during field audit on Sei Daun estate and Batang Saponggol estate.

Storage of all pesticides were according to recognised best practices. All pesticide containers has properly disposed of and not used for other purposes as the result of field visit to temporary hazardous and toxic waste storage on Sei Daun estates and central agrochemicals storage – PT Perkebunan Milano that Ex-pesticide containers are allowed to be used for the same purposes, emplasment of employee in Sei Daun estate and Batang Saponggol estate.

Application of pesticides has proven methods that minimise risk and impacts. As seen on risk assessment impact and evidence of training for risk and impacts of pesticides application, for examples : training OHS and environmental management (subjects including pesticides application techniques, PPE, circle and path spraying, signboard re-entry point, rinse house, spraying hazard) , conducted on April 2017 for 54 sprayer team.

Pesticides is not applied aerielly only where there is documented justification. Communities has not informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application because the company not carry out aerial spraying.

Maintenance of employee knowledge and skills on pesticide handling has demonstrated, including provision of appropriate information materials. Proper disposal of waste material, according to procedures that are fully understood by workers and managers has demonstrated. Based on interview with sprayer team found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. All of ex pesticides waste disposal evidence (logbook & manifest) are available and checked by auditor team. For examples, last submission to collector PT Shali Riau lestari on 23rd January 2017, manifest AAO008535, carrier vehicles BM8431JU, for 379 kg ex agrochemicals containers.

Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, has be demonstrated, as seen on records of spesific medical examinations (cholinesterase) year 2017 (it has conducted on April 2017 for 44 applicators from Sei Daun estate and Batang Saponggol estate). The result of the test shown normal cholinestrace level for all workers. Whereas, the result of medical record period of year 2016-2017 shown there are applicators have cholinestrace concentration above normal content where they has rotated to the another working activities such as manual weeding, gardening and workshop as seen on rotation decree letter no. 020/MLN-SDE/INT/XII/2016 dated December 30, 2016, "Temporary Rotation Decree Letter" No. 001/MLN-SDE/INT/I/2017 dated January 19, 2017 and rotation decree letter no. 087/MLN-BSE/SPB/XII/2016.

There is not evidence that work with pesticides were undertaken by pregnant or breast-feeding women, as seen on document on identified and list for all female workers and the result of medical examination (per 3 months). Whereas, based on Interview with spraying workers on SDE and BSE during audit found that they are aware that pregnant/lactating women are not allowed to handle pesticides in any circumstances, and they are not in pregnant/lactating conditions. The last examination to identify conducted on Mei 2017 for Batang

Saponggol Estate and March 2017 for Sei Daun Estate, shown all workers are not indicates pregnant /breast feeding.

Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.

Findings:

The company has health and safety policy as documented on Wilmar’s health and safety policy. A health and safety plan covering all activities that has been documented on OSH programme and implemented, and its effectiveness monitored.

PT Perkebunan Milano (Pinang Awan Mill, Sei Daun estate, Batang Saponggol estate) has revision of identified and documented Occupational Health and Safety (OHS) risks (Hazard Identification, Risk Assessment and Risk Control) for all Mill & estate activities dated on 02 January 2017 as recorded on document of FRM-GEN-016. the risk identification have been accommodate and considered number of repeated incidents and accidents reported while wearing safety shoes (rubber boots) for the harvesting, pruning, loose fruit collectors as well as Feet/leg injuries caused by working tools and fronds have been reported.

OSH committee PT Perkebunan Milano has approved from local government (head of social, man power and transmigration agency decree no. KEP.05/P2K3/Naker/I/2017 dated on January 2017). Person of OSH committee such as harvesting employee, casual/daily worker, EHS officer, etc. The OSH committee meeting regularly each month as example such as it was conducted on 24 February 2017 in Sei Daun estate meeting room with topic such as review of previous meeting result, performance of OSH in January – February 2017, PPE assessment and emplasment of G10-Pondok Bawah in Divisi 1; it has conducted on 20 January 2017 in Sei Daun estate meeting room with topic such as review of previous meeting result, review of OSH performance year 2016, annual surveillance medical check-up year 2016 and emplasment of G10-Pondok Bawah in Divisi 1; OSH meeting has carried out dated on 31 January 2017 in mill meeting room with topic such as finishing from correction recommendation month of December 2016, the result of inspection month of January 2017 and discussion about correction action refer to inspection result.

The company have emergency and work accident procedure in Indonesia language. TRID auditor found First Aid Kit in some workplace e.g. estate office, chemical warehouse and workshop in Sei Daun estate has been fulfill requirement about minimum FAK content is defined by Indonesia regulation (PER.15/MEN/VIII/2008) and it requires 21 different kind of item. It was also found in the Merbau estate such as at chemical store and workshop. All supervisor has attended first aid training (dissemination and or license training) so that they are available in the working areas as sample is surpervisor of harvester and maintenance in Sei Daun estate. Moreover, they has brought first aid bag in harvesting & maintenance activities.

Permanent employee in PT Perkebunan Milano has provided medical care in form of clinic and health insurance. Whereas, casual/daily worker in PT Perkebunan Milano has provided medical care in form of clinic during work time or out work time and it is free of charge. The company has issued and distributed circular letter no.001/MLN-GM/Int/V/2017 dated on 1 May 2017 regarding casual/daily worker has covered accident insurance and health care. Sub-contractor employee has covered accident insurance and health care too as sample is employee from CV Agung (exclude of 7th employees (Mrs Ema Cahyani, Mr Sukamto, Mr Suyono, mr Sukiran, Mr Bonarudin Siregar, Mr Syarial & Mr Rendianto) because they have administration problem i.e e-ID card but if any accident or sick that owner will handling it).

The company have accident recapitulation report by monthly include of loss time accident (LTA) metrics as sample is report of March 2017. Accident report has kept and periodically reviewed by OSH committee.

Compliance status :
 Yes
 No

NCR No :
-

Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

Findings:

The company has formal training programme for all staff/worker including contrator workers, that covers all aspects of the RSPO Principles and Criteria, as seen on Document of Training Need Identification of 2017 (FRM-HRD-045). Whereas, The training and development program on BSE and SDE for human resources 2017 documented in form no. FRM-HRD-019. Sample training program year 2017 is incident investigation training for estates, pest and dis-

Compliance status :
 Yes
 No

eases census RSPO/ISPO/ISCC training, soil and leaf sampling and analysis, emergency response, Material safety data sheet, and social impact management, harvesting, toxic and hazardous waste (including ex agrochemicals) management. For Pinang Awan Mill the training programme consist of such as : incident investigation training, RSPO/ISCC, standard harvest, generator and turbine for operator.
Training records for each employee has be maintained such as training meeting minute, attendance list, evaluation and personal map/database training, for examples :

Batang Seponggol (BSE)

- OHS and environmental management on spraying, conducted on May 2017
- Agrochemicals, toxic and hazardous waste management, conducted on may 2017
- Soil and leaf sampling, conducted on March 2017

Sei Daun (SDE)

- Integrated pest management, conducted on March 2017
- Material safety data sheet training, conducted on April 2016
- First aid training, conducted on March 2017

Pinang Awan Mill

- FFB criteria and FFB purchasing requirements, conducted on April 2017
- Incident investigation training, conducted on April 2017
- High risk work, conducted on April 2017
- Generator and turbine operator training, conducted on March 2017

Contractors

- Basic OHS, Wilmar environmental policy, Wilmar workforce policy conducted on January 2017 for workers from CV Mitra abadi and CV agung (EFB application contractors)

NCR No :
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Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

Findings:

The company has an environmental impact assessment (EIA) documented. The environmental document name on behalf Pinang Awan POM, Sei Daun Estate, Merbau Estate & Batang saponggol is environmental management & monitoring effort (UKL-UPL) issued on September 12, 2011, February 6, 2012, January 25, 2012 & February 8, 2012 apporved by environmental agency in Labuhanbatu Selatan District & Labuhanbatu Utara (letter no.660/435.a/BLH/2/2011, 660/53/BLH/2012, 660/028/BLH-3/2012 & 660/56.a/BLH/2/2012). Information about identified environmental impact as listed on document, in order to mitigate negative effects, the company establish environmental impact management and monitoring plan. There is not a timetable for change has been developed and implemented within acomprehensive management plan. The management plan has identify the responsible person/persons, The environment management and monitoring plan is adaptive to operational changes, and can prove the effectiveness of the mitigation measures. The plan has reviewed as 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.

Compliance status :
 Yes
 No

NCR No :
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Criterion 5.2: The status of rare, threatened or endangered species (ERTs) and 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 their conservation taken into account in management plans and operations.

Findings:

The company has conducted High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This was done by Aksenta on December 2009 as documented on HCV assessment PT Perkebunan Milano. Based on the report, identified HCV within the organization area as below :

1. Sei Daun Estate, HCV area totally 0,665 ha (0,027 % of total area)

Compliance status :
 Yes
 No

NCR No :

<ul style="list-style-type: none"> - HCV 6: Grave at Blok F-10: 0.490 ha;grave of employee; status still active - HCV 6: Grave of Reform 1: 0.015 ha; grave of community; status pasive - HCV 6: Grave of Reform 1: 0.160 ha; grave of community; status pasive <p>2. Batang Saponggol Estate, HCV area totally 36.845 ha (2.111 % of total area)</p> <ul style="list-style-type: none"> - HCV 1.4; at Blok D-11 to D-14 and HCV 4.1; at Block E-14 to E-15: 35.670 ha; water pocket, flood control and as temporer key habitat of Egrets. - HCV 6: at Block D-15: 0.160 ha; Grave of Lubuk Blantik - HCV 6: at Block Sengkuru: 0.500 ha; Grave area using by communities around the estate and employee - HCV 6: at Block A-2: 0.500 ha; Grave of Bandar Palas using by employee and communities around the estate. - HCV 6: at Block D-8: 0.015 ha; Javanese and Chinese Grave, considered as historical site. The grave has no use anymore. <p>3. Merbau Estate; HCV area totally 18.1306 ha (1.860 % of total area)</p> <ul style="list-style-type: none"> - HCV 4.2: 18.122 ha; flow of small rivers - HCV 6: at: 0.008 ha; Christian Grave 1952 <p>Results of re-measurement of HCV areal: total area of HCV was 59.41 ha, with detail as below :</p> <ul style="list-style-type: none"> a. HCV 1.4: 35.67 ha; Batang Saponggol Estate; located at Block D11 to D14 and E14 to D15; This is location for transit (temporer habitat) of protected species and area of refugum for rest biodiversity at plantation environmental. b. HCV 4.1: 35.67; Batang Saponggol Estate, located at Block D11 to D14 and E14 to D15; This area functioned as water pack and flood control. The area is same area with point a. c. HCV 4.2: 18.12 ha; Merbau Estate; This area are small rivers with hydrology functions. d. HCV 4.3: 4.70 ha; Cabang Dua Estate (not include audit scope); 4.70 ha; HGU Trench; Functioned as fire block. e. HCV 6, consist of: <ul style="list-style-type: none"> - Sei Daun Estate: 3 locations, total area: 0,40 ha; Grave with functions as spiritual/religy; - Batang Saponggol Estate; 4 locations; total 0,49 ha; Grave - Cabang Dua Estate (not include audit scope); 1 location; area: 0,01 ha: Grave - Merbau Estate: 2 locations; area: 0,02 ha; Grave <p>The company has management plan to measures and maintain as well as enhance all indentified HCV area as well as identified rare, threatened or endangered (RTE) species, or that present or are affected by plantation or mill operations, as seen on HCV management plan & monitoring plan year 2016-2018. The monitoring of implementation HCV management plan has been documented on document report of monitoring conservation areas, report of management conservation areas, report of HCV patrol and to known the status of HCV and RTE species that are affected by plantation or mill operations. The outcomes of monitoring has be feed back into the management plan.</p> <p>The company has a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures has instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>There is not identified HCV area where set-asides with existing rights of local communities the evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights has been maintained as seen onrecords of negotiation process and agreement between company.</p>	<p>-</p>
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Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner

Findings:

All waste products and sources of pollution have been identified and documented in Environmental and Safety Aspects and Impacts Identification document, was issued on year 2017. Type of waste been identified are domestic waste, plastic, ex-agrochemical container, fiber, shell, effluent, used oil, battery casing, lamp, medical waste, used filter, contaminated hand-gloves, etc.

Compliance status :
 Yes
 No

All chemicals and their containers have been disposed of responsibly, such as hazardous waste from agrochemical container. The company disposed all hazardous waste to approved vendor, i.e. PT Shali Riau Lestar as sample disposed hazardous waste on Sei daun estate dated 23 January 2017 with type of waste is used filter : 196 pcs, used fuel (solar) : 1 drum, used oil : 12 drum, used battery : 7 pcs, contaminated of majun : 23 pcs and clinic/medis waste : 2 packet.

A waste management plan been sighted at PT Perkebunan Milano – Pinang Awan Palm Oil Mill and Sei Daun Estate, Batang Saponggol Estate and Merbau Estate which includes hazardous waste management, solid waste management and sewage management. The mitigation measures identified as recycle of waste, no open burning, disposal of domestic waste and providing enough bins at workers houses.

Sewage management is not directly discharge to waterway, septic tanks at each house and replace them with new units. This will be monitored by periodic visit at housing area.

NCR No :
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Criterion 5.4: Efficiency of energy use and use of renewable energy is maximized.

Findings:

A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy have/have not been in place and monitored.

From the record sight renewable energy utilization has monitored on monthly basis in year 2016-2017. From the records sighted from "Renewable Energy Utilization for Financial Year 2017, based on the FFB processed 75,401 mt with 14,521 mt of CPO produced. The total fibre utilized in year 2017 was 9,142 mt and total shell usage was 5,161 mt with total kWh generated of 2,174 kWh.

Monthly usage of diesel also been monitored per ton FFB processed and diesel usage per ton CPO produced from the "Diesel Consumption for Financial Year 2017". Average of diesel consumed recorded was 0.034 liter per FFB processed. Meanwhile for diesel consumption per CPO produced was recorded at 0.179 litre per mt.

Compliance status :
 Yes
 No

NCR No :
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Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

Findings:

All estates do not conduct open burning for land clearing, This is in accordance to the Zero Burn Method under the section on Land Clearing, Preparation and Planting listed in procedure of land clearing. There were no open burning sighted in any of the replanting areas, landfills as well as workers and staff quarters during the field visits.

Compliance status :
 Yes
 No

NCR No :
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Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

Findings:

The company has conducted an assessment of all polluting activities, including gaseous emissions, particulate/soot emissions and effluent on list of identified polluting activities (FRM-GEN-068).

According to assessment result the company's operation generated pollution and emission such as : boiler emission, genset emission, vehicle emission, mill operations, POME, transportation activities, fertilizer, chemical usage, and etc

The GHG Management was computed based on the latest PalmGHG V3.01 Estimated emission of GHG production of the estates and mill is – 0.06 tCO₂e/mt of FFB. The company has submitted to RSPO secretariat and it has responded by Devaladevi Sivaceyon (devaladevi@rspo.org) dated : May 23, 2017

The company has established plans to reduce or minimise the GHG emission and pollution as documented on....issued on...

The implementation of mitigation plan can be seen on record of GHG mitigation plan.

There is a monitoring system has been developed, with regular reporting on progress for these

Compliance status :
 Yes
 No

NCR No :

significant pollutants and emissions from estate and mill operations, using appropriate tools and record od monitoring plan can be seen on Monitoring plan year 2017.

Criterion 6.1: Aspects of plantation and mill management including replanting that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

Findings:

Social Impact Assessment (SIA) for PT Perkebunan Milano (Sei Daun estate, Batang Saponggol estate, Merbau estate and Pinang Awan POM) was carried out on 15-19 July 2009 by third party (Aksenta Institution) and an SIA Report year 2009 was prepared. The SIA document are cover all of the potential impact factors, including: Access and use rights, Economic livelihoods (eg paid employment) and working conditions, subsistence activities, cultural and religious values, health and education facilities, other community values, the resulting from changes such as improved transport / communication or arrival of substantial migrant labor force.

The SIA was conducted through participatory method involving all relevant affected parties and stakeholder. Records of stakeholder meeting are available e.g. minute of meeting and documentation of the results of consultation with affected parties. The meeting was attended by affected parties.

The SIA Action Plans for avoidance or mitigation of negative impacts and promotion of the positive ones as well as monitoring of impacts, has been developed in consultation with the affected parties, it was well documented and timetabled, including responsibilities for implementation.

During audit that the company has been carried out replanting activities and the company has carried out review of social impact assessment document dated on January 14, 2017 regarding issue it. It has explained about replanting process and its potential impacts (social and environmental aspect) including management plan for identified impact, however the document has not explain relevant and affected stakeholder involvement. There are only two participants during socialization process i.e. Sei daun head of hamlet and Pengarungan Head of village. Based on condition it, the auditor has justified that it is not valid and not recognized so that Social Impact Assessment report not include of replanting activity. Moreover, the report on the implementation of the management and social monitoring has not been referring to the social impact assessment matrix. It condition was not compliance so that it was raised as non-conformity (NCR No. RSPO01102)

The plans are being reviewed every two years following stakeholder consultation sessions. The meeting was attended by 41 citizen or affected parties (Pengarungan village head and other village citizen) on April 6, 2016 located at Sei Daun estate and review of plan for employees was carried out March 15-17, 2016 and was attended by 15 participants. Dissemination of company's social management plan year 2016-2017 at Merbau Estate Village office was conducted on April 8, 2016 which was attended by head of Pulo Barget Village, head of Perkebunan Marbau village, head of Bandar Sentosa village and community leaders. Whereas, consultation activities conducted at July 16, 2016 in Pengarungan attended by 38 citizens.

Social Management Plan has changed from the previous year there were five impacts are managed and monitored, in 2016 was reduced to three impacts include of build understanding and skills of the company, employees and the surrounding communities through meetings of formal and non-formal, empowering the community and business development economics productive, contributing to improvements and maintenance of basic community infrastructure. The review has concluded that changes should be made to current practices.

The impact of schemes smallholder was not available because PT Perkebunan Milano has not scheme smallholder & outgrower.

Compliance status :
 Yes
 No

NCR No :
RSPO01102

Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

Findings:

There is a consultation and communication procedures as documented on SOP of internal communication and consultation (Pro-Gen-011 rev.02 issued dated on 23 September 2013) and SOP of communication, consultation and coordination to external (PRO-BM.GEN-001 Rev.02 dated November 20, 2009). The procedure has been last communicated to all relevant parties on December 23, 2016 in order to make the community understand the procedure. The interview with the head of Pengarungan Village and officials of Pengarungan Village, it was known that the company had conducted RSPO socialization which included socialization of communications procedures, consultation with stakeholders. The village head understands the procedures of communication with the company.

Management official (public speaker team) responsible for communications and consultations with stakeholders, delivery of information and feedback to stakeholders were appointed for estate (Batang Saponggol, Sei Daun and Merbau estate) and POM (Pinang Awan POM).

A list of stakeholders which include suppliers/outgrower, contractors, NGO, local community and local government (village government, Sub District government and District government). Records of all communication, 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, shall be maintained, as documented on log book of communication date on December 23, 2016.

Compliance status :

Yes
 No

NCR No :
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Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

Findings:

The system, open to all affected parties, to resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested has established as recorded on :

- Policy of “Whistle Blowing” that are specifically related to the settlement of dispute affected communities which guarantees confidentiality (anonymity) reporter or whistleblower cases.
- SOP of management relations and community development effort (No. Pro-BM.Gen-002 rev.01 dated on July 01, 2009). It has explained that the company will facilitate if complainants requested confidentiality of his identity, without prejudice to the essence and the company's response to the complaint. Moreover, it serves as a technical guide application of the principle of transparency in order to implement the delivery of information, complaint, proposal / assistance between the company and external parties for the public interest so sure every request and delivery of the above can respond as effectively as possible.
- SOP of land dispute resolution (No.SOP-Permit Land & Ops-007, effective dated on October 15, 2008). The step to resolve are identification of the problem/root of the problem, analysis of the problem (using the law of cause and effect), set a plan to do the proper treatment quickly and directed and continuous evaluation and monitoring.
- SOP of communication and consultation (No. PRO-GEN-011). It includes complaint and grievance mechanism.

There is also an option for complaints to remain anonymous, by keeping the complaints in a confidential file kept in manager's office with an undertaking that information would be kept confidential. These procedures are being exhibited at estate office. A briefing on the grievance procedure was carried out on morning meeting located at each estate and attended by employees. Based on interview with construction worker, casual/daily worker and harvester that they have known and understand the procedure to submit a complaint to the company.

Documentation of both the process by which a dispute was resolved and the outcome is available. Complaint feedback logbook where complaints are recorded and filed was reviewed, i.e form of complaint receipt (FRM-BNM-002). It contains complaints from workers and external parties such as complaint about leaking in Mr Rivai's house (complaint receipt date on April 17, 2017) and replacing a leaky roof in worker's complaints. Both complaints have been resolved. The Complaints Form has details such as name of complainant, date of complaint, types of complaint, and signature of person receiving the complaint, and an action column which states the actions carried out. The Complaints Form also has a note under-

Compliance status :

Yes
 No

NCR No :
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neath stating that in cases which require anonymity, e.g. sexual harassment cases, that it should be handled with confidentiality.

Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Findings:

A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation as well as for calculating and distributing fair compensation (monetary or otherwise) has established, i.e SOP of land acquisition and land permit (no.Ops-005 dated on October 15, 2008). The purpose of document is to provide guidance on managing any dispute encountered by Wilmar or its subsidiary with any third parties claiming interests on the land, gathering of information and documents such land titles and development plans, appointment of land surveyors and legal practitioners and consultation with land authorities in negotiation process. Mechanism of land calculation has developed based on the prevailing custom in the community.

The implementation of procedure has not monitored and evaluated in a participatory way, because there is not conflict with public related to land tenure or grievance from stakeholder since year 2015 until May 2017 and there is not new land acquisition activity since main assessment (year 2009) until May 2017. So that the relevant corrective actions taken as a result of this evaluation not available too.

This procedure has take into account of gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. As seen on document of the SOP of land acquisition and land permit (no.Ops-005 dated on October 15, 2008).

The process and outcome of any negotiated agreements and compensation claims have be documented, with evidence of the participation of affected parties, and made publicly available. As seen on document of land claim settlement year 2008 and confirmation was made by the head of Sungai Daun Village that no claims arise after the settlement of this dispute.

Compliance status :
 Yes
 No

NCR No :
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Criterion 6.5: Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Findings:

Pay and conditions for employers are documented. Pay slips are provided to workers as confirmed from worker interviews where it has provided in Indonesian language. Pay slips for field workers show breakdown for all work done allowances received, deductions, number of days worked and overtime hours performed (worker in mill). As seen on sample of payment slip period of April 2017 on behalf Mr Meda Nur Sefa (employee number : MO/SDE/0516/1935 as casual/daily worker), Mr Poniran (employee number : MO/SDE/0417/991), Mr Syaiful B (employee number : MO/SDE/1011/1941), Mr Alam Syah Putra (employee number : MO/PMLN/0615/119),. The company is deducting from worker's pay for social security management agency for employment & health (BPJS Ketenagakerjaan & Kesehatan) by proportional between company and employee. This condition are agreed by the workers and were informed to the workers before, e.g..payment for worker on behalf Mr Syaiful B, Mr Poniran and Mr Sukaryanto.

There is plantation activity has carried out by third party i.e EFB application at block 073 - Sei Daun estate by Mr Sumarno (agreement no.006/MLN-SDE/DIV-I/IV/2017 dated on 01 April 2017 and duration period of agreement is 01 to 30 April 2017), CV Agung (agreement no.027/MLN-BSE/SPK/V/2017 dated on 02 May 2017) for EFB application at block 65/70 and PT Mitra Jaya Kencana Indah (agreement no. 021/MLN-SDE/SPK/IX/2016 dated on 23 September 2016) for replanting activity. Based on the result of sub-contractor performance evaluation that wage of employee under third parties has complied with local government decree.

The working contract/Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) that it

Compliance status :
 Yes
 No

NCR No :
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is available in the languages understood by the workers or explained carefully to them by a management official. e.g. joint employment contract/agreement (PKB) period of 2016 to 2018 and contract on behalf Mrs Ruhiyah (casual/daily worker), the implementation of contract is wage or remuneration refer to minimum of wage from local government decree, working time, contract or agreement in order working relation, facilities, education and training, labor relations, permit not come to work and leave, work safety, sanction rules, termination, settlement of complaints, etc. Based on interview to all workers sample above that permanent daily worker has understood regarding pay condition and accident insurance (BPKS Ketenagakerjaan) and medical/health service (BPJS Kesehatan). Whereas, casual/daily worker has understood too regarding pay condition and health/medical service i.e go to clinic if sick and not aware of accident insurance (BPJS Ketenagakerjaan) but after showed her contract or agreement by auditor that he has forgot about it. The company has showed evidence of payment about accident insurance (BPJS Ketenagakerjaan) for casual/daily worker period of April 2017 where one of workers is sample above.

The company (mill and estate) has provide adequate housing, water supplies, medical, educational and welfare as required by government regulation, although some public facilities are available or accessible near estate or mill. As seen on as below :

- Pinang Awan POM : housing for employee (131 room), clinic of 1 unit (include of midwife of 1 person whereas doctor visit every week), daycare, early childhood, football and volleyball field and clean water from water treatment in mill.
- Batang Saponggol estate : housing for employee (147 room), clinic of 1 unit (include of midwife of 1 person whereas doctor visit every 2 week), early childhood and kindergarden, mosque of 3 units and church of 1 unit, daycare, school's bus is 2 units, football, vaolleyball and badminton field and clean water from the company with the welbore.
- Merbau estate : housing for employee (125 room), clinic of 1 unit (include of midwife of 1 person whereas doctor visit every 2 week), ambulance of 1 unit, early childhood and kindergarden, mosque of 2 units, daycare, football and volleyball field and clean water.
- Sei Daun estate : housing for employee (242 room), clinic of 1 unit (include of midwife of 1 person whereas doctor visit every 2 week), ambulance of 1 unit, early childhood and kindergarden, daycare, football, vaolleyball and badminton field and clean water from the company with the welbore.

PT. Perkebunan Milano has demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. There are some shops available in the worker's housing area for purchase of food and other necessities. In addition, there is a bus company that provides daily transport for all workers nad staff to the nearest town daily, where they can go for their shopping needs if they wish, as well as school buses for their children going to school. During audit the sundry shops within the housing complex were visited i.e. Sei Daun emplasment. The shops sell basic necessities such as milk, rice, sugar, flour, vegetables, chicken, fish, etc. Interviews with the workers reveal that the prices at the sundry shops are reasonable, taking into account the distance between the shops and the nearest town.

Criterion 6.6: The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

Findings:

The company has a documented Policy on Freedom of Association & Right to Collective Bargaining (Memorandum Intern No. 026/WIP-HRD/Int-VIII/2009 dated August 12, 2009 on point 1 which is available in Indonesian language). The language is appropriate for workers as most are local from Indonesia country. There is no documented restriction of workers to join associations or organizations in other docuements found.

In practice, labor/worker unions are established at the company i.e. 1). Sei Daun estate : worker union “ Serbundo (Serikat Buruh Perkebunan Nusantara)” basis PT Perkebunan Milano – Sei Daun estate established on dated November 09, 2015 (No.001/S.Pmh/Ext/PB-Sebundo/XI/2015), 2). Pinang Awan Mill : worker union “ Kesatuan Buruh Perjuangan” basis PT Perkebunan Milano – Pinang Awan Mill established on dated June 21, 2013 (No.077/DPD-KBP/LBS/KPTS/VI/2013). Futhermore, the company and workers representative established bipartit organization as communication chanel between management and workers. It has established on Head of social and labor decree in Labuhan Batu Utara District no.

Compliance status :

- Yes
 No

NCR No :
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Kep.560/192/DSTK/LKS-B/2016 dated on February 15, 2016 regarding approval of Bipartite committee in PT Perkebunan Milano.

Additionally, employment contracts (working agreement) sighted does not contain any prohibitive clause from joining any trade unions.

Minutes of meetings with labor/work unions or workers representatives are documented, e.g :

- Bipartite committee meeting between representative of the company and labor/worker representative dated on March 28, 2017 with topic of discussion material on the cooperative agreement, over time, shift and PPE. Location of meeting at Pinang Awan Mill meeting room.
- Bipartite committee meeting between representative of the company and labor/worker representative dated on April 14, 2017 with topic of worker recruitment for replace of pregnant worker in spraying activity, review of bipartite committee, PPE implementation, annual leave and health service/insurance (BPJS Kesehatan). Location of meeting at Sei Daun estate meeting room and it has attended by 20 persons/participants.
- Bipartite committee meeting between representative of the company and labor/worker representative dated on March 14, 2017 with topic of PPE implementation, worker union, casual/daily worker, replanting activities, etc. Location of meeting at Sei Daun estate meeting room and it has attended by 17 persons/participants.
- Bipartite committee meeting between representative of the company and labor/worker representative dated on February 07, 2017 with topic of health and pension insurance (BPJS Kesehatan & Ketenagakerjaan), sub-contractor parties, etc. Location of meeting at Merbau estate meeting room and it has attended by 15 persons/participants.

Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.

Findings:

The company has a Child Labour Policy dated on August 12, 2009 (Memorandum Intern no. 026/WIP-HRD/Int-VIII/2009) and join employment contract/agreement (PKB) period of 2016 to 2018 article 17 which states that the company shall not employ underaged workers. The minimum working age is specifically defined in company’s Child Labour policy. Requirement to hire workers only 18 years and above.

Masterlists of workers from the mill and estates per May 2017, including dates of birth and date of hiring of all workers was checked, and sampled workers were cross checked against personal identification records. Total of employees in Sei Daun estate is 521 persons, Batang Saponggol estate is 314 persons and Pinang Awan mill is 158 persons. It was not found employee under 18 years old.

Compliance status :

- Yes
 No

NCR No :
-

Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

Findings:

The company has an Equal Opportunities Policy in form of respect for human right which states that equal opportunities for hiring, promotions, benefits, etc shall be provided to all workers regardless of race, religion or gender. In addition, the company’s working agreement (PKB) period of 2016 to 2018 states a commitment to non-discrimination and provision of decent living conditions for foreign workers. The company also has Policy (policy of respect for human right) which further defines that there shall be no discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or age. There is not complaints regarding discrimination were received from all workers interviewed. Both permanent and casual workers confirmed that pay and benefits received were the same regardless of job functions and there was no evidence of discrimination during recruitment. Vacancies for field workers are usually made known by word of mouth to locals, and hiring is based on skill, qualities, capabilities and medical fitness, while vacancy n-tices for higher positions do not contain any discriminatory elements, as an example is casual/daily worker agreement on behalf Meda Nur Sefa, as manuring at Sei Daun estate (wage accordance with minimum wage in Labuhan Batu Utara District).

The company has changed some casual/daily workers status to permanent daily worker status by gradual. Based on promotion of casual/daily worker be permanent daily worker period

Compliance status :

- Yes
 No

NCR No :
-

of April to May 2017 is 128 persons (Sei Daun estate is 48 persons, Batang Saponggol estate is 52 persons and Merbau estate is 28 persons). On June 2017 still in-process amount of 86 persons to change be permanent daily worker status.

Criterion 6.9: A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

Findings:

The company has policy regarding Prevention of Eradication of Sexual Harassment at the Workplace' (document name is employment policy and employee protection policy) which contains guarantees of protection against acts of sexual harassment and violence, definitions, and complaint procedures. The company also has a documented SOP for making complaints regarding sexual harassment and violence, (mechanism of deal with complaint of work that respects and protects the anonymity of the complainant). The policy document was sighted at the notice board in both estate (sei daun estate, batang saponggol estate and merbau estate) and mill. Moreover, the reproductive rights of women worker has stated on the collective join agreement (PKB) article 51 & 52. In addition, the company has a documented reproductive rights policy, dated which specifies that the policy aims to improve the health and well being of nursing mothers and new-born babies, to reduce sexually transmitted diseases, including HIV, and other reproductive related diseases, that the company respects the reproductive rights of women in accordance with national legislation and the policy will be communicated to all workers.

There exists a Sexual Harassment/Violence Committee established on PT Perkebunan Milano (gender committee has stated on decree of the board of director). The organisation chart was not revised which comprises employee and employer representatives. Minutes of the meeting held on year 2016 & 2017 was sighted. The meeting was attended by 10 peoples, a briefing on sexual harassment, violence and reproductive rights which was to be held on dated 26 June 2016 & 25 February 2017 the need to report cases of sexual harassment/violence, distribution of sexual harassment complaints procedure, reproductive policy and the need to disseminate the information to all female workers/staff.

It was confirmed from interviews from all female mill and estates workers that briefings regarding sexual harassment, violence and reproductive rights are regularly conducted by the female office staff (gender committee). Female employees have been briefed on what constitutes as sexual harassment violence and reproductive rights who to report such cases to, maternity benefits entitled to them, and requirement that women working with chemicals should inform the company if they are pregnant so they are allocated to other work. There are no reported cases of sexual harassment or violence from all workers interviewed. The gender committee head was also able to describe the procedure for ensuring the anonymity of workers who reported such cases.

Compliance status :

Yes
 No

NCR No :
-

Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.

Findings:

Current and past prices paid for Fresh Fruit Bunches (FFB) has publicly available. As seen on announcement board in the gate of mill on dated May 24, 2017 (current) and dated May 23, 2017 (previous).

The company has provide sufficient evidence that FFB pricing and pricing mechanism has been explained to farmer and or supplier and or collector for FFB and inputs/services and it has documented by mill.

The company has provided sufficient evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Contractors interviewed during the stakeholder consulting meeting with director of CV Agung & Indra Sakti (one of FFB supplier) dated on 24 May 2017 was informed that they understand contractual agreements with the company and there is not issues of late payments from the company include of payment of FFB purchase.

Compliance status :

Yes
 No

NCR No :
-

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

Findings:

The company has provided their contributions to local development that are based on the results of consultation or interview with local communities or head of sub village/village in Pangarungan village during meeting on 24 May 2017.

Record of company's contribution such as :

- Financial support for SMPN 2 Merbau IDR. 300,000 for the renovation of school buildings dated February 17, 2016; based on principal of SMPN 2 Merbau letter No. 421.3 / 169 / SMP.2 / TU / 2016 dated January 9, 2016.
- Heavy equipment assistance for road repair Sei Daun village along 3 Km dated May 4, 2016, based on letter No.09 / DSN-SD / DSP / V / 2016 concerning a request for help of heavy equipment from the Sei Daun village head dated May 12, 2016.
- Mosque renovation assistance in the form of 270 zak material in Pangarungan Village on December 20, 2016.
- Construction of a public road bridge in Pangarungan Village on March 31, 2016.
- Assistance for construction cost of road along 1,700 meters on May 17, 2016.
- Market selling 250 boxes of cooking oil.
- Cement assistance of 20 zak for construction of Tolan Police Office on 21 May 2016.
- Help on making school fence of MTs Nurul Ikhwan on 26 September 2016.
- Meubiler procurement assistance dated September 26, 2016.
- Funding for the purchase of office land of Teluk Panji Raya Sub-district on 27 September 2016.

The company has not provided their contribution for existing scheme smallholders to improve smallholder productivity because the company has not partnership agreement with scheme smallholder.

Compliance status :

Yes
 No

NCR No :
-

Criterion 6.12: No forms of forced or trafficked labour are used.

Findings:

Based on employment data on PT Perkebunan Milano June 2017, all workers have a clear identity and there is no illegal worker (trafficked) or forced.

From workers interviews, there was evidence of forced labour found. Mill and estate workers interviewed informed that overtime is not excessive and it was confirmed also from overtime hours stated on sampled pay slips are within the legal limit hours per month. Any overtime carried out is agreed by the workers who sign overtime sheets.

From sample workers contracts and interviews, there was no evidence of contract substitution found.

The company has not a documented Labour Policy for migrant workers whereas policy for temporary worker has stated on collective join agreement period 2016 to 2018 and recruitment procedure which states a commitment to non-discrimination, no contract substitution. Collective join agreement is posted on the main estate notice board and distribute to each employee.

Compliance status :

Yes
 No

NCR No :
-

Criterion 6.13: Growers and millers respect human rights.

Findings:

The company has a Human Rights Policy document name is human right policy which states commitment to protection of Human Rights for workers, contractors, indigenous people, local communities and anyone affected by the company's operations. From all workers interviewed there were no issues raised pertaining to infringement of human rights.

The policy has/has not been communicated to all level of workers and employee as seen on document of dissemination human right policy dated on December 7 and June 26, 2016 in estate and mill and February 10, 2017 at Merbau estate.

The policy also displayed on public area such as meeting room, housing area, notice board etc as example in Sei Daun estate and Pinang Awan mill.

Compliance status :

Yes
 No

NCR No :
-

Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

<p>Findings: PT Perkebunan Milano has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p>Compliance status : <input type="checkbox"/> Yes <input type="checkbox"/> No N.A NCR No :</p>
<p>Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>	
<p>Findings: PT Perkebunan Milano has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p>Compliance status : <input type="checkbox"/> Yes <input type="checkbox"/> No N.A NCR No :</p>
<p>Criterion 7.3: New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p>	
<p>Findings: Based on table above that there are year of planting 2007 & 2008 (> November 2005). It is replanting areas so that it is appropriate with explanation/email from RSPO secretariat dated on 26 January 2017 that there is not liability to report due clearance without prior HCV assessment in PT Perkebunan Milano and no remediation. Year of planting 2007 & 2008 areas has covered on HCV assessment by Aksenta year 2009.</p>	<p>Compliance status : <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No NCR No : -</p>
<p>Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p>	
<p>Findings: PT Perkebunan Milano has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p>Compliance status : <input type="checkbox"/> Yes <input type="checkbox"/> No N.A NCR No :</p>
<p>Criterion 7.5: No new plantings are established on local peoples’ land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	
<p>Findings: PT Perkebunan Milano has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p>Compliance status : <input type="checkbox"/> Yes <input type="checkbox"/> No N.A</p>

	NCR No :
Criterion 7.6: Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreement	
<p><u>Findings:</u></p> <p>PT Perkebunan Milano has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N.A</p> <p>NCR No :</p>
Criterion 7.7: Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
<p><u>Findings:</u></p> <p>PT Perkebunan Milano has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N.A</p> <p>NCR No :</p>
Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.	
<p><u>Findings:</u></p> <p>PT Perkebunan Milano has not commenced any new oil palm development since the establishment of the RSPO Principles and Criteria. Therefore, This is indicator considered “Not Applicable”.</p>	<p>Compliance status :</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>N.A</p> <p>NCR No :</p>
Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
<p><u>Findings:</u></p> <p>Action plans for continual improvement are implements and on-going as found below and described further in the respective criterion :</p> <ul style="list-style-type: none"> • Reduction in use of pesticides in form using biological agent and there is trend of decrease for using pesticide year 2014 to 2016. • Environmental impacts : some testing by regularly relate of environmental performance • Waste reduction (Criterion 5.3): • Pollution and greenhouse gas (GHG): • Social impacts (Criterion 6.1): • Encourage optimising the yield of the supply base: 	<p>Compliance status :</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>NCR No : -</p>

The following is a summary of findings made for the criteria listed in the RSPO Supply Chain Certification year 2014 with selected supply chain model **Mass Balance**.

E.1 Definition**Findings:**

The organization (Pinang Awan Mill) implemented the RSPO-SCCS **Mass Balance (MB)** model. This SCCS model allowed to mixing of certified and uncertified product but shall be control by the Mass Balance record to ensure the quantity of certified product, and only certified product could be claim by the organization as certified palm oil product. Organization has identified the volume of certified and uncertified FFB supplied to the mill.

Pinang Awan mill has record of incoming FFB supplied to the mill. Based on year of 2016 data and 2017 until April, FFB incoming into the mill is came from owned estate and out growers/third party. During the surveillance assessment, for 2016 total of volume incoming FFB from owned estate under (scope certification) and from out-grower can refer to table above, include certified and uncertified FFB.

Compliance status: Full Compliance

E.2 Explanation**Findings:**

Estimated of tonnage CPO and PK products has been recorded in to the public summary of the P&C certification report.

The actual of certified CPO and PK year 2016 and projection of certified product (CPO & PK) year 2017 with projection of certified FFB process and extraction rate can refer to table above. This information gets from budget of mill year 2017 and actual of production year 2016.

Registration with IT trading platform PT Perkebunan Milano has register to RSPO IT system with license number RSPO_PO1000000560. Pinang Awan Palm Oil Mill has already selling PK RSPO certified and has evidence the transactions has conducted in the RSPO E-Trace. Total selling PK RSPO certified (existing license) as much as 3,134.16 mt and CPO RSPO as much as 3,415.72 mt.

Compliance status: Full Compliance

E.3 Documented procedures**Findings:**

The company has list of procedures for implementation of SCCS as seen on Master list document (FRM-GEN-019) , the company establish procedure for receiving order of certified product both in sales department and mill, there is clear explanation about how to issued Main Delivery document and partial delivery. The company has policy regarding SCCS model will used for CSPO production process, according to decree letter no. 001/MLN/SK/V/2012 regarding company decision for Supply chain model i.e. Mass Balance signed by Unit Head Pinang Awan Mill.

The mill have documented procedures for receiving and processing certified and non-certified FFBs i.e. SOP-MILL-001 rev. 04 May 08 Incoming FFB procedure, 2011; SOP-Mill 002 FFB Sortation: SOP-MILL-001 for Weight Bridge Mill, and A set of SOP FFB processing since receiving until product dispatch SOP-Mill-003 to SOP-Mill-044 and procedure for Mass Balance calculation as stated on SOP-MIL-047 (include of mass balance format for palm kernel).

No changes on company's mechanism for control and maintenance of the data and document used in production process, as stated on SOP PRO-GEN-002 dated May 07, 2012 all records related to CSPO & CSPK Product Company will be maintained for 10 years.

The mill has been assigning person, i.e. mill manager that having overall responsibility for and authority over the implementation of SCCS requirements and compliance with all applicable requirements. The mill manager is expected to be able to demonstrate awareness of the facilities procedures for the implementation of SCCS standard. Respective staff has good knowledgeable and competent in implementing the supply chain procedures in Pinang Awan mill, as proved during interview with weight bridge staff, FFB ramp etc.

The mill has records balance for all receipts of RSPO certified FFB and delivery CPO & PK on daily basis. The material balance includes information about incoming FFB from company's estate and out grower, FFB process, CPO & PK production including OER & KER. Pinang Awan Mill has been selling certified CPO & PK to PT Wilmar Nabati Indonesia in Pelintung, all volumes of palm kernel and CPO that are delivered are deducted from the material accounting system according to actual daily conversion rate. The material balance can show deliver product sales from a positive stock.

The mill will indicate product name and supply chain model in Weigh Bridge Document, including information about RSPO certificate number as stated on SOP-Mill-039 which is explain about how to put supply chain model used in trade documents such Main Delivery Order, Weigh Bridge Slip, Delivery Order. Majority certified CPO will be transferred to PT Wilmar Nabati Indonesia for ISCC claimed.

During surveillance audit year 2017 that There is not training evidence for SCCS awareness because there are not change persons in core team of SCCS implementation. Last training year 2016, for Mill staff manager level and all relevant staff such as attendance list FRM-HRD-020; training was conducted on February 15, 2016. Evidence of training: Minutes meeting SCCS workshop for employees working with Critical control Point such as Photographs of training session dated February 15, 2016.

Compliance status: Full Compliance

E.4 Purchasing and good in**Findings:**

Pinang Awan Mill has Incoming FFB procedure (SOP -Mill-001) description about definition for certified FFB (RSPO) and non-certified FFB (RSPO) because the company implement many sustainability standards such as RFS, ISCC, and RSPO. The SOP also state verification process for incoming FFB without clear information about responsibility and verification mechanism for certified material. There is information about selected supply chain model on SOP production FFB.

According to SOP-Mill-045, material weighing, the mill has mechanism to receive FFB both from certified sources and non-certified sources. Incoming certified FFB will have documents such as: Weighbridge slip, grading records, delivery Notes including information from the origin estate with certified stamp. FFB from out growers are accompanied by weighbridge slip, grading records, delivery Notes without certified stamp. Certified status will be stated on 'Incoming Certified FFB Received' report (daily, monthly and three monthly reports) in weighbridge location. Whereas, non-certified status will be stated on 'Incoming non-certified FFB Received' report. It is recapitulation of production report for year 2016 & 2017, including volumes of FFBs received which is separated into certified and non-certified FFB volumes. Based on table above that FFB supplier are Sei Daun estate, Batang Saponggol estate and Merbau Estate (company owned estate) and outgrowers.

Pinang Awan mill has procedure and mechanism to inform the over production into the CB by document number SOP-Mill-048 Rev 0 date issue May 1, 2012, mentioned "if over production projected, the management representative will inform to the CB related that over production". Year 2017, the company has requested and got approval from RSPO regarding extention volume for PK amount of 975.18 mt because over FFB production till 31 August 2017 and projection of FFB production in September 2017 from Sei Daun estate and Batang Saponggol estate. License of PK certified be 7,492.68 mt, whereas license of CPO certified is not change (24,102.90 mt).

Compliance status : Full Compliance

E.5 Record keeping**Findings:**

The organization has established a mechanism for control and maintenance of the data and document used in production process, as stated on SOP PRO-GEN-002 rev 03 dated May 7, 2012 all records related to CSPO & CSPK Product Company will be maintained for 10 years. Implementation of control and maintenance of the data & document has consisted. All records (weighbridge slips, FFB delivery note and FFB grading report) collected or compiled per month. Records on the quantity of FFB received and CPO/PK dispatched daily is maintained in the weighbridge software. The mechanism to update information about production (production CPO/PK, dispatch CPO/PK, stock CPO/PK, OER and KER) to related section is by email notification every morning by the logistic division. The mill maintains accurate, complete and updated records and reports.

The mill has records balance for all receipts of RSPO certified FFB and delivery CPO on daily basis. The material balance includes information about incoming FFB from company's estate and out grower, FFB produced, CPO result including OER, PK result including KER, product dispatch and balance product in the storage tank including the mass balance percentage, included information about PK production from certified FFB.

All volumes of palm oil that are delivered are deducted from the material accounting system according to actual daily conversion rate. The material balance can show deliver product sales from a positive stock.

There is no outsourced process in Pinang Awan Mill. The mill's product CPO and palm kernel are internally processed in company's location.

Compliance status: Full Compliance

3.2 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

A total of 5 nonconformances were identified during the 2nd surveillance assessment. These consisted of 2 major non-conformities and 3 minor non-conformities. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 90 days of completion of the assessment, and this was verified by the audit team through an on-site verification audit conducted on ?? as well as checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

3.2.1. Major non-conformities

It is recommended by the lead auditor to award the system of the company with a certificate pursuant to the above-mentioned RSPO standards after eliminating the non-conformities rated as “major”.

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correc-tion/Corrective Action taken/	Auditor Conclusion
3.1.1	RSPO0 1099	<ul style="list-style-type: none"> - Forecast or projec-tion of management plan period of 2017-2022 - Schedule of coordi-nation meeting for fi-nancial and adminis-tration dept year 2017-2018 in Head Office where update budg-et 5 year is July 2017 and May to August 2018. 	July 25, 2017	<p>Correction : create of management plan pe-riod of 2017 to 2022 by head office team and communication to head office team re-garding submit man-agement plan period of 5 year (2017 to 2022).</p> <p>Corrective : fill in item of long term financial plan update on annual coordination schedule by head office team</p>	Closed
6.1.1	RSPO0 1102	<ul style="list-style-type: none"> - Revision of SIA where it has includ-ed of impact of replanting activity (sec-tion 6). - Management & mon-itoring plan for SIA period of 2017-2018 where it has includ-ed of replanting ac-tivity - Socialization of revi-sion of social impact management plan to community in Pinang Damai village dated on 20 June 2017, Pangarungan villae dated on 14 June 2017 and Merbau village dated on 16 June 2017 	July 25, 2017	<p>Correction : Review and revision of SIA by totally where fill in replanting activity aspect, starting identifi-cation till create of management and monitoring effort.</p> <p>Corrective : ensuring all activities has in-cluded on scope of SIA and socialization of review result to in-ternal.</p>	Closed

3.2.1. Minor non-conformities

It is recommended by the lead auditor to award the system of the company a certificate pursuant to the above-mentioned RSPO standards. The non-conformities identified shall be audited again in line with the timeframe during the next surveillance audit

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correc-tion/Corrective Action taken/	Auditor Conclusion
4.1.2	RSPO0 1100	-	26 May 2018	<p>Correction : Revision of subcontractor evaluation form which it shall especially compliance to employee and health regulation and add of column for recommendation as feedback from evaluation result.</p> <p>Corrective : socialization of new form to all relevant parties, internal audit as balance checking and evaluation of form was used</p>	Closed
4.1.3	RSPO0 1101	-	26 May 2018	<p>Correction : Revision of PRO-GEN-018 regarding revision of evaluation form and evaluation to all subcontractors (project or continue).</p> <p>Corrective : socialization of new form and new procedure to all relevant parties, internal audit as balance checking and evaluation of form was used</p>	Closed
6.1.4	RSPO0 1103	-	26 May 2018	<p>Correction : Create of social impact management and monitoring report will refer to all management and monitoring effort on matrix</p> <p>Corrective : re-socialization of monitoring and management plan to all relevant parties, create of report will conducting same day for all estates and supervisor will monitoring about it.</p>	Closed

3.3 Noteworthy Positive Components and Potential for Improvement

Positive Observation:

No.	Indicator	Positive Comments
1	-	Cooperation and pro active from all relevant persons in all level very good
2	-	Emplasmant has planted some flower plant.
3	4.7	The company have stronge commitment to carry out annual surveilalnce medical check up (general and special)

Potential for Improvement:

No.	Indicator	Potential for improvement
1	6.5.1	The company shall usually socialization of employee right refer to collective joint agreement and or contract/agreement to all level employees.
2	6.11.1	The company shall increase of CSR/CD realitation by orientation of develop of productive bussiness
3	2.1.2	All procedures regarding compliance regulation shall compress be one procedure
4	4.1.1	Regulation of keeping CPO sampel shall more detail and working reference shall announce on wall or board.
5	6.3.1	Term of period for handling grievance or complaint from internal shall state by clearly
6	4.7	Inform to all employees who have problem accident and health insurance that they has covered both it. List of first aid shall revision refer to category of first aid in estate

3.4 Issues Raised by Stakeholders and Findings Pertaining to Issues

A) Issues Raised during Stakeholder Consultation Meeting

No.	Issues Raised	Management Response	Audit Verification

B) Issues Raised during Stakeholder Interviews On-site

No.	Issues Raised	Audit Verification

3.5 Recommendation for Certification

PT perkebunan Milano – Pinang Awan POM has established and maintains an effective system to ensure compliance with the RSPO principles and criteria. The audit team has confirmed through the audit process that the company’s practices complies with, adequately maintains and implements the requirements of RSPO Principles and Criteria [NI-INA].

PT TUV Rheinland Indonesia recommends that PT Perkebunan Milano – Pinang Awan POM be approved as a producer of RSPO Certified Sustainable Palm Oil.

3.6 Date of Certificate Issued and Scope of Certificate

The scope of the certificate covers production of palm oil from PT Perkebunan Milano and its supply base, which includes Sei Daun estate, Batang Saponggol estate and Merbau estate. The date of certificate issued is 3 November 2017. Further details of the certificate are as per **Appendix 1**.

3.7 Other Achievements and Certifications Held

Name of mill / estate	Certification Standard / Award achieved	Certification Body / Awarder	Date Achieved

3.8 Date of Next Surveillance Visit

The next surveillance visit is planned for May 2018.

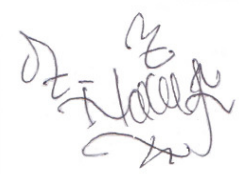
3.5 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client

It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of PT Perkebunan Milano


 Name: Hadi Nurli
 Position: Sr. HR Manager
 Date: 

Signed on behalf of PT TUV Rheinland Indonesia



 Hendra Fachrurozy
 Lead Auditor
 Date : 24 August 2017

APPENDICES

Appendix 1: Details of Certificate

Certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 and RSPO Supply Chain Certification Systems: November, 2014**

Certificate Registr. No. : 824 502 14010

PT TUV Rheinland Indonesia certifies :

Certificate Holder : **PT Perkebunan Milano**
Pinang Awan Palm Oil Mill
Subsidiary of **Wilmar International Limited**,
Multivision Tower 15th Floor, Jl. Kuningan Mulia Kav. 9B,
Kuningan, Jakarta Selatan 12980, Indonesia
Phone: +62-2129380777; Fax: +62-2129380115



and its company owned estates according to the annex

RSPO number : -

Scope : **Palm Oil Production and Plantation Management System**

An audit was performed, Report No. ASA12_14010. Proof has been furnished that the requirements according to Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 are fulfilled.

The due date for all future surveillance audits is 24.06 (dd.mm).

Validity: The certificate is valid from 24-08-2015 until 23-08-2021.


The certificate shall remain valid in period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

RSPO registered parents company* : **Wilmar International Limited**
(RSPO Member No. : 2-0017-05-000-00)

* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

Date of first certificate : August 24, 2010

Indonesia, 03-11-2017


PT TUV Rheinland Indonesia
Director

The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

Annex to certificate

Standard : **Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July, 2016 and RSPO Supply Chain Certification Systems: November, 2014**

Certificate Registr. No.: 824 502 14010

Location: **PT Perkebunan Milano**
Address : **Pinang Awan Palm Oil Mill**
Subsidiary of **Wilmar International Limited**,
Multivision Tower 15th Floor, Jl. Kuningan Mulia Kav. 9B,
Kuningan, Jakarta Selatan 12980, Indonesia
Phone: +62-2129380777; Fax: +62-2129380115

The palm oil mill and supply base covered in certification scope are :

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Pinang Awan Mill	Pinang Damai Village, Torgamba Sub-district, South Labuhan Batu District	1°50'34.17" N	100°12'11.29" E
Sungai (Sei) Daun Estate	Pengarungan Village, Torgamba Sub-district, South Labuhan Batu District	1°52'25.93" N	100°14'02.29" E
Batang Saponggol Estate	Batang Seponggol Village, Kampung Rakyat Sub-District, South Labuhan Batu District	1°58'17.61" N	100°13'20.34" E
Marbau Estate	Milano Village, Merbau Sub-district, North Labuhan Batu District	2°13'28.58" N	99°52'06.43" E

CPO Tonnage Total Production: 53,075.78 tonnes
 PK Tonnage Total Production: 15,271.09 tonnes
 Company Estates FFB Tonnages: 119,000.00 tonnes
 CPO Tonnage claimed for certification: 23,621.50 tonnes
 PK Tonnage claimed for certification: 6,545.00 tonnes

Scope of SCCS & supply chain model assessed :

FFB receipt, produce and delivery of CPO & PK with implementation of the following SCCS :
 Identity Preserved
 Mass Balance

Indonesia, 03-11-2017

Issued by PT TUV Rheinland Indonesia


PT TUV Rheinland Indonesia
Director

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Appendix 2: Certification Audit Plan

Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
Hari Pertama, Senin, 22 Mei 2017				
05.35 – 08.00	Penerbangan dari Jakarta – Kualanamu	All Auditor	-	GA 180
08.45 – 09.25	Perjalanan dari Kualanamu ke stasiun kereta di Medan	All Auditor	-	
10.30 – 14.50	Perjalanan dari Medan ke Rantau Prapat	All Auditor	-	Kereta Api Sribilah Utama U46
15.00 - 18.00	Perjalanan dari Rantau Prapat ke lokasi kebun	All Auditor	-	Dijemput oleh auditee
Hari Kedua, Selasa, 23 Mei 2017				
08.00 – 08.30	Opening meeting, verifikasi NCR audit sebelumnya & RSPO Certification system	All Auditor	Manajer dan staf POM & Estates	
08.30 – 12.00 Head office	Pengecekan dokumen terkait dengan: a. Transparansi/keterbukaan b. Informasi Keterbukaan dokumen untuk public c. Etical conduct d. Penggunaan tanah tidak mengurangi hak atas tanah pengguna yang lain e. Analisa dampak sosial/SIA f. Mekanisme komunikasi dan konsultasi dengan komunitas lokal g. Mekanisme penanganan pengaduan dan keluhan h. Mekanisme kompensasi kehilangan hak legal/adat i. Kesejahteraan pekerja j. Hak pekerja untuk berserikat k. Pekerja anak l. Bentuk diskriminasi atas dasar ras, kasta, kewarganegaraan, agama, cacat fisik, gender, orientasi seksual, keanggotaan serikat pekerja, afiliasi partai politik atau umur m. Perlindungan terhadap hak reproduksi dan kekerasan di tempat kerja n. Kontraktor luar o. Kontribusi pada pembangunan lokal p. Penggunaan tenaga kerja paksa dan illegal q. Penghormatan terhadap HAM r. SIA pada pembangunan kebun baru s. FPIC pada proses pendirian kebun dan pabrik baru t. Kompensasi terhadap perolehan hak legal masyarakat lokal/masyarakat adat u. Perbaikan terus menerus	DN	Manajemen Kebun Sei Daun	P&C terkait a. P&C: 1.1.1 dan 1.1.2 b. P&C: 1.2.1 c. P&C: 1.3.1 d. P&C: 2.3.1 s/d 2.3.4 e. P&C: 6.1.1 s/d 6.1.5 f. P&C: 6.2.1 s/d 6.2.3 g. P&C: 6.3.1 dan 6.3.2 h. P&C: 6.4.1 s/d 6.4.3 i. P&C: 6.5.1 s/d 6.5.4 j. P&C: 6.6.1 & 6.6.2 k. P&C: 6.7.1 l. P&C: 6.8.1 s/d 6.8.3 m. P&C: 6.9.1 s/d 6.9.3 n. P&C: 6.10.1 s/d 6.10.4 o. P&C: 6.11.1 dan 6.11.2 p. P&C: 6.12.1 s/d 6.12.3 q. P&C: 6.13.1 r. P&C: 7.1.1 s/d 7.1.3 s. P&C: 7.5.1 t. P&C: 7.6.1 s/d 7.6.6 u. P&C: 8.1.1
08.30 – 12.00 Head office	Pengecekan dokumen terkait dengan: a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Rencana dan penerapan "management plan" yang bertujuan untuk keberlangsungan jangka panjang perusahaan dalam hal ekonomi dan financial c. Implementasi dan monitoring keselamatan kesehatan kerja d. Identifikasi aspek lingkungan e. Pengelolaan limbah termasuk limbah B3 f. Zero Burning g. Zero burning pada pembukaan baru h. Perbaikan terus menerus	HF	Manajemen Kebun Sei Daun	P&C terkait a. P&C: 2.1.1; 2.1.2; 2.1.3; dan 2.1.4 b. P&C: 3.1.1 dan 3.1.2 c. P&C: 4.7.1 s/d 4.7.7 d. P&C: 5.1.1; 5.1.2; dan 5.1.3 e. P&C: 5.3.1; 5.3.2 dan 5.3.3 f. P&C: 5.5.1 dan 5.5.2 g. P&C: 7.7.1 dan 7.7.2 h. P&C: 8.1.1

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Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
08.30 – 12.00 Head office	Pengecekan dokumen terkait dengan: a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Hak atas tanah c. Pengendalian untuk meminimalkan dan mengendalikan erosi serta degradasi tanah d. High Conservation Value e. Efisiensi penggunaan energy fossil f. Rencana pengurangan polusi dan emisi termasuk gas rumah kaca g. Pengembangan kebun baru tidak berasal dari hutan primer (sejak November 2005) h. Penanaman pada tanah marjinal i. Pengembangan kebun baru yang bertanggungjawab termasuk komitmen minimalisasi emisi GRK j. Perbaikan terus menerus	WHY	Manajemen Kebun Sei Daun	P&C Terkait: a. P&C: 2.1.1 dan 2.1.2 b. P&C: 2.2.1 s/d 2.2.6 c. P&C: 4.3.1 s/d 4.3.6 d. P&C: 5.2.1 s/d 5.2.5 e. P&C: 5.4.1 f. P&C: 5.6.1; 5.6.2 dan 5.6.3 g. P&C: 7.3.1 s/d 7.3.5 h. P&C: 7.4.1 dan 7.4.2 i. P&C: 7.8.1 dan 7.8.2 j. P&C: 8.1.1
08.30 – 12.00 Head office	Pengecekan dokumen terkait dengan: a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Dokumentasi prosedur-prosedur untuk Mill dan Estate, penerapan serta monitoring praktek pengolahan hasil kebun c. Praktek perkebunan terbaik d. Pemeliharaan kualitas dan ketersediaan air (air permukaan dan air tanah) e. Pengendalian Hama Terpadu f. Penggunaan pestisida g. Pelatihan seluruh karyawan termasuk karyawan kontrak dan smallholder h. Pembangunan kebun baru yang bertanggungjawab i. Perbaikan terus menerus	SM	Manajemen Kebun Sei Daun	P&C terkait: a. P&C: 2.1.1 dan 2.1.2 b. P&C: 4.1.1; 4.1.2; 4.1.3 dan 4.1.4 c. P&C: 4.2.1, 4.2.4, 4.2.3 dan 4.2.4 d. P&C: 4.4.1; 4.4.2; 4.4.3 dan 4.4.4 e. P&C: 4.5.1 dan 4.5.2 f. P&C: 4.6.1 s/d 4.6.12 g. P&C: 4.8.1 dan 4.8.2 h. P&C: 7.2.1 & 7.2.2 i. P&C: 8.1.1
12.00 – 13.00	Istirahat	All Auditor	Semua	-
13.00 – 17.30	Melanjutkan agenda pagi	All Auditor	Bagian terkait	
17.30 -....	Audit hari pertama selesai	All Auditor	-	-
Hari ketiga, Rabu, 24 Mei 2017				
08.00 – 12.00 Sei Daun dan Batang Saponggol Estate	Pengecekan dokumen dan atau observasi lapangan yang terkait dengan : a. Transparansi/keterbukaan b. Informasi Keterbukaan dokumen untuk public c. Etical conduct d. Penggunaan tanah tidak mengurangi hak atas tanah pengguna yang lain e. Analisa dampak sosial/SIA f. Mekanisme komunikasi dan konsultasi dengan komunitas lokal g. Mekanisme penanganan pengaduan dan keluhan h. Mekanisme kompensasi kehilangan hak legal/adat i. Kesejahteraan pekerja j. Hak pekerja untuk berserikat k. Pekerja anak l. Bentuk diskriminasi atas dasar ras, kasta, kewarganegaraan, agama, cacat fisik, gender, orientasi seksual, keanggotaan serikat pekerja, afiliasi partai politik atau umur m. Perlindungan terhadap hak reproduksi dan kekerasan di tempat kerja n. Kontraktor luar o. Kontribusi pada pembangunan lokal p. Penggunaan tenaga kerja paksa dan illegal	DN	Manajemen Kebun Merbau	P&C terkait a. P&C: 1.1.1 dan 1.1.2 b. P&C: 1.2.1 c. P&C: 1.3.1 d. P&C: 2.3.1 s/d 2.3.4 e. P&C: 6.1.1 s/d 6.1.5 f. P&C: 6.2.1 s/d 6.2.3 g. P&C: 6.3.1 dan 6.3.2 h. P&C: 6.4.1 s/d 6.4.3 i. P&C: 6.5.1 s/d 6.5.4 j. P&C: 6.6.1 & 6.6.2 k. P&C: 6.7.1 l. P&C: 6.8.1 s/d 6.8.3 m. P&C: 6.9.1 s/d 6.9.3 n. P&C: 6.10.1 s/d 6.10.4 o. P&C: 6.11.1 dan 6.11.2 p. P&C: 6.12.1 s/d 6.12.3 q. P&C: 6.13.1 r. P&C: 7.1.1 s/d 7.1.3 s. P&C: 7.5.1 t. P&C: 7.6.1 s/d 7.6.6 u. P&C: 8.1.1

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Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
	<ul style="list-style-type: none"> q. Penghormatan terhadap HAM r. SIA pada pembangunan kebun baru s. FPIC pada proses pendirian kebun dan pabrik baru t. Kompensasi terhadap perolehan hak legal masyarakat lokal/masyarakat adat u. Perbaikan terus menerus 			
08.00 – 12.00 Sei Daun dan Batang Saponggol Estate	Pengecekan dokumen dan atau observasi lapangan yang terkait dengan: <ul style="list-style-type: none"> a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Rencana dan penerapan "management plan" yang bertujuan untuk keberlangsungan jangka panjang perusahaan dalam hal ekonomi dan financial c. Implementasi dan monitoring keselamatan kesehatan kerja d. Identifikasi aspek lingkungan e. Pengelolaan limbah termasuk limbah B3 f. Zero Burning g. Zero burning pada pembukaan baru h. Perbaikan terus menerus 	HF	Manajemen Kebun Merbau	P&C terkait <ul style="list-style-type: none"> a. P&C: 2.1.1; 2.1.2; 2.1.3; dan 2.1.4 b. P&C: 3.1.1 dan 3.1.2 c. P&C: 4.7.1 s/d 4.7.7 d. P&C: 5.1.1; 5.1.2; dan 5.1.3 e. P&C: 5.3.1; 5.3.2 dan 5.3.3 f. P&C: 5.5.1 dan 5.5.2 g. P&C: 7.7.1 dan 7.7.2 h. P&C: 8.1.1
08.00 – 12.00 Sei Daun dan Batang Saponggol Estate	Pengecekan dokumen dan atau observasi lapangan yang terkait dengan: <ul style="list-style-type: none"> a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Hak atas tanah c. Pengendalian untuk meminimalkan dan mengendalikan erosi serta degradasi tanah d. High Conservation Value e. Efisiensi penggunaan energy fossil f. Rencana pengurangan polusi dan emisi termasuk gas rumah kaca g. Pengembangan kebun baru tidak berasal dari hutan primer (sejak November 2005) h. Penanaman pada tanah marjinal i. Pengembangan kebun baru yang bertanggungjawab termasuk komitmen minimalisasi emisi GRK j. Perbaikan terus menerus 	WHY	Manajemen Kebun Merbau	P&C Terkait: <ul style="list-style-type: none"> a. P&C: 2.1.1 dan 2.1.2 b. P&C: 2.2.1 s/d 2.2.6 c. P&C: 4.3.1 s/d 4.3.6 d. P&C: 5.2.1 s/d 5.2.5 e. P&C: 5.4.1 f. P&C: 5.6.1; 5.6.2 dan 5.6.3 g. P&C: 7.3.1 s/d 7.3.5 h. P&C: 7.4.1 dan 7.4.2 i. P&C: 7.8.1 dan 7.8.2 j. P&C: 8.1.1
08.00 – 12.00 Sei Daun dan Batang Saponggol Estate	Pengecekan dokumen dan atau observasi lapangan yang terkait dengan: <ul style="list-style-type: none"> a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Dokumentasi prosedur-prosedur untuk Mill dan Estate, penerapan serta monitoring praktek pengolahan hasil kebun c. Praktek perkebunan terbaik d. Pemeliharaan kualitas dan ketersediaan air (air permukaan dan air tanah) e. Pengendalian Hama Terpadu f. Penggunaan pestisida g. Pelatihan seluruh karyawan termasuk karyawan kontrak dan smallholder h. Pembangunan kebun baru yang bertanggungjawab i. Perbaikan terus menerus 	SM	Manajemen Kebun Merbau	P&C terkait: <ul style="list-style-type: none"> a. P&C: 2.1.1 dan 2.1.2 b. P&C: 4.1.1; 4.1.2; 4.1.3 dan 4.1.4 c. P&C: 4.2.1, 4.2.4, 4.2.3 dan 4.2.4 d. P&C: 4.4.1; 4.4.2; 4.4.3 dan 4.4.4 e. P&C: 4.5.1 dan 4.5.2 f. P&C: 4.6.1 s/d 4.6.12 g. P&C: 4.8.1 dan 4.8.2 h. P&C: 7.2.1 & 7.2.2 i. P&C: 8.1.1
12.00 – 13.00	Istirahat	All Auditor	Semua	-
13.00 – 17.30	Melanjutkan agenda pagi	All Auditor	Bagian terkait	
17.30 -....	Audit hari kedua selesai	All Auditor	-	-
Hari keempat, Kamis, 25 Mei 2017 – Libur Nasional Hari Kebangkitan Isa Al Masih				
Hari kelima, Jumat, 26 Mei 2017				

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Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
08.00 – 12.00 Pinang Awan Mill	Pengecekan dokumen dan observasi lapangan yang terkait dengan: a. Transparansi/keterbukaan b. Informasi Keterbukaan dokumen untuk public c. Etical conduct d. Penggunaan tanah tidak mengurangi hak atas tanah pengguna yang lain e. Analisa dampak sosial/SIA f. Mekanisme komunikasi dan konsultasi dengan komunitas lokal g. Mekanisme penanganan pengaduan dan keluhan h. Mekanisme kompensasi kehilangan hak legal/adat i. Kesejahteraan pekerja j. Hak pekerja untuk berserikat k. Pekerja anak l. Bentuk diskriminasi atas dasar ras, kasta, kewarganegaraan, agama, cacat fisik, gender, orientasi seksual, keanggotaan serikat pekerja, afiliasi partai politik atau umur m. Perlindungan terhadap hak reproduksi dan kekerasan di tempat kerja n. Kontraktor luar o. Kontribusi pada pembangunan lokal p. Penggunaan tenaga kerja paksa dan illegal q. Penghormatan terhadap HAM r. SIA pada pembangunan kebun baru s. FPIC pada proses pendirian kebun dan pabrik baru t. Kompensasi terhadap perolehan hak legal masyarakat lokal/masyarakat adat u. Perbaikan terus menerus	DN	Manajemen Pinang Awan Mill	P&C terkait a. P&C: 1.1.1 dan 1.1.2 b. P&C: 1.2.1 c. P&C: 1.3.1 d. P&C: 2.3.1 s/d 2.3.4 e. P&C: 6.1.1 s/d 6.1.5 f. P&C: 6.2.1 s/d 6.2.3 g. P&C: 6.3.1 dan 6.3.2 h. P&C: 6.4.1 s/d 6.4.3 i. P&C: 6.5.1 s/d 6.5.4 j. P&C: 6.6.1 & 6.6.2 k. P&C: 6.7.1 l. P&C: 6.8.1 s/d 6.8.3 m. P&C: 6.9.1 s/d 6.9.3 n. P&C: 6.10.1 s/d 6.10.4 o. P&C: 6.11.1 dan 6.11.2 p. P&C: 6.12.1 s/d 6.12.3 q. P&C: 6.13.1 r. P&C: 7.1.1 s/d 7.1.3 s. P&C: 7.5.1 t. P&C: 7.6.1 s/d 7.6.6 u. P&C: 8.1.1
08.00 – 12.00 Pinang Awan Mill	Pengecekan dokumen dan observasi lapangan yang terkait dengan: a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Rencana dan penerapan “management plan” yang bertujuan untuk keberlangsungan jangka panjang perusahaan dalam hal ekonomi dan financial c. Implementasi dan monitoring keselamatan kesehatan kerja d. Identifikasi aspek lingkungan e. Pengelolaan limbah termasuk limbah B3 f. RSPO SCCS g. Perbaikan terus menerus h. SCCS	HF	Manajemen Pinang Awan Mill	P&C terkait a. P&C: 2.1.1; 2.1.2; 2.1.3; dan 2.1.4 b. P&C: 3.1.1 dan 3.1.2 c. P&C: 4.7.1 s/d 4.7.7 d. P&C: 5.1.1; 5.1.2; dan 5.1.3 e. P&C: 5.3.1; 5.3.2 dan 5.3.3 f. Module E – CPO Mills: Mass Balance g. P&C: 8.1.1 h. SCCS Module E (MB)
08.00 – 12.00 Pinang Awan Mill	Pengecekan dokumen dan observasi lapangan yang terkait dengan: a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Hak atas tanah c. Pengendalian untuk meminimalkan dan mengendalikan erosi serta degradasi tanah d. High Conservation Value e. Efisiensi penggunaan energy fosil f. Rencana pengurangan polusi dan emisi termasuk gas rumah kaca g. Pengembangan kebun baru tidak berasal dari hutan primer (sejak November 2005) h. Penanaman pada tanah marjinal i. Pengembangan kebun baru yang bertanggungjawab termasuk komitmen minimalisasi emisi GRK j. Perbaikan terus menerus	WHY	Manajemen Pinang Awan Mill	P&C Terkait: a. P&C: 2.1.1 dan 2.1.2 b. P&C: 2.2.1 s/d 2.2.6 c. P&C: 4.3.1 s/d 4.3.6 d. P&C: 5.2.1 s/d 5.2.5 e. P&C: 5.4.1 f. P&C: 5.6.1; 5.6.2 dan 5.6.3 g. P&C: 7.3.1 s/d 7.3.5 h. P&C: 7.4.1 dan 7.4.2 i. P&C: 7.8.1 dan 7.8.2 j. P&C: 8.1.1
08.00 – 12.00	Pengecekan dokumen dan observasi lapangan	SM	Manajemen	P&C terkait:

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Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
Pinang Awan Mill	yang terkait dengan: a. Pemenuhan terhadap peraturan perundangan yang berlaku b. Dokumentasi prosedur-prosedur untuk Mill dan Estate, penerapan serta monitoring praktek pengolahan hasil kebun c. Praktek perkebunan terbaik d. Pemeliharaan kualitas dan ketersediaan air (air permukaan dan air tanah) e. Pengendalian Hama Terpadu f. Penggunaan pestisida g. Pelatihan seluruh karyawan termasuk karyawan kontrak dan smallholder h. Pembangunan kebun baru yang bertanggungjawab i. Perbaikan terus menerus		Pinang Awan Mill	a. P&C: 2.1.1 dan 2.1.2 b. P&C: 4.1.1; 4.1.2; 4.1.3 dan 4.1.4 c. P&C: 4.2.1, 4.2.4, 4.2.3 dan 4.2.4 d. P&C: 4.4.1; 4.4.2; 4.4.3 dan 4.4.4 e. P&C: 4.5.1 dan 4.5.2 f. P&C: 4.6.1 s/d 4.6.12 g. P&C: 4.8.1 dan 4.8.2 h. P&C: 7.2.1 & 7.2.2 i. P&C: 8.1.1
12.00 – 14.00	Istirahat	All Auditor	Semua	-
14.00 – 15.00	Melanjutkan agenda pagi	All Auditor	Bagian terkait	
15.00 – 16.00	Persiapan closing meeting	All Auditor	-	
16.00 – 17.00	Closing Meeting	All Auditor	Manajemen Kebun dan Mill	
17.00 -	Audit survailen ke-2 selesai	All Auditor	-	-
19.00 -	Perjalanan dari estate ke bandara	All Auditor	-	Diantar oleh auditee
Hari keenam, Sabtu, 27 Mei 2017				
05.20 – 07.45	Penerbangan Kualanamu - Jakarta	HF, WHY, DN & SM	-	GA 181

Appendix 3: List of Abbreviations

AMDAL	Analisis Dampak Lingkungan & Sosial (Social & Environmental Impacts Assessment)
CPO	Crude Palm Oil
EIA	Environmental Impact Assessment
ERTs	Endangered, Rare & Threatened species
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
HCV	High Conservation Value
IPM	Integrated Pest Management
LTA	Lost Time Accident
MSDS	Material Safety Data Sheets
NGO	Non-Government Organization
NPP	New Planting Procedure
OSH	Occupational Safety & Health
PKO	Palm Kernel Oil
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UPL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)

Appendix 4: List of Stakeholders Interviewed and Contacted

No.	Name of Stakeholder	Institution / Position	Remarks
Stakeholders Interviewed during Public Consultation Meeting			
1.	-		
Stakeholders Interviewed On-Site			
	J. Lumbanturwan Hombing	Bina Mitra Unit in Sei Daun estate	
	Alfian Harahap	CDO - PT Perkebunan Milano	
	J. Saragih	Bina Mitra Region Sumut	
	Napit Napitupulu	PGA RO - PT Perkebunan Milano	
	Hanafiah	Technic of Civil in Sei Daun estate	
	Suwito	PGA in Pinang Awan POM	
	Agus Suprayitno	Operational of FFB	
	K. Simangunsong	Head of Dusun Lalang in Pangarungan village	
	E. Piratomo	Head of Dusun Sidoarjo in Pangarungan village	
	Asnuri	Head of Banten in Pangarungan village	
	Suwardono	Head of village representative agency in Pangarungan village	
	Rohadi	Head of Dusun Sei Daun	
	Suparno	Head of community empowerment institute in Pangarungan village	
	Silvi Karya Bartumean	Baby nanny at daycare - Divisi II (Afdeling III)	
	Alamsyah Putra	Temporary daily worker in Pinang Awan POM	
	Bobi Hantoro	Temporary daily worker in Pinang Awan POM	
	Adi Irawan	Temporary daily worker in Pinang Awan POM	
	Faisal Reza	Temporary daily worker in Pinang Awan POM	
	Candra Agustawan	Temporary daily worker in Pinang Awan POM	
	Leo Candra	Supervisor of Spraying in Sei Daun estate	
	Rustianti	Spraying Kebun Sei Daun (KHT)	
	Raswian	Spraying Kebun Sei Daun (KHL)	
	Tukini	Spraying Kebun Sei Daun (KHL)	
	Dawiah	Spraying Kebun Sei Daun (KHT)	
	Suliah	Spraying Kebun Sei Daun (KHL)	
	Dini Indah	Spraying Kebun Sei Daun (KHT)	
	Suryani	Spraying Kebun Sei Daun (KHT)	
	Sri Rezeki	Spraying Kebun Sei Daun (KHT)	
	Atrunini	Spraying Kebun Sei Daun (KHT)	
	Siswadi	Mandor Spraying Kebun Sei Daun (KHT)	
	Misriwan	Spraying Kebun Sei Daun (KHT)	
	Sumilah	Spraying Kebun Sei Daun (KHT)	
	Listamano	Spraying Kebun Sei Daun (KHT)	
	Rinto Harahap	Assistant laboratorium	
	Khairul Anwar	LA foreman	
	Febri	EHS in mill	
	Eko	Assistant of Batang Saponggol Estate	
	Hadian Supiatna	R&D	
	Zubir	EHS staff	
	Bambang	Harvester	
	Seno	Harvester	
	Waluyo	Harvester	
	Suwarno	EFB applicator	
	Jamali	EFB applicator	
	Saragih	EFB applicator	
	Dedi	EFB applicator	
	Irwan	EFB applicator	

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Appendix 5 : Detail of Time Bound Plan

Kalimantan Region (last update April 2017)

No.	Company	Mill	Estate	Location	Certification year	Status
1	PT Mustika Sembuluh I	PT Mustika Sembuluh I mill	Mustika Sembuluh 1, Mustika Sembuluh 2, Kerry Sawit Indonesia 2, Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3, KUD Bitu Maju Bersama	Central Kalimantan	2009 (KUD bersertifikat di tahun 2014)	Certified
2	PT Kerry Sawit Indonesia I	PT Kerry Sawit Indonesia I mill	Kerry Sawit Indonesia 2, Kerry Sawit Indonesia 3	Central Kalimantan	2010	Certified
3	PT Bumi Sawit Kencana	PT Bumi Sawit Kencana mill	Bumi Sawit Kencana 1, Bumi Sawit Kencana 2, Karunia Kencana Permaisejati 1	Central Kalimantan	2012	Certified
4	PT Sarana Titian Permata 1	PT Sarana Titian Permata 1 mill	Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3	Central Kalimantan	2012	Certified
5	PT Sarana Titian Permata 2	PT Sarana Titian Permata 2 mill	Sarana Titian Permata 1, Sarana Titian Permata 2	Central Kalimantan	2018	
6	PT Agro Nusa Investama 1 (Sambas)	PT Agro Nusa Investama 1	ANI Sambas	West Kalimantan	2012	Certified
7	PT Mustika Sembuluh 2	PT Mustika Sembuluh 2 mill	Mustika Sembuluh 3, Bumi Sawit Kencana 1	Central Kalimantan	2015	Certified
8	PT Mentaya Sawit Mas	PT Mentaya Sawit Mas mill	Mentaya Sawit Mas 1, Mentaya Sawit Mas 2, Bumi Sawit Kencana 2	Central Kalimantan	2014	Certified
9	PT Kerry Sawit Indonesia 2	PT Kerry Sawit Indonesia 2 mill	Kerry Sawit Indonesia 1, Kerry Sawit Indonesia 2, Mustika Sembuluh 2,	Central Kalimantan	2015	Certified
10	PT Rimba Harapan Sakti	PT Rimba Harapan Sakti mill	PT. Rimba Harapan Sakti 1, PT. Rimba Harapan Sakti 2, Sarana Titian Permata 1, Sarana Titian Permata 2, Sarana Titian Permata 3	Central Kalimantan	2015	Certified
11	PT Karunia Kencana Permaisejati	PT Karunia Kencana Permaisejati mill	PT. Karunia Kencana Permaisejati 1, PT. Karunia Kencana Permaisejati 2, PT. Karunia Kencana Permaisejati 3	Central Kalimantan	2015	Final Audit
12	PT Bumipratama Khatulistiwa	PT Bumipratama Khatulistiwa mill	Bumi Pratama Khatulistiwa, Buluh Cawang Plantation	West Kalimantan	2016	Final Audit
13	PT Agro Nusa Investama (Landak)	PT Agro Nusa Investama (Landak)	Agro Nusa Investama, Putra Indotropical	West Kalimantan	2018	
14	PT Agro Palindo Sakti 2	PT Agro Palindo Sakti 2 mill	Agro Palindo Sakti, Pratama Procentindo, Daya Landak Plantation, Indoresin Putra Mandiri	West Kalimantan	2018	
15	KUD Cempaka Biru, KUD Sentama Lestari (Plasma binaan ANI 1 Sambas)	PT Agro Nusa Investama 1 (Sambas)		West Kalimantan	2017	Final Audit
16	KUD Karya Bersama, KUD Sejahtera Bersama, KUD Tabiku Makmur, KUD Kosudra	PT Kerry Sawit Indonesia 1 dan 2		Central Kalimantan	2018	

Time Bound Plan - Sumatera Region (last updated April 2017)

No.	Palm Oil Mill/Estate	Mill	Estate	Location	Certification year	Status
1	PT Perkebunan Milano	PT Perkebunan Mila	Sei Daun, Batang Saponggol, Merbau	North Sumatera	2009	Certified
2	PT Tania Selatan	PT Tania Selatan	Burnai Timur, Burnai Barat	South	2010	Certified
3	PT Kencana Sawit Indonesia	PT Kencana Sawit Indonesia Mill	Kencana Sawit Indonesia, Koperasi Swamata	West Sumatera.	2010 (KUD bersertifikat di tahun 2013)	Certified
4	PT AMP Plantation	PT AMP Plantation Mill	AMP I, AMP II, AMP III, AMP IV, Primatama Mulia Jaya, Karya Agung Megah Utama, Perkebunan Anak Negeri Pasaman, Koperasi Tompek Tapian Kandis, Koperasi AWM, Koperasi BST, Koperasi MSJ	West Sumatera	2011 (KUD bersertifikat di tahun 2014)	Certified
5	PT Buluh Cawang Plantations	PT Buluh Cawang Plantations Mill	Bumi Arjo, Dabuk Rejo, Sukamulya, Bambu Kuning	South Sumatera	2012	Certified
6	PT Gersindo Minang Plantations	PT Gersindo Minang Plantations Mill	Gersindo Minang Plantation, Permata Hijau Plantation-1, Permata Hijau Plantation-2	West Sumatera	2012	Certified
7	PT Daya Labuhan Indah	PT Daya Labuhan	Wonosari, Sei Deras, Cabang Dua	North	2013	Certified
8	PT Agro Palindo Sakti	PT Agro Palindo	Agro Palindo Sakti	South	2014	Certified
9	PT Murini Sam Sam	PT Murini Sam	Murini Sam Sam	Riau	2015	Certified
10	PT Musi Banyuasin Indah	PT Musi Banyuasin Indah Mill	Sei Selabu, Sei Jarum, KUD Karya Gatra, KUD Karya Makmur Sriwijaya, KUD Panca Karya Jaya, KUD Sumber Makmur, KUD Tri Tunggal Karya	South Sumatera	2018	Final Audit
11	PT Sinarsiak Dianpermai	PT Sinarsiak	Sinarsiak DianPermai	Riau	2018	Pre assessment
12	Agro Indah Persada 2 (mill tanpa kebun)	Agro Indah Persada 2 Mill		Jambi		NPP audit
13	KUD Dastra II (Plasma binaan AMP)	PT AMP Plantation Mill		West Sumatera	2019	
14	Yayasan Tanjung Manggopoh (YTM), Tani Lembah Subur (Plasma binaan AMP)	PT AMP Plantation Mill		West Sumatera		Sudah menjadi kebun mandiri
15	KUD Dastra 1 (Plasma binaan PMJ)	PT AMP Plantation Mill		West Sumatera	2019	
16	KSU Bina Tani Sejahtera, KUD Lingkung Aur II (Plasma binaan GMP)	PT Gersindo Minang Plantation Mill		West Sumatera		Sudah menjadi kebun mandiri
17	KUD Sasak, KUD Kapar, Mutiara Bosa Sikilang, Permata Sawit Maligi (Plasma binaan PHP)	PT Gersindo Minang Plantation Mill		West Sumatera	2019	
18	KUD Bumi Jaya, KUD PUMA, KUD Tunggal Mulya, KUD Sinar Sawit Bahagia, KUD Dwi Tunggal, KUD Tani Mandiri, KUD Maju Jaya (Plasma binaan PPP)	PT Tania Selatan Mill		South Sumatera	2016	Disertifikasi sebagai plasma mandiri
19	PHP (blok 22)	PT Gersindo Minang Plantation		West Sumatera	2017	

Time Bound Plan - Malaysia (last update April 2017)

No	Name of Holding	Location	Time bound plan for certification	Remarks
1	Sapi (1 + 2)	Sandakan, Sabah	2008	Certified
2	Sabahmas	Lahad Datu, Sabah	2008	Certified
3	Reka Halus	Sandakan, Sabah	2008	Certified
4	Saremas (1 + 2)	Miri Serawak	2008	Certified
5	Kaminsky	Miri Serawak	2008	Certified
6	Suai	Miri Serawak	2008	Certified
7	Segarmas	Miri Serawak	2008	Certified
8	Terusan (1 + 2)	Sandakan, Sabah	2009	Certified
9	Kiabau	Sandakan, Sabah	2009	Certified
10	Ribubonus	Sandakan, Sabah	2009	Certified
11	Hibumas	Sandakan, Sabah	2010	Certified
12	Sri Kamusan	Sandakan, Sabah	2010	Certified
13	Sekar Imej	Sandakan, Sabah	2010	Certified
14	Aktif Kukuh & Koperasi	Sandakan, Sabah	2010	Certified

Time Bound Plan - Africa Region (last update April 2017)

No.	Company	Estate	Mill	Location	Certification year	Status
1	Benso Oil Palm Plantation (BOPP)	BOPP Adum Bansa Estate and associated Scheme Smallholders	BOPP Mill 1	Western Region, Ghana	2014	Certified
2	Biase Plantations Limited	Calaro Estate	Under Construction	Cross River State, Nigeria	2019	to be certified (mill construction in progress)
3	Biase Plantations Limited	Calaro Extension Estate	None planned	Cross River State, Nigeria	2020	to be certified (NPP completed recently in 2016. Land preparation no starting)
4	Biase Plantations Limited	Ibiae Estate	Construction not started	Cross River State, Nigeria	2020	to be certified (NPP completed. Mill construction yet to start)
5	Eyop Industries	Ibad Estate	Construction not started	Cross River State, Nigeria	2021	to be certified (mill construction yet to start)
6	Eyop Industries	Kwa Falls	None planned	Cross River State, Nigeria	2021	to be certified (replanting of existing plantations in
7	Eyop Industries	Oban	None planned	Cross River State, Nigeria	2021	to be certified (NPP not started)

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Appendix 6 : Check list
Section 2 – P&C Checklist

The checklist provided in the last column of the P&C table below are a series of minimum questions to be asked by the auditor while auditing compliance on the specific indicator. Failing to have satisfactory answer to the question may indicate non-compliance to the requirement.

Note : YYYY & ZZZZZ (not valid in INA) : Generic 2013 & AAAAA : INA – NI 2016

CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
Principle 1: Commitment To Transparency			
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
	1.1.1 There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.		
	<ul style="list-style-type: none"> a. Does the company maintain a list of stakeholders? (E.g. listed by category and stakeholders listed should be site specific) b. What is the frequency of updating the stakeholder list? c. Is there evidence of stakeholder verification? d. What type of information is provided? (E.g. Environmental, social and legal) e. What is the frequency and level of access to this information? f. How and where is the information disseminated? g. Who is responsible for providing & updating information? h. Is there an SOP available to describe the process (of information sharing/dissemination)? i. Are stakeholders aware of the type of information available and the procedures for accessing the information? 	<p>The company has updated list of stakeholders for both estates and mill. Stakeholders listed include surrounding government offices (at provincial, district, sub-district and village level), community leaders, other palm oil companies, police stations, universities and school, NGO's (national, local level), contractors, suppliers, smallholders, social organizations, workers and community members. The lists are updated periodically and are available at each estate and mill. The list will be updated at least once a year. There is evidence that the list of stakeholder was updated on January 2017.</p> <p>The company has 2 (two) lists of stakeholders due to the company located at 2 (two) districts, i.e.: Labuhan Batu Selatan and Labuhan Batu Utara districts. The 1st List was cover Sei Daun Estate, Batang Seponggol Estate, and Pinang Awan Mill, since the estates and mill located at Labuhan Batu Selatan District, Sumatera Utara Province, and the 2nd list was cover Merbau Estate, since the estate located at Labuhan Batu Utara District, Sumatera Utara Province.</p> <p>The list consists of data of stakeholder's name, address, and contact person or PIC's name and phone number. Stakeholders listed include surrounding government offices (at provincial, district, sub-district and village levels), community leaders, other palm oil companies, police stations, universities and school, NGO's (national, local level), contractors, suppliers, smallholders, social organizations, workers, press, and community members.</p>	C

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	1.1.2 (M) Records of requests for information and responses to the information requested shall be maintained.		
	<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>	<p>The company has some policy and procedures regarding to communication and information, such as:</p> <ul style="list-style-type: none"> • Policy of Communication was signed by Group Plantation Head, Group CSR Head and Representatives of Worker (Head of Worker Union/SPSI Sei Daun Estate). The policy was updated on September 2010. • Procedure No. PRO-BM.GEN-001, Rev.02, Dated November 20, 2009, Namely Procedure of Communication, Consultation, and Coordination to External • Procedure No. PRO-GEN-011, Rev. 02, dated September 23, 2013, namely Procedure of Internal Communication and Consultation • Procedure No. PRO-BM.GEN-002, Rev. 03, dated March 01, 2012, namely “Penanganan Hubungan dan Upaya Pemberdayaan Masyarakat”. As mentioned in the procedure, number 7.6, stated: “all processes input handling shall be 1 (one) month at maximum time”. The PIC was assigned for response to stakeholder and their responsible are : <ol style="list-style-type: none"> 1. Personnel and General Affair <ul style="list-style-type: none"> • Responsible to register input/output: information request, grievance, and proposal for community development • Extend the information/grievance/proposal for community development to Estate and Mill Manager. 2. Estate Manager and Mill Manager <ul style="list-style-type: none"> • Extend the information/grievance/proposal for community development to relevant functions • Making decision as their authority as appropriate. 3. Bina Mitra/Head of Functions <ul style="list-style-type: none"> • Conducted field analysis/input classification • Input response regarding to priority scale • Publicity result of analysis or response results • Maintained related records 4. Public Speaker <ul style="list-style-type: none"> • Get analysis response, formulize input handling, socialization of handling input, conducting monitoring/evaluation effectiveness of input handling. • Reporting for company’s interest and other parties • Maintained relevant document/records. <p>The SOP was cover the elements as follow: the frequency of updating the stakeholder list, evidence of stakeholder verification, type of provided information (E.g. Environmental, social and legal), the fre-</p>	C

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
		<p>quency and level of access to this information,, how and where is the information disseminated, the responsible person for providing & updating information, describing the process (of information sharing/dissemination) and how stakeholders aware of the type of information available and the procedures for accessing the information. There is evidence that Sei Daun Estate has maintained records of requests for information and responses in the Log Book. There is evidence that response to requests for informationin Sei Daun Estate timely and appropriate. However, not all of the response to incoming letter accompanied by the date of the response.The Pinang Awan Mill has maintains records of all requested made by stakeholders in a logbook (handwritten), including information on the date when request was received, party making the request, details of request, letter number, the responsible person, response from the mill and date of completion.</p> <p>The company already share their documents such as legal, environmental, social to stakeholders, for example:</p> <ol style="list-style-type: none"> a. Plantation Report to Regent of Labuhanbatu Selatan District for Period July to December 2017, February 15, 2017. b. Report of Manpower Within Company has been reported to Head of Social and Manpower Agency of Labuhanbatu Selatan District, February 15, 2017. 	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
	<p>1.2.1 (M) Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). 		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<p>a. How are the management documents listed in (c) below made publicly available?</p> <p>b. Where are the documents placed?</p> <p>c. Is the information provided adequate? Note: At minimum, an information summary of the document listed below should be made available.</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2) <ul style="list-style-type: none"> - Legal boundaries ,land use, classification, total area, grant title, permit validity , NCR rights, • Occupational health and safety plans (Criterion 4.7); <ul style="list-style-type: none"> - risk assessment and mitigation ,emergency response plan, training, accident records • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); <ul style="list-style-type: none"> - main social and environmental impacts and mitigation measures, • HCV documentation (Criteria 5.2 and 7.3); <ul style="list-style-type: none"> - identification on HCV areas, maps, management and monitoring HCV • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures • 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; 	<p>The types of information which are available to public are (but not limited) as stated on management decree letter No. 001/MLN-EXT/VI/2015, signed by Group Estate Manager, date June 08, 2015. The information consist of:</p> <ol style="list-style-type: none"> 1. Company profile 2. Management and Monitoring Environmental Effort (UKL & UPL) 3. Identification of environmental aspects and evaluation of environmental impacts 4. Identification and Social Impact Handling Plan 5. OHS Management System 6. Company Policy 7. Land use right (HGU) and other related licenses 8. Area statement and Mill production capacity including Maps 9. Maps of river within areal of company 10. Procedures of estate and mill operations 11. Organizational structure 12. HCV documentation 13. CSR & CDP documents 14. Public Summary of certification report 15. Grievance, Complaint, and its handling 16. Negotiation procedures 17. Continual improvement plans 	<p align="center">C</p>

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<ul style="list-style-type: none"> - follow RSPO format • Human Rights Policy (Criterion 6.13). - 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	Growers and millers commit to ethical conduct in all business operations and transactions.		
	1.3.1 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, which shall be documented and communicated to all levels of the workers workforce and operations.		
	<p>a. Is there a written policy committing to a code of ethical conduct and integrity in all operations and transactions?</p> <p>b. Does the policy include as a minimum:</p> <ul style="list-style-type: none"> • A respect for fair conduct of business? • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources? • A proper disclosure of information in accordance with applicable regulations and accepted industry practices? <p>c. Is the policy documented and communicated to all levels of the workforce and operations, including contracted third parties? How is it communicated?</p> <p>d. Are the documentation and communication done in the appropriate languages?</p> <p>Note to auditor : The workforce should be interviewed to determine level of understanding of policy</p>	<p>The organization has established code of conduct, document no. 044/DIR-KP/XII/2015, dated December 15, 2015. The Code of Conduct has approved by Country Head. The document was contains the code of integrity and commitment to ethical behavior in the whole conduct of operations and transactions. The Code of Conduct was cover for Plantation and Mill of Wilmar Group Indonesia. The code of conduct has been written in the Bahasa Indonesia language, so easily to understand by all levels within the organization. The code of conduct was included:</p> <ol style="list-style-type: none"> 1. Code of Conduct Principle 2. Conflict of Interest 3. Accurate Records 4. Bribery and Illegal or Unethical Trading Practices 5. Entertainment and Gifts 6. Misuse of Position 7. Insider Trading 8. Confidentiality 9. Restriction on Solicitation 10. Media Relations 11. Trade Union, Poitical and Social Activities 12. Installation of Illegal Computer Software 13. Reporting, Cooperating with Investigations and Discipline in Connection with Violation. <p>The company's Code of Conduct consists of three principles, i.e.:</p> <ol style="list-style-type: none"> 1. To avoid conflict of interest. 2. To avoid misuse and / or abuse of position 3. To ensure confidentiality of information and to prevent misuse of information gained through the 	C

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
		<p>Company's operations, either to personal gain or for any purpose other than that intended by the Company.</p> <p>There is evidence that the code of conducts has been communicated to all levels of the workforce and operations within the organization, including contracted third parties, e.g.:</p> <ul style="list-style-type: none"> • Minute of Socialization of Company Code of ethics and Integrity, held on Apel Pagi Perawatan Divisi I, II and III dated December 7, 2016. The socialization was attended by 95 persons. • Minute of Socialization of Company Code of ethics and Integrity, held on Apel Pagi Perawatan Divisi II (Afdeling III), and dated May 19, 2016. Socialization has conducted by J. Lumbantoruan (Bina Mitra SDE). The socialization was attended by 66 persons. <p>Based on interview/discussion with some worker at Merbau Estate and Pinang Awan Mill, was found that the policies has been known and understood by filed operators. e.g.: based on interview results, the gender policy and OHS policy has been known by spraying worker, harvester and one of worker at Perumahan 2 in Merbau Estate.</p>	
Principle 2: Compliance With Applicable Laws and Regulations			
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1 (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>Organizations shown all applicable laws and regulations list in 2017 periods full with copied document. Those documents available in estate and mill offices including copied of new regulations, such as toxic & hazardous waste storage permit, land application permit, surface water utilization permit for Pinang Awan Mill, and recommendation for agrochemical usage for SDE and BSE.</p>	C
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 law that is identified and linked to activities <p>b. Are the documents available to all levels of management?</p>	<p>All legal requirements are available to all levels of management. PT Milano established procedure SOP PRO-GEN-031 that covers all applicable requirements.</p> <p>The organization has list of legal requirements as below:</p> <ol style="list-style-type: none"> 1. Document No. PRO-GEN-031- Law Register – OHS Field; Revision 07, Revision date 01 April 2016; Prepared by EHS Officer, Checked by MR and Approved by Group Estate Manager. In this revision some regulations was added and removed from the list. 2. Document No. PRO-GEN-031- Law Register – Human /Labor Field; Revision 07, Revision date 01 April 2016; Prepared by Human Resources Region, Checked by MR and Approved by Assistant General 	C

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
		<p>Manager. In this revision some regulations was added and removed from the list.</p> <p>3. Document No. PRO-GEN-031- Law Register – Environmental Field; Revision 07, Revision date 04 Juli 2015; Prepared by EHS Officer, Checked by MR and Approved by Group Estate Manager. In this revision some regulations was added and removed from the list.</p> <p>4. Document No. PRO-GEN-031- Law Register – Plantations Field; Revision 06, Revision date 15 April 2015; Prepared by Group Estate Manager, Checked by MR and Approved by Assistant General Manager. In this revision some regulations was added and removed from the list</p> <p>Some new regulations or laws can shown by company as sample is Ministry of Agriculture regulation no.11 year 2015, law no.39 year 2014, law no.18 year 2013, Ministry of Forestry decree no.579 year 2014, government regulation no.71 year 2014, President regulation no.109 year 2013, Ministry of Man Power no.26 year 2014 and government regulation no.101 year 2014.</p> <p>Personil in charge conducting evaluation and updating regulation is EHS officer</p>	
	2.1.3 A mechanism for ensuring compliance shall be implemented.		
	Is an internal audit for legal compliance conducted annually and documented?	Estates and mill done periodically monitoring to ensure accuracy of updated laws at least once a year, while an evaluation on compliance to legal and other requirements shall be carried out at least twice a year	C
	2.1.4 A system for tracking any changes in the law shall be available and implemented.		
	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?	Procedure of law of register (SOP no.PRO-GEN-031) included tracking change. It has implemented with evidence of law register document.	C
2.2	The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights..		
	2.2.1 (M) Documents showing legal ownership or lease, history of land tenure ownership/control and the actual legal use of the land shall be available.		
	<p>a. Are there documents showing legal ownership or lease of the land available? (e.g. land titles, lease documents)</p> <p>b. Are there documents showing history of land tenure available? (e.g. legal documents showing land status change, SIA</p>	<p>PT. Perkebunan Milano has had the legality of land use right for estate as follows:</p> <ul style="list-style-type: none"> • Batang Saponggol Estate: <ul style="list-style-type: none"> - Licensing agency: Menteri Negara Agraria / Kepala Badan Pertanahan Nasional of Republic of Indonesia - HGU (land use right) No. 83 / HGU / BPN / 95, dated December 13, 1995. 	C

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	<p>and EIA reports, HCV assessment reports)</p> <p>c. Are there documents showing the actual legal use of the land available?</p> <p>d. Are the documents complete?</p>	<ul style="list-style-type: none"> - Validity period of HGU is 25 years and valid until December 13, 2020 - Wide of HGU areal: 1,749.43 hectare - Location: Kampung Rakyat Sub District, Labuhan Batu District, and Province of Sumatera Utara. • Sei Daun Estate: <ul style="list-style-type: none"> - Licensing agency: Kepala Badan Pertanahan Nasional Republic of Indonesia - HGU (land use right) No. 15 / HGU / BPN RI / 2013, dated February 15, 2013. - Validity period of HGU is 25 years and valid until December 31, 2038 (starting from Desember 31, 2013 – time of expire previous HGU) - Wide of HGU area: 2,568.37 hectare - Location: Pangarungan Village, Torgamba Sub District, Labuhanbatu Selatan District, Sumatera Utara Province • Merbau Estate: <ul style="list-style-type: none"> - Licensing agency: Menteri Negara Agraria / Kepala Badan Pertanahan Nasional - HGU (land use right) No. 20 / HGU / BPN /96 date May 31, 1996. - Validity period of HGU is 25 year, and valid since berlaku sejak didaftarkan dan berlaku sampai dengan tanggal August, 2021 - Wide of HGU area: 974.77 ha - Location: Pangarungan village, Torgamba Sub District, Labuhanbatu Selatan District, Sumatera Utara Province. 	

2.2.2 Legal boundaries are demonstrated shall be clearly demarcated and visibly maintained.

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	<p>a. Is there a legal map showing location of boundary markers? b. Is there physical presence of boundary markers? c. Is there an SOP for boundary demarcation and maintenance?</p> <p>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</p> <p><u>In the case of Associated Smallholders:</u></p> <p>a. Are there documents showing that the boundaries of associated smallholders have been recorded and verified by the mill? b. In case of boundary breach, is there proof of a mitigation plan being implemented?</p>	<p>The organization a documented procedure namely Standard Operating Procedure maintenance of boundary stone of land legal right (Document No. SOP-BM.LING-007, Revision 00, dated Novemver 03, 2011). The SOP was prepared by Bina Mitra, checked by MR and approved by General Estate Manager. The document said:</p> <ul style="list-style-type: none"> - Estate manager has responsible to ensure that maintenance of boundary markers of land legal right (HGU) is implemented as scheduled - Bina Mitra has responsible for coordinate to maintenance of boundary stone of legal land right - Security have responsible to monitoring and maintain of boundary stone too <p>The organization has maps of HGU pillars for Batang Saponggol, Sei Daun and Merbau estates. Based on the maps, Sei Daun Estate has 82 pillars and Merbau estate has 10 pillars and Batang Saponggol estate has 12 pillars. The organization (Sei Daun Estate) has defined schedule of pillar maintenance for 2017, was scheduled on February, May, August and November. There is evidence that maintenance of pillar has been conducted as reported on document of minute of declaration about maintenance of boundary stone in PT Perkebunan Milano - Sei Daun estate dated February 27-28, 2017.</p> <p>Based on field visit on Batang Saponggol estate on May 24, 2017, found that all visited pillars well maintained, easy to found, visibly and clear on BPN marks. Some pillars has been observed are as follows: 1) Block 44/HGU No.I; 2). Block 63/ HGU No. VIII; 3). Block 62/HGU No. XXII; 4). Block 71/HGU No. XXI; and 5). Block 63/HGU No. V.</p> <p>Based on field visit on Sei Daun Estate May 24, 2017, found that all visited pillars well maintained, easy to found, visibly and clear on BPN marks. Some pillars has been observed are as follows: 1) Division I, Block 63/HGU No. 4; 2). Division I, Block 67/ HGU No. 7; 3). Division II, Block 80/HGU No. 9; 4). Division II, Block108/HGU No. 29; 5). Division II, Block 116/HGU No. 32; 6). Division II, Block 116/HGU No. 33; 7). Division II, Block 117/HGU No. 35; 8). Division I, Block 113 / HGU No. 49; and 9). Division I, Block 88 / HGU No. 57.</p>	<p style="text-align: center;">C</p>
	<p>2.2.3 In the event that there is a Where there are or have been disputes has occurred, adequate evidence of legitimate additional proof of legal acquisition of title and evidence that fair compensation or compensation settlement process through conflict resolution which has been received through made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC) by all related parties shall be provided.</p>		
	<p>a. Are there, or have there been any land disputes?</p> <p>Note to auditor: Due diligence should be conducted on the management to provide evidence that there has been no historical or current land dispute</p>	<p>During this surveillance audit, there is no information and/or found any land disputes or conflict within Batang Saponggol and Sei Daun estates.</p>	<p style="text-align: center;">N.A</p>

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	<p>b. If there are or have been disputes, are there:</p> <ul style="list-style-type: none"> - Documents to proof legal acquisition? - Records of FPIC process? <p>c. If there has been acquisition involving compensation, are there:</p> <ul style="list-style-type: none"> - Records that Fair compensation has been provided and accepted by parties involved? - Records that all affected parties are consulted and represented? - Documents of negotiations/discussion available? <p>Note to auditor : There should be direct verification of above with the affected parties</p>		
	<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>		
	<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 	<p>Based on information in indicator 2.2.3 above so that this is indicator Not Applicable too</p>	<p>N.A</p>
	<p>2.2.5 For any conflict or dispute over the land, the evidende of the extent of the disputed area is shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and local government where applicable), shall be available.</p>		

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	a. Is there an SOP for participatory mapping of disputed area? b. Is a dispute map available? c. Is there documented evidence of involvement and acceptance by the affected parties? Note to auditor : Actual ground verification showing the accuracy of the dispute map should be conducted	Based on information in indicator 2.2.3 above so that this is indicator Not Applicable too	N.A
	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/or planned operations.		
	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?	Based on information in indicator 2.2.3 above so that this is indicator Not Applicable too	N.A
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.		
	2.3.1 (M) Maps with 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).		
	a. Does the company have an SOP on FPIC? b. Is there evidence that the identification of legal, customary or user rights has been done through FPIC process? 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.) d. Is there a map of the extent of legal, customary or user rights? Is this map of appropriate scale (1: 10,000)? e. Was the map produced through participatory mapping with reference to SIA and HCV assessment?	company to identify all existing traditional and or customary rights of other users within all the company's area, and some existing traditional rights of local communities were identified at Merbau Estate, Batang Saponggol Estate and Sei Daun Estate, such as grazing, fishing, gathering and sale of mushrooms and vegetables, access to roads, and maintainance of graveyards. All these are activities allowed under agreed conditions between the company and the local communities. There is no specific FPIC procedure	C

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	<p>f. Does the map have a title, legend, source, scale and projections/georeference?</p> <p>g. Are the maps accepted by the relevant communities?</p>		
	<p>2.3.2 Copies of negotiated agreements including detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these shall include:</p> <p>a) Evidence of that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Statement of transfer of rights Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence of compensation that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>See specific guidance 2.3.2</p>		
	<p>a. Are copies of negotiated agreements with affected parties available?</p> <p>b. Is there evidence that the agreement is prepared through proper FPIC process?</p> <p>c. Does the agreement contain the following:</p> <ul style="list-style-type: none"> - An action plan developed through consultation with affected parties, is inclusive and evidence that members of affected parties are well informed and involved in the decision making process - Evidence of options to give or withhold consent for development - 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 negotia- 	<p>The company has documented meeting minutes of an event conducted by the company on since year 2009 at Merbau Estate in order to socialize the results of the company's social impacts assessment as well as discuss the traditional rights of the land users. During this meeting, maps of appropriate scale showing the traditional rights of the land users were developed with the participation of the invited local communities. Socialization regarding the company's recognition of existing traditional and or customary rights was also performed at Sei Daun estate and at Batang Saponggol Estate.</p> <p>Head of village from respective villages assigned as community representative for each negotiation process accompanied by community's leader, this is confirmed by the communities during onsite interview and stakeholder consultation</p>	C

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<p>tions</p> <ul style="list-style-type: none"> - Clause which states that the negotiated agreement is legally binding 		
2.3.3 All relevant information shall be available in appropriate forms and languages, including analysis assessments of impacts, proposed benefit sharing, and legal arrangements.			
	<p>Is there evidence that all the information (maps, agreement, records, impact assessment, benefit sharing and legal arrangements) is available in appropriate forms and languages, understood and accessible to affected parties?</p> <p>Note to auditor: this should be cross checked to a sample of the affected parties</p>	Map and result of discussion and history of legal land record in appropriate forms	C
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.			
	<ul style="list-style-type: none"> 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 	Based on history of legal land record that local government as community representative	C
Principle 3: Commitment to Long-term Economic and Financial Viability			
3.1	There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1 (M) A documented A business or management plan (a minimum of three years) shall be available, including documented that includes, where appropriate, plan a business case for scheme smallholders.			
	<ul style="list-style-type: none"> a. Does the company have a documented business or management plan with a minimum planning period of 3 years? b. Does it include the following: <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 	<p><i>The business or management plan has contained :</i></p> <ul style="list-style-type: none"> • Attention to quality of planting materials; • Crop projection = Fresh Fruit Bunches (FFB) yield trends; • Mill extraction rates = Oil Extraction Rate (OER) trends; • Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends; • Forecast prices; 	NC

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	<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 new information and techniques?</p> <ul style="list-style-type: none"> - Has the personnel in charge (PIC) been identified? - How is the information updated? - Is there a documented SOP which requires monitoring and updating information to improve practices? - Is new information communicated to workers and scheme smallholders (where appropriate)? How is it communicated? 	<ul style="list-style-type: none"> • <i>Financial indicators</i> <p>but not update (year 2017-2022) so that it was raised NCR</p> <p>PT Perkebunan Milano have not scheme smallholder so that projection of budget for smallholder was not available.</p>	
	<p>3.1.2 An annual replanting program programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p>		

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	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)? Is there evidence of a yearly review of the replanting programme ?	There is annual replanting programme and reviewed	C
Principle 4: Use of Appropriate Best Practices by Growers and Millers			
4.1	Operating procedures are appropriately documented, consistently implemented and monitored.		
	4.1.1 (M) Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SPO for mills (reception of FFB to dispatch of CPO and PKO) shall be available documented.		
	a. Have the SOPs for mills and plantation been documented? b. Does the SOP cover key processes, harvesting, transportation, manuring, IPM, GAP, Supply Chain requirements for the mill, etc.? c. Is a copy of the SOP available on site and is it documented in an appropriate language? d. Is there evidence that SOPs are implemented and understood by workers? e. Are the SOPs appropriate and adequately cover all estate and mill processes and activities? f. How are the SOPs made available at the point of use?	All procedures has been distributed to all unit both estate and mill. Whole procedures are available in Bahasa Indonesia. PT Perkebunan Milano has established procedures and work instructions both for Mill and Estate as listed in the document FRM-GEN-019. The SOP was cover key processes, both for Mill and plantation, i.e: harvesting, transportation, manuring, IPM, GAP, Supply Chain requirements for the mill, and other supporting SOP's. All of those procedures (in Bahasa) have understood by all workers and available both on estates/mill office. During audit, auditor has interviewed pesticide applicator team in Sei Daun estates. All pesticide applicator can described and demonstrated best application of pesticide by using knapsack sprayer and proper PPE equipment. They also described the safety procedure such as prohibited to applied pesticide cross wind. Beside that, all applicator has been socialized not to apply pesticide in conservation area or riparian belt that signed with red-cross on the trees.	C
	4.1.2 Checking or monitoring of opeations procedure is conducted at least once a year A mechanism to check consistent implementation of procedures shall be in place.		

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	<p>a. Is there a master list of all SOPs?</p> <p>b. How does the company keep track of revisions?</p> <p>c. Is there mechanism for:</p> <ul style="list-style-type: none"> - Translation of SOP into work instructions in appropriate languages? - Records of training for all levels? - Internal control (e.g. audit and review, field inspection) procedure in place to monitor consistent implementation of SOPs? - Trained and competent personnel assigned to carry out internal control activities? - Implementation audits to be carried out regularly covering implementation of all the SOPs? <p>d. Procedure to address non-compliance and corrective action for continuous improvement?</p>	<p>The company has a master list of all SOPs, namely Daftar Induk Dokumen, document no. FRM-GEN-019. The document consists of information such as document no., type of document, document's name, document's categories, and revision status. Type of document consists of Policy, Manual, Procedure, and SOP. Meanwhile, the status of revision can be using for keep track of revisions. All of procedures SOP and other documents written in Bahasa Indonesia language so easily to understand by all persons at all levels within organization.</p> <p>Mechanism for record of training of all levels has defined in procedure no. PRO-GEN-002 (Rev.03, dated May 07, 2012) namely Procedure of Control of Record; Internal control (e.g. audit and review, field inspection) procedure in place to monitor consistent implementation of SOPs has defined in procedure no. PRO-GEN-003 (Rev.03, dated June 05, 2014), namely Procedure of Internal Audit.</p> <p>The organization has assigned trained and competent personnel as Intenal Auditor to carry out internal control. The mechanism to address non-compliance and corrective action for continuous improvement has defined in procedure no. PRO-GEN-004 (Rev. 01, dated May 01, 2010) namely Procedure of Corrective and Preventive Action and procedure no. PRO-GEN-006 (Rev. 02, dated June 01, 2014) namely Procedure of Management Review.</p> <p>The company has conducted several internal audit annually. For example, RSPO internal audit to ensure all RSPO principal and criteria implemented in all unit.</p> <p>NCR 4.1.2 minor</p> <p>PT Perkebunan Milano already have conducted monitoring for working output especially for contractors. This assessment are inadequate for describing contractors compliance related to labour, heath care, and mechanism for following up those assessment result still not available.</p>	NC
	<p>4.1.3 Records of monitoring and any follow up actions taken shall be maintained and available, as appropriate.</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 	<p>The last internal audit for RSPO P&C has conducted in April 10th – 12th 2017 and identified several non conformities. All of non conformities have been closed through the corrective action that shown by mill or estate. Daily activities also well reported and documented. For example, daily production report of Pinang awan mill on May 23rd 2017 has informed data of FFB received, production (CPO, PK and shell), extraction ratio (OER & KER), stock (CPO, PK and shell), quality, mill processing hours, utilities (consumption of diesel fuel, bio diesel, electricity, water and CaCO3) and pressing throughput.</p> <p>NCR 4.1.3 minor</p>	NC

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		PT Perkebunan Milano have monitored working output for contractors, however working assessment for contractors still general therefore specific labour / health care terms are not verified yet in accordance with employment agreement (surat perjanjian kerja)	
4.1.4 (M) The mill shall records the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) Fresh Fruit Bunches (FFB) shall be available.			
	<p>a. Is there an SOP for third-party FFB sourcing?</p> <p>b. Is there a list of approved third-party FFB suppliers?</p> <p>c. Is there proof of observed implementation of SOP?</p> <p>d. Is there daily and summary records of volume and origins of third-party FFB received?</p> <p>e. Have these records been verified against the available document?</p>	<p>The company has established the procedures to ensure that FFB from third party suppliers are produce from legal areas, listed on these following SOP such as : SOP FFB acceptance SOP-MIL-001 on 2012, SOP FFb purchasing SOP-MIL-044 On 2009, and SOP No 001/TBS-SOP/VIII/2015 on 2015 about FFB purchasing. This procedure stated that all of third parties FFB's should derived from legal areas/ non forest areas and in this case, company also conducted an regularly internal audits to FFBs suppliers to make sure of them</p> <p>The organization has list of updated FFB Supplier, both of internal parties and third-parties, and recorded 45 suppliers totally. Company shown evidence that Mill has daily and summary records (on details of FFB reception 2017) and maintained records of volume and origins of third-party FFB received.</p> <p>Daily records were available on document of Daily Report FFB, and found contained data of volume and origins of third-party FFB. These records can be verified against the available documents, i.e.: Surat Pengantar Buah (SPB) (FRM-EST-010), Weight Bridge Slip (FRM-MILL-004) and Berita Acara Sortasi (FRM-MILL-003).</p> <p>The third party types supply FFB to Pinang Awan mill are categorized as follow:</p> <ol style="list-style-type: none"> 1. Direct Supply to Pinang Awan Mill <ul style="list-style-type: none"> • Independent out grower direct supply to Pinang Awan Mill • Independent out grower supply FFB trader (agent) then FFB agent to Pinang Awan mill 2. Direct Supply to Ramp Rantau Parapat then to Pinang Awan Mill <ul style="list-style-type: none"> • Independent out grower direct supply to Ramp Rantau Parapat • Independent out grower supply FFB trader (agent) then FFB agent to Ramp Rantau Parapat before to Pinang Awan mill. 	C
4.2	Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		

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	<p>4.2.1 (M) A record of SOP implementation to maintain soil fertility to a level that ensures optimal and sustained yield, shall be available where possible. There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, shall be available where possible.</p>		
	<p>Are there SOPs for Good Agricultural Practices in managing soil fertility? Is there evidence that the SOPs have been implemented and monitored?</p>	<p>Good agriculture practices and soil fertility managing implemented based on following procedures for example manual fertilizer application for oil palm SOP-EST-004, EFB applications SOP-EST-009, land applications SOP-GEN-007, LCC planting SOP-EST-002.</p>	C
	<p>4.2.2 Records of fertiliser inputs shall be available maintained.</p>		
	<p>a. Is records of fertiliser inputs maintained? b. Is there records to proof that the fertiliser program is linked to the agronomic report? c. Is there records of fertilizer usage per tonne of FFB production (>in Summary Table, specific types of fertilizers)?</p>	<p>Records for all fertilizer usage and programme 2017 for example fertilizer usage/tonne FFB productions are available, for example on sei daun estates : NPK (12-12-1) usage are 1 kg/tonne FFB, kieserite usage are 1.34 kg/tonne FFB, dolomite usage are 5.74 kg/tonne FFB and for batang sponggol estates RP usage are 1.95 kg/tonne FFB, kieserite 3.74 kg/tonne FFB, and dolomite 3.56 kg/tonne FFB.</p>	C
	<p>4.2.3 Records of periodical leaf, soil and visual analysis shall be available There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p>		
	<p>a. Is there SOPs for tissue and soil sampling? b. Is there evidence of implementation of the SOPs, including availability of records? c. Is there records of tissue and soil analysis? d. Is the results of the study incorporated into the fertilizer program?</p>	<p>The company has soil sampling and leaf analysis unit procedure, stated on procedures SOP-EST-004A 2016 and SOP-EST-004B 2016. The procedure state that leaf analyst conducted every once year and soil analyst conducted every 5 years. Company conducted fertilization programme based on recommendation of tissue and soil analysisist periodically. Records for actual fertilizer report are listed on fertilization programme and realization report 2016, and done based on leaf sampling unit and soil analysisist by environmental management unit laboratory. The result of analysis describe the content of N, P, K, Mg, Ca,B, Cu, Zn. Document review shown the fertilization programme for 2016 conducted properly based on recommendation of leaf and soil analysis result.</p> <p>The company has map of soil semi detail with scale 1:40,000 (Sei Daun Estate) and 1:30,000 (Merbau Estate). Based on field visit at Sei Daun Estate and Marbau Estate, the location is flat so the company not has management plan for location with steep areas</p>	C
	<p>4.2.4 A nutrient recycling strategy is recorded, including shall be in place, and may include use of Empty Fruit Bunches (EFB), land application, Palm Oil Mill Effluent (POME), and palm residues after replanting.</p>		
	<p>a. Is there a nutrient recycling strategy in place? b. Does the strategy include the following? <ul style="list-style-type: none"> • Clear objectives and time-bound targets • Inventory of : <ul style="list-style-type: none"> - EFB - POME - Fibre </p>	<p>Yes, there is nutrient recycling strategy activity. Based on field visit on block 029 SDE for examples, sighted that frond stacking applications are conducted as mulching for oil palm. Monitoring for nutrient recycling strategy at each estate are documented well, for example POME application at Sei daun estates on April 2017 are 15,580 m3, EFB applications for march 2017 periods at Batang seponggol estates are 6042 tonne for 151.06 ha areas, and at sei daun are 2669 tonne for 66.73 ha areas</p>	C

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	<ul style="list-style-type: none"> - Boiler ash - Kernel shell - Palm residues from replanting • Biomass recycling program • Implementation and monitoring records <p>Note to auditor : Ground verification required</p>		
4.3	Practices minimize and control erosion and degradation of soils.		
	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"> • There are soil maps both of Batang Saponggol and Sei Daun Estate that showing soil types at each estate respectively. Based on the map, there is no fragile soils and other problem soils (sandy, low organic soils, acid sulphate soils, and etc.) presence within the organization areas. • Soil map data of Batang Saponggol and Sei Daun Estates as below: <ul style="list-style-type: none"> - Batang Saponggol- Scale: 1:50.000; dated July 24, 2009; sources: field survey and Param Agriculture Soil Surveys (M) SDN. BHD, 2008 - Sei Daun – Scale 1:40.000; dated July 24, 2009 ; sources: field survey and Param Agriculture Soil Surveys (M) SDN. BHD, 2008. 	C
	4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).		
	<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>	<p>Based on Slope map of Sei Daun estate, scale 1:50.000, dated March 11,; Map Reference No. M586; found that slope class of area is 100% (2,493.19ha) lower than 6°.</p> <p>Based on Slope map of Batang Saponggol estate, scale 1:80.000, dated March 11, 2009; Map Reference No. M587; found that slope class of area is 100% (1,749.43 ha) lower than 6°.</p> <p>Based on information above so that the management have not management strategy for planting on slope.</p> <p>Whereas, minimum of potential of erosion in riparian so that management has carried out maintain riparian.</p>	C
	4.3.3 A road maintenance programme shall be in place.		

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	<p>a. Is there a road maintenance programme in place with supporting budget and resources?</p> <p>b. Is there road maintenance records?</p>	<p>The organization has established a road maintenance program that supported by budget and resources and records of road maintenance well maintained both of Batang Saponggol and Sedi Daun Estate. Some records/documents were reviewed as describe below:</p> <ul style="list-style-type: none"> - Plan/Realization of Maintenance Work year of 2017 Sei Daun estate, Division/Phase: II/F.III/F.IV/F.VI; areal wide 1,096.84 ha; Work type: maintenance of main road; data of road maintenance as follows <ul style="list-style-type: none"> • a. January: Plan/Real: 94.66/6.10 ha • b. February: Plan/Real: 111.94/5.40 ha • c. March: Plan/Real: 96.13/6.55 ha • d. April: Plan/Real: 72.57/5.55 ha • e. Mei: Plan/Real: 95.69/- • f. June: Plan/Real: 72.09/- • g. July: Plan: 117.05 • h. August: Plan: 91.64 • i. Sept: Plan: 82.36 • j. Oct: Plan: 131.45 • k. Nop: Plan: 79.44 • l. Dec: Plan: 51.82 - Plan / Realization of Maintenance Work year of 2017, Batang Saponggol estate, Division: II; Work type Main Road; maintenance. The data as follows:: <ul style="list-style-type: none"> • a. January: Plan/Real: 94.54/- ha • b. February: Plan/Real: 86.09/- ha • c. March: Plan/Real: 139.58/- ha • d. April: Plan/Real: 99.72/- ha • e. May: Plan/Real: 79.86/- • f. June: Plan/Real: 95.38/- • g. July: Plan88.8 • h. August: Plan: 49.18 • i. Sept: Plan: 87.37 • j. Okt: Plan:23.93 • k. Nop: Plan: 51 • l. Dec: Plan: 0 - Monograph of Working Plan year of 2016; Batang Saponggol estate; Division I; Collection Road Maintennce; Plan/Real: 82.07/82.07 ha - Monograph of Working Plan year of 2017 (Immature); Batang Saponggol estate; Division I; Main 	<p align="center">C</p>

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
		Road Maintenance; Plan/Real: 82.07/82.07 ha - Monograph of Working Plan year of 2017; KBatang Saponggol estate; Division I; Perawatan Main Road; the data as follows: • Jan: Plan/Real: 101.70/1,935 meter; Feb: 0; March: 100.75; April: 0; May: 104.81; June 0; Jul: 117.39; August: 0; Sept: 136.10; Oct: 0; Nop; 107.98; Dec: 0. - Monograph of Working Plan year of 2017; Batang Saponggol estate; Division I; Coll Road maintenance; the data as follows: • Jan: Plan/Real: 0; Feb:113.69/113.69; Martch: 0; April: 141/141.40; May: 0; June: 101.70; July: 0; August: 128.73; Sept: 0; Oct: 99.76; Nop; 0; Dec: 83.45	
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.			
	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 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 ground-water 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, sand-bags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).</i> g. Is there a ground cover management programme and is there evidence of implementation?	There is no peat soil presence within the organization area both of on Sei Daun and Batang Saponggol Estates and also there is no other problem soils (e.g. sandy, low organic, acid sulphate) presence within the organization.	N.A
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Specific Guidance: 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 re-			

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	<i>habilitation.</i>		
	a. Was a drainability assessment conducted before re-planting 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?	Based on information above (indicator 4.3.4) so that this is indicator not applicable too	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).		
	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?	There are soil maps both of Batang Saponggol and Sei Daun Estate that showing soil types at each estate respectively. Based on the map, there is no fragile soils and other problem soils (sandy, low organic soils, acid sulphate soils, and etc.) presence within the organization areas. Based on information above so that management have not management strategy for fragile and problem soils	N.A
4.4	Practices maintain the quality and availability of surface and ground water.		
	4.4.1 An implemented water management plan shall be in place.		
	a. Is there a water management plan in place for mill and plantation with identified actions? b. Does the plan include the following? <ul style="list-style-type: none"> • Identification of water sources • Efficient use of water • Renewability of water source • Impacts on catchment area and local stakeholders • Access of clean drinking water all year round for stakeholders • Avoidance of surface and ground water contamination c. Have the identified actions in the plan been implemented?	Water sources identification and management plan are listed on 2017 water management document. These document describes the water source identification, Mill water usage monitoring & efficiency, and catchment area protections. To avoid groundwater contamination, company conducted regularly water quality testing every semester for artesian well that utilized by workers for bathing, washing, and lavatory (mandi, cuci, kakus) on both estates SDE and BSE. Based on workers interview on estate housing shown that drinking water for them originated from refill water and Pinang Awan mill also provides clean water access for all workers. PT Milano also has installed flowmeter on each housing to monitored efficient use of water	C
	4.4.2 (M) Protection of water courses and wetlands, including securing and maintaining and restoring appropriate riparian and other buffer zones, at the time of or prior to replanting (refer to national best practice and national guidelines) shall be demonstrated.		

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	a. Is there a map identifying water courses and wetlands? b. Are the water courses and wetlands protected? c. Are the riparian and buffer zones maintained and restored in existing plantation and replanting areas? d. Is there SOP for riparian and buffer zone protection? e. Has the SOP been implemented?	Field visit and based on Identification and catchment areas maps with 1:25000 scale shown there is no river flow / water courses present on SDE and BSE, water sources that identified are artesian well. Field visit during audit, for examples on SDE housing acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border	C
4.4.3 Records for monitoring of effluent Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality , especially Biochemical Oxygen Demand (BOD), and efforts to comply with legal requirements , shall be available in compliance with national regulations (see Criteria 2.1 and 5.6).			
	a. Is the mill effluent treatment process in place? 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 requirements of the license?	Waste water quality testing document review shown for Jan 17 - April 17 all of waste water testing parameters are compliant to the standards quality for examples BOD on Apr 17 are 1760 mg/l (<5000 mg/l) , and all of waste water management and monitoring has been reported to related institutions per 3 month regularly. Field visit on WWTP during audit found there is no leakage indications and these area are managed well. Mill effluent produced by Pinang Awan Mill processed at waste water treatment plant (WWTP) based on procedure SOP-MIL-036, until it complying to standards before it discharged to SDE as land applications based on decree Capital Investment and Legal Service Board of Labuhan Batu Selatan regent No 503/876/bPPTPM-LS-2016 valid until 2019. For example BOD on April 2017 are 1760 mg/l (< threshold)	C
4.4.4 Monitoring of Mill water use per tonne of Fresh Fruit Bunches (FFB) shall be recorded (see Criterion 5.6) shall be monitored.			
	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)?	Observations on Pinang Awan Mill water treatment plant found monitoring for raw and process water usage was done by officer periodically, and flowmeters at inlet/outlet serves normally. Procedure for Mill water usage and monitoring are provided and has been listed on procedure WTP SOP-MIL-034. Standards of water usage for FFB process recorded on 2017 budget projected 1,85 m3/tonne FFB processed. Water usage monitoring was done periodically and recorded, for example on April 2017 FFB processed 20117.57 tonne, process water usage 11745 m3, and water usage efficacy was 0,58 m3/tonne FFB processed	C
4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
4.5.1 (M) Monitoring Implementation of Integrated Pest Management (IPM) plans implementation shall be available monitored.			
	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 • What are the techniques used (cultural, biological, me- 	The program of integrated pest management (IPM) was presented in Division Work Program and 2017 budget, which the technical has referred to procedure SOP-EST-013 about IPM. The program has consist of detection on pest and/or disease (P&D) incidence, planting of beneficial plant, census and control of P&D population. The procedures mentioned that chemical control is only carried out when the P&D in-	C

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	<p>chanical and physical methods)?</p> <ul style="list-style-type: none"> • What are the native species used as part of the biological control method? • Does it help in reducing the use of chemicals over a period of time? • Prophylactic use of pesticides • Minimization of pesticide use • Review on the plans to suit the present condition such as replanting? <p>c. Is there an SOP to implement the plan and monitor its effectiveness?</p> <p>d. Is there records of pest occurrence and control?</p>	<p>cidence was more than its economic threshold. Record of IPM activity were presented in several documents as follows :</p> <ul style="list-style-type: none"> • First rotation census of rats in march 2017 informed that the incidence were varied from 0-3 %, which is still under economics thresholded (5%). Hence, there is no rat bait application in 2017. • Census of oryctes/apogonia in March 2017 shows that the incidence were approximately about 7% for BSE and 6 % on SDE. Hence, there was chemical application (carbosulfan) conducted by company. <p>Field visit during audits shown PT Milano has conducted biologicals techniques for IPM, for examples by planting <i>turnera subulata</i> and <i>tyto alba</i> breeding for rats controlling, with following details 31 barn owl boxes (BOB) on SDE and 8 barn owl boxes on BSE</p>	
<p>4.5.2 Training records of those involved in IPM Integrated Pest Management implementation shall be available demonstrated.</p>			
	<p>Is there records of training provided to those involved in the implementation of IPM?</p>	<p>Company do not use any pesticide categorized as limited or WHO 1A/1B, or paraquat. Training programme for pest management have established in 2017 training programme and realization. The company shows the evidence of training which had been carried out by the estates, for example as follows:</p> <ul style="list-style-type: none"> • Training of leaf sampling unit (LSU), held on January 7th 2017 for BSE, SDE, and Merbau estates, attended by 23 workers. • Training of integrated pest management for First Aid Officers of PT Milano estates, held on March 13th 2017 for SDE and March 16th for BSE <p>Socialization on material and safety data sheet (MSDS), held on October 25th 2016, was attended by 10 worker from pest and disease team.</p>	C
4.6	<p>Pesticides are used in ways that do not endanger health or the environment.</p>		
	<p>4.6.1 (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. Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p>		

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	<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> i. Measures to avoid the development of resistance (such as pesticide rotation) should be applied.</p> <p> ii. Is there a list of all pesticide with target species and justification of use?</p> <p> iii. The justification should consider less harmful alternatives and IPM.</p> <p>c. Is there evidence of implementation of SOP on the ground?</p>	<p>PT Perkebunan Milano were not conduct any prophylactic use of pesticides. Field visit on Central store found that company have MSDS for safe use of all agrochemicals products. Procedure SOP-RND-022 about IPM mentioned that chemical application on P&D population control were only allowed if the number of incidence attack were more than its economic threshold. Justification of pesticides used must be based on census analysis which conducted regularly.</p> <p>However, list of pesticides used in 2017 were able to be provided. According to the list given, there were only eight brands of agrochemicals used namely glisat 480SL (isopropilamine glyphosate), lindomin 865SL (2.4 dimethyl amine), tiara 20WG (methyl metsulfuron), Glinat 150 SL (amonium glufosinate), Bravo 50EC (cypermetherine), Marshall 200EC (carbosulfan), BM Zeebco (mancozeb), Antracol (propineb), and Dithane (mancozeb). All pesticides used are listed in the book of pesticide commission 2016 issued by Department of Agriculture, Republic of Indonesia.</p> <p>In order to avoid pest and diseases (include weeds) resistance and prophylactic uses of pesticide, management had substitute and rotate the use of pesticides for the same target. For example, in term of broad leaf control, the use of glinat (amonium gluphosinate) could be substitute with tiara 20 WG (Methyl metsulfuron). Moreover, apart from chemical control, biological control has also adopted by the estate, such as planting of beneficial plant for LEC control and using barn owl (tyto alba) for rats' control.</p> <p>Based on field observation, beneficial plants such as Turnera subulata dan Antigonon leptopus were planted along main road and collection road, and looks satisfactory maintained. Besides that company also have monitoring for tyto alba as biological agents, census on January 2017 found there were 31 active barn owl boxes coverings Sei daun estates and 8 barn owl boxes covering batang seponggol estates</p>	C
	<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 provided.</p>		
	<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>	<p>Pesticides application programme are covered on IPM plan 2017 and presented on estates work programme. While its realization has presented in document of "monthly pesticides used and analysis report". The report for 2017 has also informed monitoring of active substance used and lethal dosage (LD)-50, area treated, and amount of active ingredients (A.I) applied per ha. For example in Sei daun estates, active ingredients (A.I) used for Glisat 480SL are 480gr/l, LD50 are 4230 mg/kg, pesticides usages are 1550 litre, are treated are 6012.23 ha, and A.I/ha are 123.75 gr/ha. For batang seponggol estates for examples, active active ingredients used for tiara are 20%, LD50 are 5 g/kg, pesticides usages are 23.29 kg, are treated are 675.41 ha, and A.I/ha are 0.0069 kg/ha</p> <p>PT Perkebunan Miano also have recommendation for agrochemical usage from Social, Labor and Transmigration agency of District Labuhan Batu Selatan regent, number 560/564/DSTKT/2016 for Sei Daun estates and permit number 560/083/Naker/III/2017 for Batang Seponggol estates and this permit holder are allowed to use pesticides as following details i.e : regent 50SC, bravo 50EC, rhodiamine 720</p>	C

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		WSC, glisat 480SL, winson 20 WG, garlon 670EC, cozeb 80 WP, capture 50EC, petrokum 0.005RB, in team 150 SL, cymbush 50 EC, dipel WP, dithane M45, dense 520 SC, agristik, tiara 20 WDG, basta 150 WSC, tikumin, glinat 150SL, marshall , BM Zeebco 80 WP, antracol 70 WP, SIME RB pheromone 1000 SL, sime ebor baits 0.05 BB dan starlon 665 EC	
	<p>4.6.3 (M) Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia national Best Practice guidelines.</p> <p><i>Specific guidance for 4.6.3: Justification of the use of such pesticides will be included in the public summary report.</i></p>		
	<p>a. Does the company have an IPM plan?</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>PT Milano Sei daun and Batang Seponggol estates have not conducted any prophylactic use of pesticides During 2015-2017 periods.</p> <p>Census for pest and disease for LEC and oryctes shown some attack levels are above economically threshold, resulting company controlled pest and disease with chemical applications.</p>	C
	<p>4.6.4 The evidence shall be available to demonstrate that use of Pesticides that are categorised in as World Health Organisation Class 1A or 1B by World Health Organization, or those that are listed in the by the Stockholm and or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p><i>Specific guidance for 4.6.4: Use of paraquat, as one of the restricted use pesticides, shall refer to the Regulation of the Minister of Agriculture No. 24 year 2011. Operators involve in the use of restricted pesticides must be certified by Pesticide Commission (Komisi Pestisida).</i></p>		
	<p>a. Does the company have a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide?</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>Company have not use any pesticides classified in Class 1A or 1B WHO and/or listed in Stockholm and Rotterdam Convention, and paraquat. The company has a commitment which was stated in WILMAR group policy 2013 about no paraquat, or WHO 1A/1B usages. According to pesticides usage data and field visit to agrochemicals storage, there was no stock of paraquat in 2017 periods.</p> <p>Based on pesticed used data 2014-2016, it was informed that all pesticides uses in the later year has significantly reduced for examples on Batang seponggol estates, cypermetherine usages during 2014-2016 respectively are 75 litre, 19 litre, and 15 litre.</p>	C

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	e. Does physical verification of inventory in the chemical store agree back to the inventory records?		
	<p>4.6.5 (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. Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p>		
	<p>a. Is there SOP for chemicals/pesticides handling?</p> <p>b. Is there a training plan and training records for workers who apply or handle pesticides?</p> <p>c. Is there evidence that training has been conducted in an appropriate language understood by the workers?</p> <p>d. Are pesticides handled, used or applied only by persons who have completed the necessary training?</p> <p>e. Are the workers involved in chemical handling or application able to demonstrate understanding of the hazards and risks related to chemicals used when interviewed?</p> <p>f. Are pesticides always applied in accordance with the product label?</p> <p>g. Are MSDS for pesticides used readily available for easy reference?</p> <p>h. Is appropriate safety and application equipment provided and used?</p> <p>i. Is PPE used appropriate according to recommendations in any risk assessments done?</p> <p>j. Is appropriate PPE provided and used, and can it be easily replaced if damaged?</p> <p>k. Does the management checked the workers usage of appropriate PPEs?</p>	<p>Based on the sites visit, it was found that the chemical store was kept securely locked when not used, properly ventilated, PPE requirement was posted, first aid box available and containment also available. A water tank with tap for emergencies was available nearby. The pesticides was arranged appropriately and considering of HSE factors. The personal who in charge has deep understanding about MSDS and pesticides handling procedures.</p> <p>The Company has a mechanism to handle agrochemical, which presented in procedure SOP-EST-006 about selective weeding SOP-EST-008 about spot spraying, and SOP-EST-009 about wiping, and SOP-GEN-005 about toxic and hazardous waste management and work instruction SOP-GEN-024 about step of ex pesticides containers washing and cleaning. To maintain pesticides applicators knowledge on pesticides handlings and applications, several training had been conducted for example as follows :</p> <ul style="list-style-type: none"> • Socialization on material and safety data sheet (MSDS) and EHS, held on December 2016, for sei daun estates • Pesticides application techniques for SDE and BSE workers, conducted on December 2016 • OHS for spraying and agrochemicals team. Conducted on February 2017. • training OHS and environmental management (subjects including pesticides application techniques, PPE, circle and path spraying, signboard re-entry point, rinse house, spraying hazard) , conducted on April 2017 for 54 sprayer team. 	C
	<p>4.6.6 (M) Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers disposed off and not used for other purposes (see Criterion 5.3).</p>		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<ul style="list-style-type: none"> a. Has the SOP for pesticide storage been documented and implemented? b. Are all pesticides stored according to recognised best practices? c. Is there evidence that empty pesticide containers are properly stored and disposed off and not used for other purposes? d. Is there evidence observed in the field that pesticide containers are indiscriminately disposed (in dump site) or used for other purposes, .e.g. as waste containers, flower pots? 	<p>Procedure of waste management and pesticides storage has presented in document SOP-STR-002 about material storage (including pesticed and agrochemicals) and SOP-GEN-005 about toxic and hazardodus material and waste management which covers ex pesticide containers collection and recording. Ex pesticides containers are allowed to be used for the same purposes.</p> <p>Based on field observation on central agrochemicals storage, it was found a complete series of MSDS, in accordance to the current stock. Specific pesticides mixing site has also available. Water which had used for sprayer washing and pesticides mixing process was properly reused. The storage has also equiped with pesticide flows records, proper risk symbols, PPE, first aid and fire extinguisher.</p> <p>All of ex pesticides/agrochemicals containers were kept on temporary hazardous and toxic waste storage on Sei Daun estates . Furthermore, based on observation to toxic &hazardous waste storage on Sei daun for example, it was found that time of storage and storage management were suits with the permit and regulations. The hazardous wastes were delivered to the permitter collector, namely PT Shali Riau Lestari. Furthermore, based on field observation in SDE housing complex, it could be concluded that there were no ex pesticides or hazardous material containers used for household purposes.</p>	C
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and negative impacts.</p>			
	<ul style="list-style-type: none"> a. Is there work instruction for pesticide application? b. Is there training provided on work instruction including risk and impacts of pesticide applications? 	<p>PT Perkebunan Milano has a mechanism to agrochemical applications, which presented in procedure SOP-EST-008 about circle and path spraying, and SOP-EST-009 about wiping, and SOP-GEN-005 about toxic and hazrdous waste management and work instruction SOP-GEN-024 about step of ex pesticides containers washing and cleaning. Both estates, SDE and BSE provide evidence of training for risk and impacts of pesticides application, for examples : training OHS and environmental management (subjects including pesticides application techniques, PPE, circle and path spraying, signboard re-entry point, rinse house, spraying hazard) , conduncted on April 2017 for 54 sprayer team.</p>	C
<p>4.6.8 (M) Pesticides may only be shall be applied aerially only where there is documented justification. Surrounding Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p>			
	<ul style="list-style-type: none"> a. Has aerial spray been applied? If yes, is there documented justification? b. Is the impact and risk associated with aerial application documented and made available? c. Are the identified affected communities informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application? 	<p>Company have not conduct any aerial spraying for all pesticides. According to the field visit on the spraying program, the company has applied pesticide by using Knapsack/spraying equipment</p>	C
<p>4.6.9 Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8).</p>			

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<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>Note for auditor : Interview with workers and smallholders on their knowledge and skills in pesticides handling.</p>	<p>Based on interview with pesticide applicator in Sei daun estates for examples, it could be concluded that the workers were able to explain and demonstrate its job in accordance with the SOP, such as considering wind flows during spraying process, pesticides and weeds target, MSDS, and a safe pesticides mixing process. Field visit on pesticides mixing & rinse house for spraying team on Sei daun and agrochemicals storage on that MSDS are available in Bahasa Indonesia.</p> <p>The company decide still using current soft cloth mask with "Active Carbon Cloth". They explained that the mask were recommended according to the reseach conducted by their head office as explained by document from PPBOP regarding approved PPE for oil palm plantation activities. TRID auditor review the document that found that such kind of mask is recommended by PPBO. Checking on the guidance to maintain the mask in the product packaging, ther is certain treatment shall be follow by the company such as washing by warm water for certain time.</p>	C
<p>4.6.10 Proper that pestiside waste has been handled as per legal regulations and disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</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>	<p>Company possess procedure for Toxic and Hazardous waste including ex agrochemicals management listed on SOP-GEN-005. These procedure stated that all ex chemicals containers were kept on temporary hazardous storage at Sei daun Estates.</p> <p>Based on interview with sprayer team found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. All of ex pesticides waste disposal evidence (logbook & manifest) are available and checked by auditor team. For examples, last submission to collector PT Shali Riau lestari on 23rd January 2017, manifest AAO008535, carrier vehicles BM8431JU, for 379 kg ex agrochemicals containers.</p>	C
<p>4.6.11 (M) Specific annual medical records of surveillance for pesticide operators, and follow up treatment of medical results , documented action to treat related health conditions, shall be available demonstrated.</p>			
	<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>	<p>All of pesticides applicators are listed and available on both estates. Overall (SDE and BSE) have 44 applicators. The latest spesific medical examinations (cholinesterase) were conducted on April 2017 and results of the test shown normal cholinestrace level for all workers. During Interview with pesticides applicators on sei daun estates for examples, acquired information there is no skin desease/itches indication for all of sprayer teams. Medical record during 2016-2017 shown two applicators have cholinestrace concentration above normal content. For this case company showed action plan by transfer the workers for other works not related to chemicals, and the last medical examination for those two workers shown normal cholinestrace level.</p>	C
<p>4.6.12 (M) Records shall be available to show that spraying is not conducted No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p>			

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	<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>	<p>Company have identified and list for all female workers related to agrochemicals. Policy regarding preventing pregnant and breast-feeding women from handling pesticides has been develop by company, based on procedure PRO-KLK-002. The medical examination has been conducted in regular basis and has already been informed to the workers, a routine inspection (per 3 months) was also carried out by the company medical practices to ascertain the condition of workers and ensure there are no women working as sprayer who are pregnant and lactating.</p> <p>Interview with spraying workers on SDE and BSE during audit found that them are aware that pregnant/lactating women are not allowed to handle pesticides in any circumstances, and them all are not in pregnant/lactating conditions. The last examination to identify conducted on Mei 2017 for BSE and march 2017 for SDE, shown all workers are not indicates pregnant /breast feeding</p>	C
4.7	An occupational health and safety plan is documented, effectively communicated and implemented.		
	4.7.1 (M) A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.		
	<p>a. Is there a health and safety policy in place?</p> <ul style="list-style-type: none"> • Is it written in an appropriate language? • Has the policy been approved by an authorized personnel and dated? • Does the policy cover mitigation of risks to workers health and safety at all workplace activities? • Are the workers aware of and understand the policy? <p>b. Is there a health and safety plan in place?</p> <ul style="list-style-type: none"> • Does the plan include targets for improving occupational health and safety? • Does the plan reflect guidance provided in the ILO Convention 184 (see Annex 1)? <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>	<p>There is OSH policy on Indonesian language where it has approved by top management Wilmar</p> <p>OSH programme has available</p>	C
	4.7.2 (M) A documented risk assessment shall be available and its implementation shall be recorded All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<p>a. Have risk assessments been conducted for all operations where health and safety is an issue?</p> <p>b. Does the risk assessment cover all the organization’s processes and activities?</p> <p>c. If any accidents had occurred, were these included in the risk assessments with action plans to prevent further recurrence?</p> <p>d. Have the procedures and action plans been documented and implemented to address the identified issues?</p> <p>e. Have all precautions attached to products been properly observed and applied to the workers?</p>	<p>HIRAC was available and has covered all process and activities.</p> <p>HIRAC has implemented as sample reduce risk of accident in harvesting activity, processing & power house in mill that employee using appropriate PPE and maintainance of mechine regularly.</p>	C
<p>4.7.3 (M) Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training ini accordance with the result of hazard identification and risk analysis shall be available to all workers. All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p>			
	<p>a. Are all workers involved in the operation appropriately trained in safe working practices (see Criterion 4.8)?</p> <p>b. Are OSH training programs and training records available and conducted by qualified persons?</p> <p>c. Is adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning?</p> <p>d. Is PPE provided to workers and replaced when damaged?</p> <ul style="list-style-type: none"> • Does the organization maintain a list of PPE distribution? • Are workers observed wearing appropriate PPE? 	<p>In morning meeting/briefing that management of estate and mill shall inform about be carefully in working and comply to procedure.</p> <p>OSH programme has implemented as sample is OSH committee meeting, discuss of PPE by group of corporate, re-awareness of OSH to employee, maintain of signboard, annual surveillance medical check-up, etc.</p>	C
<p>4.7.4 (M) The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s for occupational and workers. Concerns of all parties about health, and safety and welfare shall be identified and there shall be records of periodical meetings on health and safety issues discussed at these meetings, and any issues raised shall be recorded.</p>			

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<p>a. Has the company identified the responsible person/persons to implement OSH?</p> <p>b. Are meetings between the responsible persons and workers conducted on a regular basis, or as required by law, if any?</p> <p>c. Are minutes of meeting recording attendees and issues discussed available?</p> <p>d. Are concerns of all parties about health, safety and welfare discussed at these meetings?</p> <p>Note to Auditor : Interviews with workers reflect compliance to a-d above.</p>	<p>OSH committee PT Perkebunan Milano has approved from local government (head of social, man power and transmigration agency decree no. KEP.05/P2K3/Naker/I/2017 dated on January 2017). Person of OSH committee such as harvesting employee, casual/daily worker, EHS officer, etc. The OSH committee meeting regularly each month as example such as it was conducted on 24 February 2017 in Sei Daun estate meeting room with topic such as review of previous meeting result, performance of OSH in January – February 2017, PPE assessment and emplasment of G10-Pondok Bawah in Divisi 1; it has conducted on 20 January 2017 in Sei Daun estate meeting room with topic such as review of previous meeting result, review of OSH performance year 2016, annual surveillance medical check-up year 2016 and emplasment of G10-Pondok Bawah in Divisi 1; OSH meeting has carried out dated on 31 January 2017 in mill meeting room with topic such as finishing from correction recommendation month of December 2016, the result of inspection month of January 2017 and discussion about correction action refer to inspection result.</p>	C
	<p>4.7.5 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. Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed..</p>		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<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 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 company have emergency and work accident procedure in Indonesia language. TRID auditor found First Aid Kit in some workplace e.g. estate office, chemical warehouse and workshop in Sei Daun estate has been fulfill requirement about minimum FAK content is defined by Indonesia regulation (PER.15/MEN/VIII/2008) and it requires 21 different kind of item. It was also found in the Merbau estate such as at chemical store and workshop. All supervisor has attended first aid training (dissemination and or license training) so that they are available in the working areas as sample is surpervisor of harvester and maintenance in Sei Daun estate. Moreover, they has brought first aid bag in harvesting & maintenance activities.</p>	<p>C</p>

4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3)

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	<p>a. Is there evidence that all workers are provided with medical care (refer to Criterion 6.5.3), and covered by accident insurance by the company? For contract workers, the contract between the company and the contractor shall be in compliance.</p> <p>b. For accidents that have occurred, is there evidence that the affected workers received appropriate medical treatment, and was able to claim and receive compensation under the insurance policy (if relevant)?</p> <p>c. Is there evidence that the insurance policies are valid?</p>	<p>Permanent employee in PT Perkebunan Milano has provided medical care in form of clinic and health insurance. Whereas, casual/daily worker in PT Perkebunan Milano has provided medical care in form of clinic during work time or out work time and it is free of charge. The company has issued and distributed circular letter no.001/MLN-GM/Int/V/2017 dated on 1 May 2017 regarding casual/daily worker has covered accident insurance and health care. Sub-contractor employee has covered accident insurance and health care too as sample is employee from CV Agung (exclude of 7th employees (Mrs Ema Cahyani, Mr Sukamto, Mr Suyono, Mr Sukiran, Mr Bonarudin Siregar, Mr Syarial & Mr Rendianto) because they have administration problem i.e e-ID card but if any accident or sick that owner will handling it).</p>	C
	<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Specific Guidance for 4.7.7: <i>Lost Time Accident requirements should refer to Decree of the Minister of Manpower and Transmigration No. 609 year 2012 regarding Guidance to Solve Working Accident Case and work-related. The National Interpretation will define the metrics for LTA. For countries where there are no national interpretations, the growers will determine their own metrics.</i></p>		
	<p>Are occupational injuries recorded using Lost Time Accident (LTA) metrics?</p>	<p>The company have accident recapitulation report by monthly include of loss time accident (LTA) metrics as sample is report of March 2017. Accident report has kept and periodically reviewed by OSH committee.</p>	C
4.8	<p>All staff, workers, smallholders and contract workers are appropriately trained.</p>		
	<p>4.8.1 (M) Records of A formal training programme shall be in place that covers all related to the aspects of the RSPO Principles and Criteria, shall be available and that includes regular assessments of training needs and documentation of the programme. .</p>		
	<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 	<p>The organization has carried out identification of training need as seen on Document of Training Need Identification of 2017 (FRM-HRD-045). Then, based on the identification results, the organization develops training and development program. The training and development program on BSE and SDE for human resources 2017 documented in form no. FRM-HRD-019, and consist of for examples: incident investigation training for estates, pest and diseases censuc RSPO/ISPO/ISCC training, soil and leaf sampling and analysis, emergency response, Material safety data sheet, and social impact management, harvesting, toxic and hazardous waste (including ex agrochemicals) management . For Pinang Awan Mill the training programme consist of such as : incident investigation training, RSPO/ISCC, standard harvest, generator and turbine for operator.</p>	C

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	<p>following:</p> <ul style="list-style-type: none"> ○ The health and environmental risks of pesticide exposure; ○ recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ○ ways to minimise exposure to workers and their families; ○ International and national instruments or regulations that protect workers' health; and ○ Productivity and best management practice. <p>Note to auditor : To interview staff, workers, smallholders and contract workers to verify that the training has been conducted effectively.</p>		
	<p>4.8.2 Records of training for each employee shall be maintained.</p>		
	<p>a. Are training records maintained for each employee?</p>	<p>Training and socialization records are available and maintained well, such as training meeting minute, attendance list, evaluation and personal map/database training, for examples :</p> <p>Batang Seponggol (BSE)</p> <ul style="list-style-type: none"> • OHS and environmental management on spraying, conducted on May 2017 • Agrochemicals, toxic and hazardous waste management, conducted on may 2017 • Soil and leaf sampling, conducted on March 2017 <p>Sei Daun (SDE)</p> <ul style="list-style-type: none"> • Integrated pest management, conducted on March 2017 • Material safety data sheet training, conducted on April 2016 • First aid training, conducted on March 2017 <p>Pinang Awan Mill</p> <ul style="list-style-type: none"> • FFB criteria and FFB purchasing requirements, conducted on April 2017 • Incident investigation training, conducted on April 2017 • High risk work, conducted on April 2017 • Generator and turbine operator training, conducted on March 2017 <p>Contractors</p> <ul style="list-style-type: none"> • Basic OHS, Wilmar environmental policy, Wilmar workforce policy conducted on January 2017 for workers from CV Mitra abadi and CV agung (EFB application contractors) 	<p>C</p>
<p>Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity</p>			

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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.		
	5.1.1 (M) An environmental impact assessment document(s) shall be available (EIA) shall be documented.		
	<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 burning (Criteria 5.5 and 7.7). <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>The company has an environmental impact assessment (EIA) documented. The environmental document name on behalf Pinang Awan POM, Sei Daun Estate, Merbau Estate & Batang saponggol is environmental management & monitoring effort issued on September 12, 2011, February 6, 2012, January 25, 2012 & February 8, 2012 approved by environmental agency in Labuhanbatu Selatan District & Labuhanbatu Utara (letter no.660/435.a/BLH/2/2011, 660/53/BLH/2012, 660/028/BLH-3/2012 & 660/56.a/BLH/2/2012).</p> <p>Sei Daun estate : The UKL & UPL was cover phases, i.e.: preparation (pre-construction), construction and post-construction (operational). The pre-construction phase consist of processes, i.e.: land acquisition (2,500 ha), Licemsing (2,500 ha), determination of border of land areal (2,493.19 ha), and development documents of UKL and UPL. The construction phase (physical development) consist of land clearing (907.20 ha), workers (441 persons), road construction (50.38 ha), and office building construction (1 unit), housing for staff (4 units) and workers housing (30 units), Development of infrastructures, such as: Mosque (1 unit), Mess (1 unit), School (1units), Cooperation (1 unit) and etc. The post-construction/operational phase consist of Seedling (3 ha), preparation of plants (2,412.17 ha), palm oil plants (1,908.2 ha), harvesting (22 tonne per day), FFB transportation (14 units of truck) dand estate maintenance (500 ha). The EIA also has taking into account water usage (60 M3 per hour), energy (90 KVH), Fuel (12,000 liter per month) and Oil (200 liter per month).</p> <p>Merbau estate : The EIA was cover phases, i.e.: preparation (pre-construction), construction and post-construction (operational). The pre-construction phase consist of processes, i.e.: land acquisition (1,012.5 ha), licensing (1,012.5 ha), determination of arel/land border (974.77 ha), and development of UKL and UPL documents. The construction phase (physical development) consist of land clearing (907.20 ha), workers (130 persons), road development (47,25 ha), and office building (1 unit), staf housing (4 unit) and workers housing (30 unit). The EIA also has taking into account water usage (350 M3 per day), energy (46 KVH), Fuel (12,500 liter per month) and Oil (150 liter per month)</p>	C
	<p>5.1.2 Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p> <p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p>		

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	<p>a. Is there an environmental management plan in place?</p> <p>b. Is the environmental management plan documented to include the following:</p> <ul style="list-style-type: none"> • Identification of responsible person(s); • Potential impacts from current practices; • Measures to mitigate negative impacts; • Timetable for change (where changes in current practices are required). <p>c. Has the environmental management plan been implemented</p>	<p>The company has implemented management plan and has stated on environmental report (semester I & II)</p>	<p>C</p>
	<p>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> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as 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. 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>Sei Daun estate has implemented and reported to authority agency regularly in accordance with legal requirements. Some of evidence are:</p> <ul style="list-style-type: none"> • Report of implementation of UKL and UPL Semester I & II 2016 • Report of implementation UKL and UPL Semester I & II 2016. There is evidence that the Sei daun estate has monitoring quality of ambient air, water quality (ground and surface water), emission of vehiclesand etc. The monitoring/test of environmental quality has conducted by accredited external environmental labaratory. Based on the test results, all environmental parameters still under threshold value according to legal and requirements. <p>Merbau Estate has implemented and reported to authority agency regularly according to legal requirements. The evidence are:</p> <ul style="list-style-type: none"> • Report of implementation of UKL and UPL Semester I & II 2016 • Report of implementation UKL and UPL Semester I & II 2016. There is evidence that the Merbau estate has monitoring quality of ambient air, clean water, surface water (upstream block 41 & 51), surface water (downstream at block 33 and 39), ground water, emission of vehicles and etc. The monitoring/test of environmental quality has conducted by accredited external environmental labaratory. Based on the test results, all environmental parameters still under threshold value according to applicable legal and requirements. 	<p>C</p>

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		<p>Pinang Awan Mill: Environmental monitoring has been implemented regularly and reported to the authority institution in accordance with legal and other requirements. Environmental monitoring was carried out by accredited laboratory. Pinang Awan Mill has carried out environmental monitoring for Semester I & II, 2016 for:</p> <ol style="list-style-type: none"> 1. Ambient air, according to government regulation (PP) No. 41 year 1999, conducted once every 6 months. Sample point has taken i.e.: Mill area / in front of office, worker housing area, Biogas area, housing location nearby land application. 2. Emission from fixed sources (sumber tidak bergerak) according to Environmental Ministry Regulation No. No. 07 yera 2007, conducted once every 6 months. Sample has taken i.e: Genset 1, Genset 2, Boiler 1, and Biogas Genset 3. Effluent testing, conducted once every 1 month, according to PermenLH No. 29/2003; the testing has carried out by Sucofindo. 4. Testing of monitoring well, conducted once every 6 month, according to PermenLH No. 29/2003. Sample has taken i.e: Monitoring Well of Non LA, Monitoring Well of LA, and Monitoring Well of Citizen. 5. Testing of soil quality, conducted once per 1 year, according to PermenLH No. 29/2003. 6. Noise level test, at engine room biogas, Boiler, Area Sterilier, Engine Room, and Kernel. Some of highlighted was not exceed the threshold value. 7. Emission from transportation vehicle, etc. 	
5.2	The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		
	5.2.1 (M) Record(s) on the results on Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area <i>itself</i> and relevant wider landscape-level considerations (such as wildlife corridors) <i>shall be available</i>		
	<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>There is document of High Conservation Value (HCV) assessment, namely “Laporan Identifikasi HCV PT Perkebunan Milano, Sumatera Utara Province. The document was published at Jakarta on December 2009. The scope of report was include the following:</p> <ul style="list-style-type: none"> - Sei Daun Estate was covered 2,493.19 ha, located at Torgamba Sub District. - Batang Saponggol Estate was covered 1,749.43 ha, located at Kampung Rakyat Sub District, - Merbau Estate was covered 974.77 ha, located at Merbau Sub District, and - Cabang Dua Estate (not included in the audit scope) was covered 654.33 ha, located at Panai Tengah Sub District. <p>All of locations within the scope of assessment was located at Labuhan Batu District, Sumatera Utara Province. Based on the report, identified HCV within the organization area as below:</p>	C

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	<ul style="list-style-type: none"> b. Was the HCV assessment performed by a qualified HCV assessor? c. Was the HCV assessment performed in consultation with relevant stakeholders? d. Does the HCV assessment include checking of available biological records? e. Does the HCV assessment include both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors)? f. Was the HCV assessment performed in accordance to the latest methodology available at global and national level? g. Are identified HCVs mapped? 	<p>4. Sei Daun Estate, HCV area totally 0,665 ha (0,027 % of total area)</p> <ul style="list-style-type: none"> - HCV 6: Grave at Blok F-10: 0.490 ha;grave of employee; status still active - HCV 6: Grave of Reform 1: 0.015 ha; grave of community; status pasive - HCV 6: Grave of Reform 1: 0.160 ha; grave of community; status pasive <p>5. Batang Saponggol Estate, HCV area totally 36.845 ha (2.111 % of total area)</p> <ul style="list-style-type: none"> - HCV 1.4; at Blok D-11 to D-14 and HCV 4.1; at Block E-14 to E-15: 35.670 ha; water pocket, flood control and as temporer key habitat of Egrets. - HCV 6: at Block D-15: 0.160 ha; Grave of Lubuk Blantik - HCV 6: at Block Sengkuru: 0.500 ha; Grave area using by communities around the estate and employee - HCV 6: at Block A-2: 0.500 ha; Grave of Bandar Palas using by employee and communities around the estate. - HCV 6: at Block D-8: 0.015 ha; Javanese and Chinese Grave, considered as historical site. The grave has no use anymore. <p>6. Merbau Estate; HCV area totally 18.1306 ha (1.860 % of total area)</p> <ul style="list-style-type: none"> - HCV 4.2: 18.122 ha; flow of small rivers - HCV 6: at: 0.008 ha; Christian Grave 1952 <p>HCV assessment has performed by qualified HCV assessor team of third party, i.e.: AKSENTA, a.n social and environmental management consulting company. The HCV assessors consist of: Pupung F. Nurwatha, Bambang Widyatmiko, and Agus E. Munoraharjo. There is evidence that HCV assessment performed in consultation with relevant stakeholders, including checking of available biological record and include both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Results of identified HCV has been mapped.</p> <p>Results of re-measurement of HCV areal: total area of HCV was 59.41 ha, with detail as below:</p> <ul style="list-style-type: none"> • HCV 1.4: 35.67 ha; Batang Saponggol Estate; located at Block D11 to D14 and E14 to D15; This is location for transit (temporer habitat) of protected species and area of refugum for rest biodiversity at plantation environmental. • HCV 4.1: 35.67; Batang Saponggol Estate, located at Block D11 to D14 and E14 to D15; This area functioned as water pack and flood control. The area is same area with point a. • HCV 4.2: 18.12 ha; Merbau Estate; This area are small rivers with hydrology functions. 	

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		<ul style="list-style-type: none"> • HCV 4.3: 4.70 ha; Cabang Dua Estate (not include audit scope); 4.70 ha; HGU Trench; Functioned as fire block. • HCV 6, consist of: <ul style="list-style-type: none"> - Sei Daun Estate: 3 locations, total area: 0,40 ha; Grave with functions as spiritual/religy; - Batang Saponggol Estate; 4 locations; total 0,49 ha; Grave 3. Cabang Dua Estate (not include audit scope); 1 location; area: 0,01 ha: Grave 4. Merbau Estate: 2 locations; area: 0,02 ha; Grave 	
	<p>5.2.2 (M) Where rare, threatened or endangered (RTE) species, and or other or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan..</p>		
	<p>a. Are HCVs and/or RTEs present?</p> <p>b. If HCVs and/or RTEs are present, has a management plan containing appropriate measures that are expected to maintain and/or enhance them been prepared? The measures should include the following:</p> <ul style="list-style-type: none"> • Ensuring that any legal requirements relating to the protection of the species or habitat are met; • Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created; • Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants). <p>c. Are the measures contained in the management plan actively implemented to maintain and/or enhance HCV values?</p> <p>d. Are the HCV values and the presence of RTEs periodically monitored?</p> <p>e. Are the field inspections conducted regularly to ensure implementation of mitigation plan (especially along areas bordering natural area)?</p>	<p>There is document of Decree No.062 A/MLN-GEM/SK/VIII/2009, dated August 01, 2009, concerning Maintenance of Conservation Area Program (Program Pemeliharaan Area Konservasi). Basedd on the Decree, the conservation area of Batang Saponggol estate has been decided 35.67 ha. Estate manager has responsibility for example:</p> <ul style="list-style-type: none"> - Make a clear boundaries such as signboard name and boundariy pillars. - Ensure that there is no agronomy treatment such as fertilizing, chemical spraying and etc within conservation area. - Socialization to all related parties/stakeholders (e.g.: employee, field workers, and local communities around estate) concerning to protect conservation area through direct communication and installation information boards. <p>Based on Letter No. 07/BMR-MLN/EXT/II/2016, dated February 23, 2016, Subject: Notification of flora and fauna identification at PT Perkebunan Milano to Head of Balai Besar Konservasi Sumber Daya Alam Sumatera Utara, at Medan. There is fauna that categorized as protected fauna according to Government Regulation (PP) No 7 year 1999, i.e.:</p> <ul style="list-style-type: none"> - Mamalia: Species Prionailurus bengalensis (local name: macan akar/leopard cat) at Sei Daun, Batang Saponggol dan Merbau estates - Aves: <ol style="list-style-type: none"> 1. Bubulcus ibis (Kuntul kerbau/) at Merbau Estate 2. Egretta spp. (Kuntul putih) at Batang Saponggol 3. Elanus caeruleus (Elang tikus) at SD dan BS 	C

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		<p>4. Hallastar Indus (Elang Bondol) at MB 5. Spilomis cheela (Elang ular bido) at MB 6. Halcyon smimensis (Cekakak) at SD, BS dan MB) 7. Rhipidura javanica (Kipasan/belang) at SD, BS dan MB)</p> <p>Some of records/documents were reviewed, i.e.:</p> <ul style="list-style-type: none"> - Plan of management and monitoring of HCV areal of PT Perkebunan Milano year of 2016 – 2018. The document has been approved by RSPO Management Representative, EHS Department, dan Assistant General Manager on January 22, 2016. The document informed some issues, e.g.:: <ol style="list-style-type: none"> 1. Results of re-measurement of HCV areal: total area of HCV was 59.41 ha, with detail as below: <ul style="list-style-type: none"> • HCV 1.4: 35.67 ha; Batang Saponggol Estate; located at Block D11 to D14 and E14 to D15; This is location for transit (temporer habitat) of protected species and area of refugum for rest biodiversity at plantation environmental. • HCV 4.1: 35.67; Batang Saponggol Estate, located at Block D11 to D14 and E14 to D15; This area functioned as water pack and flood control. The area is same area with point a. • HCV 4.2: 18.12 ha; Merbau Estate; This area are small rivers with hydrology functions. • HCV 4.3: 4.70 ha; Cabang Dua Estate (not include audit scope); 4.70 ha; HGU Trench; Functioned as fire block. • HCV 6, consist of: <ul style="list-style-type: none"> - Sei Daun Estate: 3 locations, total area: 0,40 ha; Grave with functions as spiritual/religy; - Batang Saponggol Estate; 4 locations; total 0,49 ha; Grave - Cabang Dua Estate (not include audit scope); 1 location; area: 0,01 ha: Grave - Merbau Estate: 2 locations; area: 0,02 ha; Grave 2. HCV Areal maps definitifely based on re-measurement of each estates 3. Roadmap of management HCV for year 2016 – 2018, consist of HCV management for HCV 1.4; 4.1; 4.2; 4.3; and HCV 6 respectively. 4. HCV's management and monitoring plan matrix for identified HCV; consist of HCV's type, description, objectives, activities, indicator/output, action plan, PIC and remark. 5. Monitoring and evaluation 6. Organizational structure for management HCV with description of authority and responsibility for each Group Estate Manager, Estate Manager, Field Officer, special officer, and EHS Officer 	

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		<p>Estate.</p> <p>Translate from Wilmar's Policy, December 05, 2013, transate date February 01, 2014, one of policy is related to HCV, i.e.: there is no land clearing on HCV area.</p>	
	<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if 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>	<p>The company has defined policies and rules and programes to protect RTE species. As Wilmar's policies, there is no deforestation, no peatland, and no human exploitations and local communités. There is evidence of implementation programme to regularly educate the workforce about the status of the RTE species.</p> <ul style="list-style-type: none"> - Minute meeting concerning socialization of HCV area dated March 18, 2016, time: 06.00 – 09.30 localtime; during morning meeting at employee hall/Security meeting at football field; The meeting theme is flora and fauna protection (SOP-GEN-013, dated July 29, 2015); The meeting conducted by Budharto/J. Lumbantoruan. The meeting was attended by 25 harvesters and 9 persons of security. Points of socialization are: <ol style="list-style-type: none"> 1. Prohibition to pick-up, damage, destroy, and sale protected flora and fauna by government. 2. Prohibition to arrest, keep, or kill fauna both of protected or no. 3. Prohibition to purchase and sale protected flora an fauna. 4. The company will seize any protected fauna that keep at estates then will sent to rehabilitation center or release to environment. 5. Sanction for employee if proved done the above prohibitions - Minute meeting of socialization, dated April 06, 2016, time 09.00 – 12.00 at local time; Venue Pangarungan village hall; Theme sociaization of flora and fauna protection (SOP-GEN-013); The meeting conducted by Ali Rasiden (HCV & Fauna officer); The meeting attended by 41 persons. The same points as above was deliver during meeting. - Minute meeting dated February 17, 2017, Meeting agenda is flora and fauna protection. Venue Maintenance Division II, Sei Daun Estate. Time 05.50 – 06.15 local time; The meeting was attended by 41 persons/workers of maintenance and 6 persons of contractors. The same points as above de- 	C

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		livered during this meeting.	
	<p>5.2.4 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>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the management plan. <p>Specific Guidance: For 5.2.4: The result of HCV monitoring may become considerations while reviewing HCV management plan.</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>	<p>The programme has documented on document HCV management and monitoring plan Rencana Pengelolaan dan Pemantauan HCV PT Perkebunan Milano year 2016 – 2018. Some evidence were reviewed as sample are:</p> <p>Batang Saponggol estate:</p> <ul style="list-style-type: none"> Report of monitoring conservation area (FRM-GEN-054), for periods May, April, March, February, and January 2017 and 2016 (monthly regularly) Report of management conservation area (FRM-GEN-053), May 2017; Reported maintenance of 3 units of Signboard at Blok D14 and 1 signboard was added.. Report of HCV Patrol by security team/Tim SATPAM (FORM - GEN – 067), May 2017, Patrol locations are Block D13, D14, D15, E14 and E15. Documents of maintenance and HCV's signboard addition. Letter from Bina Mitra Region I Sumut, No. 07/BMR-MLN/EXT/II/206, dated February 23, 2016, subject: notification of flora and fauna identification at PT Perkebunan Milano. The letter addressed to head of Balai Besar Konservasi Sumber Daya Alam Sumatera Utara at Medan. Working plan of management HCV 4.1 year 2017, as follows: <ul style="list-style-type: none"> Patrol: monthly regularly conducted by Satpam (security) Socialization: plan on August by EHS Signboard maintenance: plan May by HCV Staf Monitoring : Monthly regulary by HCV staf Habitat enrichment: plan October by HCV staf Evaluation: plan December by EHS Report of HCV evaluation PT Perkebunan Milano year 2016, consist of explanation of result of management and monitoring HCVduring 2016 and also recommendation for 2017. 	C

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		- Documents report of management and monitoring conservation areas and HCV patrol by Tim SATPAM year 2016.	
	5.2.5 Where HCV areas overlapped with an identified set-asides with existing rights of local communities land have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the their HCVs and the local community's these rights.		
	<ul style="list-style-type: none"> a. Is there HCV set-asides with existing rights of local communities? b. Who are the affected communities? c. Is the identified HCV areas mapped? 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? 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. 	There is not HCV areas set-asides with existing right of local communities so that this is indicator not applicable	N.A
5.3	Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
	5.3.1 (M) A documented identified source of all waste and pollution, shall be available All waste products and sources of pollution shall be identified and documented.		
	<ul style="list-style-type: none"> a. Is there a registry/list of waste products produced? b. Is there a registry/list of pollution sources? 	All waste products and sources of pollution have been identified and documented in Environmental and Safety Aspects and Impacts Identification document, was issued on year 2017. Type of waste been identified are domestic waste, plastic, ex-agrochemical container, fiber, shell, effluent, used oil, battery casing, lamp, medical waste, used filter, contaminated hand-gloves, etc	C
	5.3.2 (M) All chemicals and their containers shall be There shall be evidence that all chemicals and their empty containers are disposed of responsibly.		
	<ul style="list-style-type: none"> a. Is there an inventory of chemicals and their containers that are used and kept on site? b. How are chemicals and their containers stored and disposed off? Is it in accordance to best practices? (as prescribed by manufacturers' labels, local requirement, national or international best practice) c. Are collection and disposal records of chemicals and their containers maintained? 	All chemicals and their containers have been disposed of responsibly, such as hazardous waste from agrochemical container. The company disposed all hazardous waste to approved vendor, i.e. PT Shali Riau Lestar as sample disposed hazardous waste on Sei daun estate dated 23 January 2017 with type of waste is used filter : 196 pcs, used fuel (solar) : 1 drum, used oil : 12 drum, used battery : 7 pcs, contaminated of majun : 23 pcs and clinic/medis waste : 2 packet.	C
	5.3.3 A documented waste management and disposal plan to avoid or reduce pollution and its implementation shall be available. shall be documented and implemented.		

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	<p>a. Is there a documented waste management and disposal plan to avoid or reduce pollution?</p> <p>b. Does the waste management and disposal plan, at minimum, include measures for:</p> <ul style="list-style-type: none"> • Identifying and monitoring sources of waste and pollution? • Improving the efficiency of resource utilisation and recycling potential of wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes)? • Appropriate management and disposal of hazardous chemicals and their containers? • Reduction, re-use and recycle of waste? <p>c. Is there evidence that the plan has been implemented?</p> <p>d. Is there evidence that waste has not been disposed off using open fire?</p>	<p>A waste management plan been sighted at PT Perkebunan Milano – Pinang Awan Palm Oil Mill and Sei Daun Estate, Batang Saponggol Estate and Merbau Estate which includes hazardous waste management, solid waste management and sewage management. The mitigation measures identified as recycle of waste, no open burning, disposal of domestic waste and providing enough bins at workers houses.</p> <p>Sewage management is not directly discharge to waterway, septic tanks at each house and replace them with new units. This will be monitored by periodic visit at housing area.</p>	C
5.4	Efficiency of fossil fuel use and the use of renewable energy is optimised.		
	5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.		
	<p>a. Is there a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy?</p> <p>b. Has the plan been implemented and is it monitored?</p> <p>c. Does the monitoring system encompass the following :</p> <ul style="list-style-type: none"> • Renewable energy use/tCPO or palm product; • Direct fossil fuel use/tCPO or tFFB; • Estimated fuel use by on-site contract workers and transport and machinery operations; • Electricity use in operations. <p>d. Was energy efficiency taken into account during the construction or upgrading of all operations?</p> <p>e. Has studies on the feasibility of collecting and using biogas been carried out?</p>	<p>The company has implemented a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy. The implementation of improving efficiency of energy monitored regularly. Documents and records at Pinang Awan Mill were reviewed as follows:</p> <ul style="list-style-type: none"> - Formulir (FRM-gen-008) – Identification of GHG emission, February 01, 2017. Identified emission sources , i.e: <ol style="list-style-type: none"> 1. Boiler Emission – preventive maintenance and Boiler emission test regularly every 6 month performed 2. Genset Diesel emission –preventive maintenance and Genset emission test regularly every 6 month performed 3. Genset Bio Gas emission –preventive maintenance as scheduled and emission test regularly every 6 month performed 4. Methane Gas – Performed Methane Gas measurement once 1 week. 5. Vehicle emission – preventive maintenance as scheduled and performed emission test once 1 year. - Calculation of renewable energy at Mill - PT Milano Pinang Awan year of 2017, data until Month 	C

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		<p>April 2017 as follows:</p> <ol style="list-style-type: none"> a. FFB processes: 75,401 tonne b. CPO produced: 14,521 tonne c. Fiber produced: 9,142 tonne d. Shell produced: 5,161 tonne e. Power for Turbine: 2,172 kWh f. Steam needed for Turbine: 54 tonne g. Fuel needed for Steam energy, Fiber: 20 tonne and Shell: 4,541 tonne h. Caloric value: Fiber: 54,241 kKal; Shell: 19,070.965 kKal; Total 19,125.206 kKal. i. Energy consumption: 1.007 kKal per Ton FFB & 5.222,9 kKal per Tonne CPO j. Shell remaining: 619,81 Tonne k. Sell value of Shell in average Rp474 per Kg. l. Estimation of sell value of Shell: Rp300.304.090 <ul style="list-style-type: none"> • Remark Fiber 1 ton Steam = 370 Kg Fiber <ul style="list-style-type: none"> • 1 kwh = 25 Kg Steam • Caloric value per ton Fiber = 2,700 kkal/ton fiber • Fiber = 17.48% FFB Process • Remark Shell : 1 ton steam = 220 kg shell <p>- Pinang Awan Mill , year 2017, data until April 2017 as follows:</p> <ol style="list-style-type: none"> a. FFB processed: 75,400.541 tonne b. Power used by Genset : 79 kwh c. Fuel needed for Genset: 2,600 liter d. Fuel needed for heavy equipmemnts and operational vehicles:: 8,126 liter e. Genset output produced: 111.637 liter per kwh f. Fuel price in average: Rp5,655 per liter g. Total fuel cost for Genset: Rp14,384,600 and untuk heavy equipments and operational vehicles: Rp45,895,258 <p>- Calculation of efficiency of energi, Pinang Awan Mill –2017, data until April as follows:</p> <ol style="list-style-type: none"> a. FFB processed: 75,400.541 ton b. Power used by Genset for start up: 79 kwh c. Fuel needed for Genset: 2,600 liter d. Genset output produced: 111.637 liter per kwh e. Fuel price in average: Rp5,655 per liter f. Cost estimation by Genset untuk start up: Rp14,384,600 -Rp45,895,258 g. Total Mill working hours: 1,276.41 hours 	

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		h. Power used by Genset for full hour: 1.,455,107.400 kwh i. Fuel needed by Genset fur full processes: 436,532.22 liter j. Cost estimation by Genset for ful processes: Rp2,462,472,302.22 k. Estimation of efficiency: Rp2,448,087,702 (99.42%) l. Standard of diesel fuel is: < 0,3 liter per kwh	
5.5	Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		
	5.5.1 (M) Records of There shall be no land clearing with zero preparation by burning shall be available, other than in specific situations as identified in the 'Guidelines for the Implementation of referring to the ASEAN Policy on Zero Burning' 2003, or other recognised techniques based on the existing regulations comparable guidelines in other regions.		
	a. Does the company have a zero burning policy or any statement on zero burning? b. Does the company have SOPs for land preparation which mentions zero burning? 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? d. Has the policy been implemented throughout the operations? e. Is there training programmes for associated small-holders on zero burning where appropriate?	All estates do not conduct open burning for land clearing, This is in accordance to the Zero Burn Method under the section on Land Clearing, Preparation and Planting listed in procedure of land clearing. There were no open burning sighted in any of the replanting areas, landfills as well as workers and staff quarters during the field visits.	C
	5.5.2 Where fire has been used for eradication of pest during preparing land for replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available. 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.		
	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? b. What was the justification for using fire?	Based on information above so that this is indicator not applicable	N.A
5.6	Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
	5.6.1 (M) An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent. Document(s) assessing pollution and emission		

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	<i>sources, including gaseous, particles, soot emissions and effluent, shall be available</i> (see Criterion 4.4).		
	<ul style="list-style-type: none"> a. Has an assessment of all polluting activities been conducted including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4)? b. Is there a documented list of all identified polluting activities? 	<p>The company has conducted assessment of all polluting including gaseous emissions, particulate/soot emissions and effluent. Document of list of identified polluting activities are available both of estates and mill, i.e: documents No. FRM-GEN-068, namely Identifikasi Aktivitas Sumber Emisi Gas Rumah Kaca (GRK), dated January 01, 2016.</p>	C
	5.6.2 (M) Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.		
	<ul style="list-style-type: none"> a. Is there a documented list of all identified significant pollutants and GHG emissions? b. Are there plans to reduce or minimise the identified pollutants and GHG emissions? c. Do the plans include objectives, targets and timelines for reduction that are responsive to context? d. Are the plans being implemented? Was there any changes? Is it justified? e. Is the treatment methodology for POME recorded? (refer to C 4.4.3) 	<p>Identified polluting activities are: boiler emission, genset emission, vehicle emission, mill operations, POME, transportation activities, fertilizer, chemical usage, and etc. Management plan also defined to monitor and control emission at permission limit and comply to applicable requirements.</p> <p>Documented list of all identified significant pollutants and GHG emissions are available including plans to reduce or minimise the identified pollutants and GHG emissions as shown on document / frmulir (FRM-gen-008) – Identification of GHG emission.</p>	C
	5.6.3 A monitoring plan and results of system shall be in place, with regular reporting on progress for these significant emission and pollutants and emissions from estate and mill operations, using appropriate methods, shall be available tools.		
	<ul style="list-style-type: none"> a. Is there a system in place to monitor emission of pollutants including greenhouse gases from estate (plantation) and mill operations? b. Is there regular reporting of the 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? <p><i>Please refer to specific guidance for GHG requirements.</i></p>	<p>The company has established a system to monitor emission of pollutants from estate (plantation) and mill operations, as stated on dokumen environmental management plan and environmental monitoring plan (UKL-UPL). There is evidence that the company implemented the UKL-UPL and reporting of the monitoring outcome to authorized agency regularly every 6 (six) month.</p> <p>Some of programme that has been conducted on estates e.g.: monitoring and control their fossil fuel consumption for FFB transportation, pesticides usage and fertilizer usage.</p> <p>Regarding the GHG emission, monitoring was conducted using appropriate tools, i.e.: GHG calculator V.3.01 and reporting to RSPO secretariat regularly once a year. As sample, PT Perkebunan Milano has reporting to RSPO secretariat through email from dadeng.ibrahim@wilmar.co.id to javin.tan@rspo.org and devaladevi@rspo.org on dated May 19, 2017, time 14.35.32, subject RSPO PalmGHG Report for PT Perkebunan Milano POM: Audit year 2017. And the RSPO secretariat has response the email through email from Devaladevi Sivaceyon (devaladevi@rspo.org) dated : May 23, 2017, time 2:52 sent to Dadeng Ibrahim (dadeng.ibrahim@wilmar.co.id); Subject: Re: RSPO PalmGHG Report for PT. Perkebunan Milano POM: Audit year 2017</p>	

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		<p>The data was reported summarized as below:</p> <table border="1"> <thead> <tr> <th data-bbox="936 491 1447 539">Emission Sources</th> <th data-bbox="1447 491 1597 539">tCO₂</th> <th data-bbox="1597 491 1765 539">tCO_{2e}/tFFB</th> </tr> </thead> <tbody> <tr> <td data-bbox="936 539 1447 571">POME</td> <td data-bbox="1447 539 1597 571">4033.91</td> <td data-bbox="1597 539 1765 571">0.01</td> </tr> <tr> <td data-bbox="936 571 1447 603">Fuel consumption</td> <td data-bbox="1447 571 1597 603">128.34</td> <td data-bbox="1597 571 1765 603">0</td> </tr> <tr> <td data-bbox="936 603 1447 635">Grid Electricity Utilization</td> <td data-bbox="1447 603 1597 635">0</td> <td data-bbox="1597 603 1765 635">0</td> </tr> <tr> <td data-bbox="936 635 1447 667">Credits</td> <td data-bbox="1447 635 1597 667">0</td> <td data-bbox="1597 635 1765 667">0</td> </tr> <tr> <td data-bbox="936 667 1447 730">Export of Excess Electricity to Housing & Grid</td> <td data-bbox="1447 667 1597 730">-11.33</td> <td data-bbox="1597 667 1765 730">0</td> </tr> <tr> <td data-bbox="936 730 1447 762">Sale of PKS</td> <td data-bbox="1447 730 1597 762">-21854.45</td> <td data-bbox="1597 730 1765 762">-0.08</td> </tr> <tr> <td data-bbox="936 762 1447 794">Sale of EFB</td> <td data-bbox="1447 762 1597 794">0</td> <td data-bbox="1597 762 1765 794">0</td> </tr> <tr> <td data-bbox="936 794 1447 834">Total</td> <td data-bbox="1447 794 1597 834">-17703.52</td> <td data-bbox="1597 794 1765 834">-0.06</td> </tr> </tbody> </table>	Emission Sources	tCO ₂	tCO _{2e} /tFFB	POME	4033.91	0.01	Fuel consumption	128.34	0	Grid Electricity Utilization	0	0	Credits	0	0	Export of Excess Electricity to Housing & Grid	-11.33	0	Sale of PKS	-21854.45	-0.08	Sale of EFB	0	0	Total	-17703.52	-0.06	
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Principle 6: Responsible Consideration of Employees and of Individuals and Communities Affected by Growers and Millers																														
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.																													
	6.1.1 (M) A social impact assessment (SIA) including records of meetings shall be documented.																													
	<p>a. Has an SIA been conducted? When was the last SIA conducted?</p> <p>b. Is the process in conducting the SIA and the findings documented?</p> <p>c. Does the SIA cover all of the potential impact factors, including:</p> <ul style="list-style-type: none"> • Access and use rights; • Economic livelihoods (e.g. paid employment) and working conditions; • Subsistence activities; • Cultural and religious values; • Health and education facilities; • Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force. 	<p>PT. Milano has a Social Impact Assessment Assesment, document prepared in 15-19 July 2009 by the Aksenta Institution. The SIA document are cover all of the potential impact factors, including: Access and use rights, Economic livelihoods (eg paid employment) and working conditions, subsistence activities, cultural and religious values, health and education facilities, other community values, the resulting from changes such as improved transport / communication or arrival of substantial migrant labor force.</p>	C																											

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	<p>6.1.2 (M) There shall be evidence that the assessment has been conducted done with the participation of affected parties.</p>		
	<p>a. Does the assessment involve consultation with the affected parties? Who are the affected parties?</p> <p>b. Is there record of how the participatory assessment has been conducted? Were the affected parties able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, review of findings and planning for mitigation?</p>	<p>Minutes meeting and documentation of the results of consultation with affected parties were stored properly.</p> <p>Consultation activities conducted at July 16, 2016 in Pengarungan attended by 38 citizens. Dissemination of Company's Social management plan 2016 at Merbau Plantation Village office was conducted on April 8, 2016. Activity was attended by village head of Pulo Bargot, village head of Perkebunan Marbau, village head of Bandar Sentosa, and community leaders.</p>	C
	<p>6.1.3 (M) Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p>		
	<p>a. Is there any documented record to outline the plan on mitigation, implementation and monitoring according to the SIA report?</p> <p>b. Have plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts been developed?</p> <p>c. Have these plans been documented, with clear timetables? Is the timeline reasonable?</p> <p>d. Have the persons responsible for implementation of the plans been identified?</p>	<p>The Company has prepared Social Impact Assessment / 2009 Social Impact Assessment documents, but until now no revisions have been made. In fact there has been replanting activities. The company has carried out review of social impact assessment document dated on January 14, 2017 regarding issue it. It has explained about replanting process and its potential impacts (social and environmental aspect) including management plan for identified impact, however the document has not explain relevant and affected stakeholder involvement. There were only two participant during socialization process i.e. Sei daun head of hamlet and Pengarungan Head of village. Based on condition it, the auditor has justified that it is not valid and not recognized.</p> <p>The report on the implementation of the management and social monitoring has not been referring to the Social Impact Assessment matrix</p>	NC
	<p>6.1.4 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. The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review process includes the participation of all affected parties.</p>		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	a. Is the plan reviewed every two years? b. Has the plan been updated as necessary (i.e. in cases where the review has concluded that changes should be made to current practices)? c. Have the changes to the plan been implemented? d. Is there evidence that the review has been done with the participation of the affected parties? e. Has the process been recorded/documentated?	Records of social management plan review activities conducted in 2016 involving the affected parties in this case the community's representatives, which was attended by the Pengarungan village head and other village citizens dated April 6, 2016 attended by 41 participants and for employees March 15-17, 2016 was attended by 15 participants. Social Management Plan has changed from the previous year there were five impacts are managed and monitored, in 2016 was reduced to three impacts include: build understanding and skills of the company, employees and the surrounding communities through meetings of formal and non-formal, empowering the community and business development economics productive, contributing to improvements and maintenance of basic community infrastructure.	C
	6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).		
	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?	Company's has not partnership agreement with smallholder	NA
6.2	There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
	6.2.1 (M) Communication and consultation Consultation and communication procedures shall be documented.		
	a. Does the company maintain a list of local communities and other affected or interested parties? b. Is there SOP being developed by the company for communication and consultation between the company and the local communities and other affected or interested parties? c. Is the FPIC approach incorporated in the SOP for communication and consultation with the local communities and other affected or interested parties? 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? e. Has the SOP been socialized with the local communities and other affected or interested parties taking into ac-	Refer to explain on indicator 1.1 above that the company have two stakeholder list and it is has maintained. PT Milano has a Standard Operating Procedure (SOP) related consultation and communication procedures are as follows : 1). SOP of Internal Communication and Communication, Document No. Pro- Gen-011, Revision 02, dated 23 September 2013 applies. The SOP are explained : <ul style="list-style-type: none"> • For stakeholders to provide information, questions, dissatisfaction related to industrial relations, description of potential problems and others. • For unit leader agencies coordinate communication and consultation to answer / provide the information required by stakeholders, including a meeting to find a solution if the requested information goes a solution. 2). SOP of communication, consultation and coordination to external (PRO-BM.GEN-001 rev.02 dated on November 20, 2009). The SOP intention to receive and provide information and feedback to the stakeholders by using good language, easy to understand and be understood.	C

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	<p>count 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>	<p>These procedures have been communicated and consulted to the community around the estate on December 23, 2016, in order to make the community understand the procedures. The interview with the head of Pengarungan Village and officials of Pengarungan Village, it was known that the company had conducted RSPO socialization which included socialization of communications procedures, consultation with stakeholders. The village head understands the procedures of communication with the company.</p>	
<p>6.2.2 The company shall have official(s) who is responsible for consultation and communications with parties. A management official responsible for these issues shall be nominated.</p>			
	<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>	<p>There are management personnel responsible for the delivery of information and feedback to stakeholders represent by public speaker team contained in Estate (Batang Saponggol, Sei Daun and Merbau) and Pinang Awan Mill.</p> <p>Public speaker team has made official with clear and proper responsible or job description (refer to explain on indicator 1.1 above)</p> <p>They has awared to affected parties and have access to the person in-charge in communities.</p>	C
<p>6.2.3 The company shall have a list of stakeholders, records of all 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, shall be maintained.</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. 	<p>PT. Perkebunan Milano key stakeholder's are: outgrower, village government, Sub Distric government, Distric Government, NGO, local community, and farmers. Whereas, detail of the list of stakeholder is The company has 2 (two) lists of stakeholders due to the company located at 2 (two) districts, i.e.: Labuhan Batu Selatan and Labuhan Batu Utara districts. The 1st List was cover Sei Daun Estate, Batang Seponggol Estate, and Pinang Awan Mill, since the estates and mill located at Labuhan Batu Selatan District, Sumatera Utara Province, and the 2nd list was cover Merbau Estate, since the estate located at Labuhan Batu Utara District, Sumatera Utara Province. The list consists of data of stakeholder's name, address, and contact person or PIC's name and phone number. Stakeholders listed include surrounding government offices (at provincial, district, sub-district and village levels), community leaders, other palm oil companies, police stations, universities and school, NGO's (national, local level), contractors, suppliers, smallholders, social organizations, workers, press, and community members.</p> <p>Record of all communications was stated on log book communication example communication dated on 23 December 2016.</p> <p>The interview with the head of Pengarungan Village and officials of Pengarungan Village, it was known that the company had conducted RSPO socialization which included socialization of communications procedures, consultation with stakeholders. The village head understands the procedures of communication with the company.</p>	C
6.3	<p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		

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	<p>6.3.1 (M) The mechanism The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle-blowers, where requested, as long as that information is supported with adequate initial evidence.</p>		
	<p>a. Is there an system in place to deal with complaints and grievances for all affected parties?</p> <p>b. Who in the company is responsible to receive complaints and grievances?</p> <p>c. Is the existence of the system been made known and communicated to all parties?</p> <p>d. Is there evidence that the system is understood by all parties?</p> <p>e. Is training provided to the workers on the procedures/systems?</p> <p>f. Is the system effective to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner?</p> <p>g. Does the mechanism or procedure provide a way for workers to report a grievance against a supervisor to someone other than the supervisor?</p> <p>h. How is a complaint or grievance investigated, addressed and resolved? Are complaints dealt with by mechanisms such as JCC?</p> <p>i. Is there a non-retaliation or non-reprisal policy that protects complainants or whistle-blowers?</p> <p>j. Is the privacy of parties protected?</p> <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>PT Perkebunan Milano has a policy of "Whistle Blowing Policy" that are specifically related to the settlement of disputes affected communities, which guarantees confidentiality (anonymity) reporteur or whistleblower cases.</p> <p>In addition to company policy, PT Perkebunan Milano also has a Standard Operating Procedure (SOP) which regulates the submission of complaints, transparency of information and settlement of the conflict, namely :</p> <p>a. SOP handlers Relations and Community Development Effort (No. Document PRO-BM.GEN-002 dated 1 July 2009) there is an explanation that the company will facilitate if complainants requested confidentiality of his identity, without prejudice to the essence and the company's response to the complaint.</p> <p>b. SOP Management Relations and Community Development Effort No.Pro-BM.Gen.002 revision 01 on 1 July 2009, which serves as a technical guide application of the principle transparansi in implementing the delivery of information, complaint, proposal / assistance between the company and external parties for the public interest so sure every request and delivery of the above can respond as effectively as possible</p> <p>c. SOP Land Dispute Resolution No. SOP-Permit Land & Ops-007, the effective date is October 15, 2008. SOP describes the steps to resolve, namely:</p> <ul style="list-style-type: none"> • Identification of the problem / root of the problem, • Analysis of the problem (using the law of cause and effect), • Set a plan to do the proper treatment quickly, and directed • Continuous evaluation and monitoring <p>d. SOP of communication and consultation (No. PRO-GEN-011). It is include of complaint and grievance mechanism.</p> <p>Results of interviews with construction workers, casual/daily worker & harvester, it was known that they understand the procedures to submit a complaint to the company.</p> <p>The department in charge for documenting employee complaints is PGA Department.</p>	<p align="center">C</p>
	<p>6.3.2 (M) There shall be records of process and outcome of dispute resolution. Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p>		
	<p>a. Is the complaints or grievance resolution process documented?</p> <p>b. Are outcomes or decisions reported to the parties?</p> <p>c. Who has access to the documentation of the process and/or outcomes?</p>	<p>The Company has documented every worker's complaints and responses on the form of complaint receipt. The worker's complaints have to be resolved. For example: On April 17, 2017 of on behalf M. Rivai delivered a complaint about leaking in his house, and then on April 23, 2017 the worker's complaints had been resolved by replacing a leaky roof.</p>	<p align="center">C</p>

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6.4	Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
	6.4.1 (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. in place.		
	<p>a. Are procedures for identifying legal, customary or user rights in place?</p> <p>b. Are procedures for identifying people entitled to compensation in place?</p> <p>c. Are those procedures jointly developed, agreed and accepted by local communities?</p>	<p>Procedure for identifying legal, customary or user right and identifying people entitled to compensation has stated on SOP of land acquisition and land permit (no.Ops-005 dated on October 15, 2008). It have aims to ensure that decisions, steps or actions in the process of acquiring land for the benefit of industrial oil palm plantations is done properly, appropriately and in accordance with prevailing regulations and meet the principles and criteria of the RSPO, HCVF, and FPIC particularly for land-related interests of the community and communal land.</p>	C
	6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way. and Corrective actions are taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.		
	<p>a. Has a procedure for calculating and distributing fair compensation (monetary or otherwise) been established and implemented?</p> <p>b. Are the procedures jointly developed, agreed, accepted and clearly understood by affected parties?</p> <p>c. Is the procedure monitored and evaluated in a participatory way? Have corrective actions been taken as a result of this evaluation?</p> <p>d. Does this procedure take into account the following:</p> <ul style="list-style-type: none"> • Gender differences in the power to claim rights; • Ownership and access to land; • Differences of transmigrants and long-established communities; • Differences in ethnic groups' proof of legal versus communal ownership of land. <p>e. Where there are schemed smallholders, is there effort to ensure equal opportunity has been provided to ..</p>	<p>Procedures related to the calculation or the calculation of fair compensation has been carried out based on the prevailing custom in the community. For productive land will be taken into account the number and age of the existing productive plants. Acquisition procedure of land owned by Pinang Awan Mill, Batang Saponggol Estate, Sei Daun estate, and Merbau estate has accounted for differences in legal proof of ownership and communal ownership and their heirs. It has not been implemented because since year 2015 until May 2017 there is not conflict with public related to land tenure or grievance from stakeholder and since main assessment (year 2009) until May 2017 there is not new land acquisition activity.</p>	C
	6.4.3 (M) The process and outcome of any negotiated agreements and compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties, and made publicly available.		

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	<p>a. Is the process and outcome of negotiated agreements and compensation claims documented?</p> <p>b. Does this documentation include evidence of the participation of affected parties? Is there any approval/signed by effected parties?</p> <p>c. Was consent obtained from all parties to make the documents publicly available?</p>	<p>There are not land acquisition document at first develop areas. Whereas, land claim settlement document year 2008 was available and confirmation was made by the head of Sungai Daun Village.</p> <p>Out of the court, the company made a policy to give money to the 556 tenants/claimer amount of Rp 1 million for the demolition of shacks and transportation money.</p>	C
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.		
	6.5.1 (M) Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		
	<p>a. What types of employment arrangements are there in the company? (E.g. contractual, outsourced, apprenticeships, direct hires, piecemeal basis, etc.)</p> <p>b. Is there documentation of pay and conditions for each employee?</p> <p>c. Is there a definition for living wage in the country? If not, how was the decision on wage for employees and contract workers made</p>	<p>Documents contained in the wage labour agreement / contract of employment, with wages system by government regulation :</p> <ul style="list-style-type: none"> ▪ Governor Decree No.188.44/46/KPTS/2017 on UMSK Labuhanbatu Selatan District oil palm plantation sector IDR 2.500.000. ▪ Internal Memo No.016/HC-IM/III/2017 concerning the minimum wage in 2017 amounted to Rp 2.500.000 per month or Rp. 100.000 per day. <p>There is a document employees' salaries (in form of Indonesian language) by PT Perkebunan Milano, for example slip salary:</p> <ul style="list-style-type: none"> ▪ Meda Nur Sefa, work for 20 days, a wage of Rp. 2,000,000 for April 2017 with casual/daily worker status. ▪ Poniran No. Workers MO/SDE/0417/991 in April 2017: Rp 2.743.960 (include over time and deduction for BPJS Ketenagakerjaan). ▪ Syaiful B No. Workers MO/SDE/1011/941 in April 2017: Rp 3.571.940 (include over time, allowance for working period and deduction for BPJS Ketenagakerjaan & Kesehatan). ▪ Alam Syah Putra no.Worker MO/PMLN/0615/119 in April 2017 : Rp 1,755,000 (include deduction for BPJS Ketenagakerjaan and he is join starting on 11 March 2017) ▪ Sukaryanto no. Worker MO/PMLN/0615/118 in April 2017 : Rp 3,979,241 (include overtime, deduction for BPJS Ketenagakerjaan & Kesehatan, and he is join starting on 11 March 2017)) <p>Based on interview to all workers sample above that permanent daily worker has understood regarding pay condition and accident insurance (BPKS Ketenagakerjaan) and medical/health service (BPJS Kesehatan). Whereas, casual/daily worker has understood too regarding pay condition and health/medical service i.e go to clinic if sick and not aware of accident insurance (BPJS Ketenagakerjaan) but after showned her contract or agreement by auditor that he has forgot about it. The company has showned evidence of payment about accident insurance for casual/daily worker period of April 2017 where one of workers is sample above.</p>	C

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		There is plantation activity has carried out by third party i.e EFB application at block 073 - Sei Daun estate by Mr Sumarno (agreement no.006/MLN-SDE/DIV-I/IV/2017 dated on 01 April 2017 and duration period of agreement is 01 to 30 April 2017), CV Agung (agreement no.027/MLN-BSE/SPK/V/2017 dated on 02 May 2017) for EFB application at block 65/70 and PT Mitra Jaya Kencana Indah (agreement no. 021/MLN-SDE/SPK/IX/2016 dated on 23 September 2016) for replanting activity. Based on the result of sub-contractor performance evaluation that wage of employee under third parties has complied with local government decree.	
	<p>6.5.2 (M) Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. 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>a. Is the pay and conditions of employment clearly detailed in the employment or service contracts? (E.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.)</p> <p>b. Is the contract prepared in languages understood by the workers, explained carefully to workers by management officials, and signed by both the authorised signatory of the company and employee?</p> <p>c. Does the pay and conditions provided in labour laws, union agreements or direct contracts of employment comply with:</p> <ul style="list-style-type: none"> • The decent living wage as provided in the National Interpretation for the country; or • The local legal requirements in meeting the minimum wage; or • The industry minimum standard for a similar position or work responsibilities <p>d. Is the pay received by the employee consistent with the terms of the contract and the law (relates to P2)?</p> <p>e. Have there been any cases recorded of breach by the company, or complaint made by employees against the company on unjust pay and conditions?</p>	<p>The company has documented working agreements called Joint Employment Contract ('Perjanjian Kerja Bersama' or PKB 2016-2018) that regulate the rights and obligations of employees/workers signed by the Director and Chairman of the Worker Union. The Company has a Collective Labor Agreement 20162018 period that have been registered in the Labor and Transmigration Agency, District. Labuhanbatu Selatan No. 560/239//DSTKT/2016 on August 12, 2016.</p> <p>Joint Employment Contract ('Perjanjian Kerja Bersama' or PKB 2016-2018 period have included: responsibilities of each parties, employers and workers union relations, changes and additions to the agreement, facilities recognition and guarantee, labor relations, working time, education and training, remuneration, permit not come to work and leave, work safety, sanction rules, termination, settlement of complaints.</p>	C
	<p>6.5.3 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:</p>		

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	<p>For 6.5.3: Incentives to the employees refer to Act No. 13 year 2003 regarding Manpower.</p>		
	<p>a. Have growers and millers provided adequate housing and other basic necessities such as that listed below to national standards or above, where no such public facilities are available or accessible?</p> <ul style="list-style-type: none"> • adequate housing; • adequate electricity; • clean water supplies (availability of clear water all year round); • medical services (distance to health care facility i.e. clinic, hospital); • children education (distance to school and schooling attendance (%) of children under 12) • welfare amenities. 	<p>Facilities on PT Milano:</p> <p>a. Pinang Awan Mill :</p> <ul style="list-style-type: none"> • Housing: house 131 employees • Medical / Clinic: 1 unit clinic, 1 midwife, doctor visits every week • Education: Daycare, ECD • Sports: football field, volley ball • Entertainment: gathering once a year, • Clean water from the water from the water treatment company. <p>b. Batang Saponggol Estate :</p> <ul style="list-style-type: none"> • Housing: 147 home employees • Medical / Clinic: there are clinics with medical personnel midwife and doctor visits every 2 weeks. • Religious: Mosque 3 units, 1 unit of the Church • Education: Daycare, early childhood and kindergarten, school buses 2 units • Sports: football field, 2 units volley ball, badminton 2 units • Entertainment: gathering once a year, a single organ / choir • Clean water from the company with the wellbore <p>c. Marbau Estate:</p> <ul style="list-style-type: none"> • Housing: 125 home employees • Medical / Clinic: there are clinics with medical personnel midwife and doctor visits every 2 weeks and one unit ambulance. • Religious: Mosque 2 unit • Education: Daycare, early childhood and kindergarten • Sports: football field, volley ball, • Entertainment: Music “gambus” • Clean water. <p>d. Sei Daun Estate :</p> <ul style="list-style-type: none"> • Housing: 242 home employees • Medical / Clinic: there are clinics with medical personnel midwife and doctor visits every 2 weeks and one unit ambulance. • Education: Daycare, early childhood and kindergarten • Sports: football field, volley ball, badminton • Entertainment: gathering once a year, a single organ / choir 	<p align="center">C</p>

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
		<ul style="list-style-type: none"> Clean water from the company with the wellbore. <p>A public facility for employees has been prepared by the company in accordance with their financial capabilities. During a visit to the housing Sei Daun Estate and interviews with labour unions, all workers receive housing facilities but if worker have house near estate/mill so they has choiced stay in own house.</p> <p>During interview with harvester in Sei Daun estate they explaint that there is different treatment of electricity facility in housing area. The one who stay in housing area with electricity source from company's genset is free of charge, while for those who stay in housing area from government grid will be subsidized only by the company not free of charge. The worker has informed how much the subsidy in morning meeting.</p>	
	<p>6.5.4 There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food. Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Specific Guidance: 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.</p>		
	Have growers and millers made demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food?	All estates area is near from local economic center (market etc). Small shop supplying workers everyday needs of consumptions are available in every emplacement. Food is adequately, sufficiently and affordably supplied by these local shops, there is no restriction from the company for worker to build a shop in housing facilities areas.	C
6.6	The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
	6.6.1 (M) A published statement in local languages recognising. A record of the company's policy in understandable language 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 bargain-</p>	<p>PT Perkebunan Milano has published a statement in Bahasa Indonesia recognising the rights of employee to freedom of association in the Memorandum Intern No. 026/WIP-HRD/Int-VIII/2009, dated August 12, 2009, regarding Revision of Labour Conditions, and was signed by HRD Head (Jakarta). Point 1 stated that "the company ensure of all employees to freedom of association and become membership of labour union regarding applicable legal and regulations.</p> <p>The implementation of the above company's policy, i.e: Sei Daun Estate:</p> <ol style="list-style-type: none"> Bipartite cooperation institution of Sei Daun estate that has been registered by the Social and Labor Agency of Labuhan Batu Selatan District, Number: KEP.560/11/DSTKT/2016, dated June 10, 2016. Worker Union (Serikat Buruh Perkebunan Nusantara/Serbundo) Basis PT Milano Sei Daun, Decree of 	C

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	<p>ing process between the company and the association respected, implemented and adopted in full or partially by the company?</p> <p>d. Are there Labour laws and union agreements, or in their absence direct contracts of employment detailing payments and other conditions, made available in the languages understood by the workers or explained carefully to them by a management official?</p>	<p>Menakertrans No. Kep.16/Men/2001, dated November 20, 2015, regarding registration of worker union Serikat Buruh Perkebunan Indonesia (Serbundo), PT Milano Sei Daun Basis, No. 001/S.Pmhn/Ext/PB-Sebundo/XI/2015, dated November 09, 2015.</p> <p>Pinang Awan Mill : There is Decree of Extension of Decree No. 077/DPD-KBP/LBS/KPTS/VI/2013, dated June 21, 2013. Regarding decree of “Kesatuan Buruh Perjuangan”, Worker’s Mill of Milano, Pinang Awan, Pinang Dame village, Torgamba Sub-district.</p> <p>Merbau Estate : Decree of Head of Social and Labor of Labuhan Batu Utara District, No. Kep.560/192/DSTK/LKS-B/2016, dated February 15, 2016, Regarding approval of Bipartite Committee (Pegurus Lembaga Kerjasama Bipartit) at PT Perkebunan Milano, Village of Perkebunan Milano, Merbau Sub District, and Labuhan Batu Utara District, Sumatera Utara Province.</p>	
<p>6.6.2 Minutes of meetings with main trade Records of meetings with labor unions or workers representatives shall be available documented.</p>			
	<p>a. Are there documented minutes of meetings between the company and main trade unions or workers representatives?</p> <p>b. Are the minutes made readily available to employees upon request?</p>	<p>There is evidence that PT Perkebunan Milano has maintain records of minute meeting between the company and worker representatives, e.g.:</p> <p>Pinang Awan Mill : Minutes of the formation of LKS Bipartite with the company PT. Milano, One such document is the minutes: Minutes of bipartite negotiations on Thursday, May 28, 2017, discussion material on the Cooperation Agreement, over time, shift and PPE which was attended by representatives of the company and union representatives.</p> <p>Sei Daun Estate : <ul style="list-style-type: none"> Minute meeting dated April 14, 2017, held on Meeting Room of Sei Daun Estate; meeting was attended by 20 persons. The meeting was discussed issues: worker recruitment for replace of pregnant worker in spraying activity, review of bipartite committee, PPE implementation, annual leave and health service/insurance (BPJS Kesehatan). Minute meeting dated March 14, 2017, held on Meeting Room of Sei Daun Estate; meeting was attended by 17 persons. The meeting was discussed issues: PPE implamentation, worker union, casual/daily worker, replanting activities, etc. </p> <p>Merbau Estate: Data available the minutes of the formation of LS Bipartite with the company PT Perkebunan Milano are : health and pension insurance (BPJS Kesehatan & Ketenagakerjaan), sub-contractor parties, etc. Meeting carried out dated on 07 February 2017 with 15 persons/participants.</p>	C
6.7	Children are not employed or exploited.		

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	6.7.1 (M) There shall be documented documentary evidence that minimum age requirements are met.		
	<p>a. Is the minimum working age for workers together with working hours clearly defined in the company's recruitment policy?</p> <p>b. Are workers employed above the minimum school leaving age of the country or who are at least 15 years of age?</p> <p>c. Is there evidence that the nature of work for workers under 18 is in 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>	<p>PT Perkebunan Milano has minimum working age for workers clearly defined in the Memorandum Intern No. 026/WIP-HRD/Int-VIII/2009, dated August 12, 2009, regarding Revision of Labour Conditions, was signed by HRD Head (Jakarta). Based on the memorandum, the minimum age of worker was defined less than 18 year. In other hand working hours has clearly defined in the valid Company Regulation (PKB), Article17. Working hours are 7 hours per day with working day 6 days per week. Holiday following the provisions of national holiday.</p> <p>Based on document "Data Karyawan" updated May, 2017, total number of employee, as follow:</p> <ul style="list-style-type: none"> • Sei Daun Estate is 521 persons. • Batang Saponggol Estate is 314 persons • Pinang Awan Mill: 158 persons <p>Based on the above documents, there is evidence that the age of all employee has higher than 18 years old.</p>	C
6.8	Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
	6.8.1 (M) A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented . A company's policy on equal opportunity and treatment for work shall be available and documented.		
	<p>a. Is there a company policy on non-discrimination and equal opportunities? Does it at least cover the items mentioned in the criteria (6.8)?</p> <p>b. Is the policy made publicly available for the relevant stakeholders?</p> <p>c. Is there evidence that the policy has been implemented?</p>	<p>PT Perkebunan Milano has had a Policy Regarding Respect for Human Rights that includes:</p> <ol style="list-style-type: none"> 1. Rights of Workers: <ul style="list-style-type: none"> • Freedom of association • There is no forced labor • No child labor • Decent working conditions 2. Rights and Indigenous Communities Around <ul style="list-style-type: none"> • Respect for the rights of land ownership • A commitment to carry out the process of Free, Prior and Informed Consent (FPIC) with local communities before opening a business unit • Commitment to the application of openness, communication, fairness and equity positions in each handler conflict towards achieving a joint solution 	C
	6.8.2 (M) Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against .		

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	<ul style="list-style-type: none"> a. Is there evidence that employees and groups including local communities, women, and migrant workers have not been discriminated against? b. Are the employees and groups including local communities, women, and migrant workers happy with the way the company is treating them? c. Are there complaints against the company on issues relating to discrimination? 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>Based on interviews with workers in mind that workers and groups including local communities, women, and migrant workers there is no discrimination in recruitment.</p> <p>Recruitment is open to anyone who has the ability, given appropriate salary Minimum Wages District, granting medical benefits applicable to all employees.</p> <p>Men and women have the same opportunities in the process of recruitment, payroll, and benefits. Menstrual leave and childbirth / breastfeeding women are given to employees regardless of their race or religion race.</p>	C
	<p>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. 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>		
	<ul style="list-style-type: none"> a. Does the company keep and maintain a record of their employees' work credentials and medical history? b. Does the company explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process? c. Is the company's indiscriminatory policy reviewed regularly? d. Are the company's employees recruited and promoted based on skills, capabilities, qualities, and medical fitness necessary for the job? How is this evidenced? 	<p>Recruitment, promotion conducted by expertise, educational background suitability for certain positions as well as their employee performance assessment each year.</p> <p>As an example: Meda Nur Sefa, as manuring at Sei Daun estate (wage accordance with minimum wage in Labuhan Batu Utara District i.e IDR.100. 000/day)</p> <p>The company has changed some casual/daily workers status to permanent daily worker status by gradual. Based on promotion of casual/daily worker be permanent daily worker period of April to May 2017 is 128 persons (Sei Daun estate is 48 persons, Batang Saponggol estate is 52 persons and Merbau estate is 28 persons). On June 2017 still in-process amount of 86 persons to change be permanent daily worker status.</p>	C
6.9	There is no harassment or abuse in the work place, and reproductive rights are protected.		
	6.9.1 (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. .		

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	<p>a. Does the company have the policy to prohibit any form of sexual and all other forms of harassment and violence?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. Is there a clear protocol for the company to deal/handle such issues/complaints received from the workforce?</p> <p>d. Is there a list of awareness programs or training provided to the workforce in relation to these issues?</p> <p>e. Has the company formed a Gender Committee to address areas of concern to women? Is there a list of the members sitting in the committee? What are the Terms of Reference of the committee? Does it include the handling of issues such as:</p> <ul style="list-style-type: none"> • training on women’s rights; • 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>PT Perkebunan Milano already has the Employment Policy and Employee Protection Policy that explicitly prohibits all forms of sexual harassment. The company has establish policy and mechanism to ensure there is no harassment or abuse in their workplace and also to protect reproductive rights, i.e.:</p> <p>a. There is a policy to prevent all forms of sexual harassment</p> <p>b. There is a Gender Committee as a means for workers to facilitate the fulfilment of basic rights of women.</p> <p>c. Gender Committee activities are:</p> <ul style="list-style-type: none"> ▪ Socialization of women's rights, domestic violence in each division. ▪ Receive a report of domestic violence <p>d. The Gender Committee Chairman is Alfian Harahap and Asima Nadapdap Hernizen by the number of committee members 41 female workers.</p> <p>e. There are child care facilities to accommodate the interests of women workers in order to still be able to work well. Child care facilities also with play facilities and space breastfeeding (breast-feeding).</p> <p>Based on interview to circle weeding team (twelve female workers) in block 88 (year of planting : year 2016) that they has knowned gender committee organization, policy to prevent all forms of sexual harassment, some activities regarding type of sexual harrassment dessimination, mechanism of handle complaint/issue and worker inform to estate/mill management, etc.</p>	C
	<p>6.9.2 (M) A policy to protect the reproductive rights of all, especially of women, shall be documented, implemented and communicated to all levels of the workforce..</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>	<p>Employment policies governing the reproductive rights of workers are clearly stipulated in the Company at:</p> <ul style="list-style-type: none"> • Article 52 about menstruation leave: Employees who feel pain during menstruation is not required to work on the first and second days of menstruation. • Article 51 on maternity leave / breastfeeding: • To Employees pregnant women given the right break 1.5 (one setenqah) months prior to the time, according to calculations doctor will give birth and 1.5 (one half) months after delivery or abortion. • The days of rest give birth because abortion should be based certificate obstetrician or midwife who cared for him, • Rest childbirth can be extended if the doctor or midwife who cared deems it necessary that the employees concerned women still have to rest and apply the provisions of the Wages For PainThe im- 	C

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		<p>portance of education for children avoid drugs.</p> <p>There is a policy of protection of women's reproductive rights. Implementation the policy also contained in the form of :</p> <ul style="list-style-type: none"> ▪ Menstruation, pregnancy, childbirth and breastfeeding ▪ Routine examination 3 pregnancies per month for each worker women. ▪ The medical examination colenertrase per 6 months for employees dealing with chemicals . <p>Policy reproductive rights have been disseminated to all levels of employees on June 26 2016. In addition, the policy is also posted on the office announcement board, housing, clinics and Division Offices. Based on interviews with women workers in Estate 1, It was known that the workers understand the reproductive leave entitlements, ie 2 days menstrual leave and maternity leave is three months.</p> <p>The company has been contained in the Regulations governing the article laments that article 61 on the settlement of complaints, which contains:</p> <ol style="list-style-type: none"> 1. Any complaints or complaints of an employees attempted first be discussed and resolved by direct supervisor. 2. If the measures in paragraph 1 (a) can not be resolved, then with the knowledge of his superiors, the employee concerned may submit a complaint or a complaint to his superiors higher verbal / written. 3. If the step paragraph 2 can not be resolved, the employee can complain to the organization's employees to resolve together with the Personnel department. 4. In the event that settlement deliberation referred to in paragraph (3) is not reached, the employer and the worker / laborer resolve industrial disputes through industrial relations dispute settlement procedure regulated by law. <p>The company made cooperation with local government to check papsmear in year 2015 and 2016. In year 2016, total 30 woman workers were checked.</p> <p>The company communicated to all woman workers that they still have opportunity to work with PT Perkebunan Milano, while she is pregnant they still can do manual weeding, in day care or gardening, as well as during breastfeeding. The workers could joint again with sprayer team after they condition safe for themselves and the child. It was confirmed by the sprayer team during interview in Sei daun estate, they has been informed about safety of her position after pregnancy and breastfeeding. The statement has been informed on company's equal opportunity.</p>	

6.9.3 A specific grievance mechanism which respects anonymity and protects of complainants where requested, and as long as they are supported with adequate information shall be documented, established, implemented, and communicated to all levels of the workforce

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	<ul style="list-style-type: none"> a. Does the company have a mechanism to handle employment grievances, that respects anonymity and protects complainants where requested? b. Does the mechanism provide a way for workers to report a grievance against a supervisor to someone other than that supervisor? c. Is the mechanism documented, implemented and communicated clearly to all levels of the workforce? d. Has the company identified personnel who will be responsible to receive and manage complaints received from the workforce? e. Has the company received any reports or complaints of harassment or abuse? How was it addressed or resolved? f. Is the policy reviewed regularly? 	<p>The Company has a mechanism to deal with complaints of work that respects and protects the anonymity of the complainant. Since 2015 until March 2017 there no complaint from female labour related sexual harrasment or reproduction right.</p>	<p align="center">C</p>
6.10	Growers and millers deal fairly and transparently with smallholders and other local businesses		
	6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.		
	<ul style="list-style-type: none"> a. How is the price of FFB determined? b. Is current and past prices paid for Fresh Fruit Bunches (FFB) publicly available? How? c. Was there any complaints on FFB pricing? d. How was the complaint handled? e. What was the solution? 	<p>There is FFB price that was still effective and FFB price that was ef-fective previously. It was well documented. The current price of FFB (May 24, 2017) is IDR 1,550/kg. Price of FFB now and previously was installed in an-nouncement in POM, so it can be seen by farmers and collector. FFB price is informed by POM to collector. FFB price is informed by POM if there is a change, addressed to collectors.</p>	<p align="center">C</p>
	6.10.2 (M) Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be. 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)		

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	<ul style="list-style-type: none"> a. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders? b. Is there evidence that growers/millers have explained FFB pricing and pricing mechanisms for FFB? 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? d. Have inputs/services been documented (where these are under the control of the mill or plantation)? 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>Until April 2017 there are 45 suppliers of TBS to PKS PT Milano Pinang Awan. Both Pinang Awan mill and their FFB supplier has signed FFB procurement agreement. As stated on the agreement section 3, FFB price will follow CPO price. For example, TBS sale and purchase agreement No. 002 / MLN-PKS / TBS / 01/2017 between the management of PT Perkebunan Milano PKS Pinang Awan with Rosida BR. Simanjuntak.</p>	C
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent			
	<ul style="list-style-type: none"> a. Is there a contractual agreement between the miller and smallholders/ middle men? b. Do all parties understand the contractual agreements they have entered into? c. Are all contractual agreements fair, legal and transparent? d. Who keeps the contractual agreements? 	<p>Pinang Awan mill and their supplier has signed FFB procurement agreement, all parties have understood without agreement the mill will not receive FFB. The agreement has been explain term and condition for FFB purchased, including Wilmar's policy regarding the legality of FFB sources.</p> <p>Contractual agreement was available as example agreement no.006/MLN-SDE/DIV-1/IV/2017 dated on 1 April 2017 between Manager of Sei Daun estate and Mr Sumarno regarding EFB application, agreement no.027/MLN-BSE/SPK/V/2017 dated on 2 May 2017 between Manager of Batang Saponggol estate and Director of CV Agung regarding EFB application and agreement no.021/MLN-SDE/SPK/IX/2016 dated on 23 September 2016 between Manager of Sei Daun estate and Manager of PT Mitra Jaya Kencana Indah regarding replanting activity.</p> <p>Based on interview with director of CV Agung and Indra Sakti (one of FFB supplier) that they has understood the contratual agreement. Information of right and responsibility has stated on agreement include of criterion of grading, term of payment, FFB pricing, total of EFB application areas & name of block, duration of agreement, etc.</p>	C
6.10.4 Agreed payments shall be made in a timely manner			

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	a. How are all payments made to the smallholders/middle men? b. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders? c. Have agreed payments been made in a timely manner?	FFB agreed payment has been paid on time by PT Milano through office units in Rantau Prapat. This is based on payment receipt supplier (Indra Sakti) from FFB delivery order at May 24, 2017 is IDR 25.563.120.	C
6.1 1	Growers and millers contribute to local sustainable development where appropriate		
	6.11.1 Records of Contributions to local development that are based on the results of consultation with local communities shall be available demonstrated.		
	a. Have the local development needs and priorities been identified in consultation with local communities? (refer also to C 6.2) b. What are the contributions made to local development? Are they in accordance with the results of consultation? c. Are there efforts to improve or maximise employment opportunities at the company for local communities?	Records of Contribution to local development based on the results of consultation with local communities as follows: <ul style="list-style-type: none"> • Financial support for SMPN 2 Merbau IDR. 300,000 for the renovation of school buildings dated February 17, 2016; based on principal of SMPN 2 Merbau letter No. 421.3 / 169 / SMP.2 / TU / 2016 dated January 9, 2016. • Heavy equipment assistance for road repair Sei Daun village along 3 Km dated May 4, 2016, based on letter No.09 / DSN-SD / DSP / V / 2016 concerning a request for help of heavy equipment from the Sei Daun village head dated May 12, 2016. • Mosque renovation assistance in the form of 270 zak material in Pangarungan Village on December 20, 2016. • Construction of a public road bridge in Pangarungan Village on March 31, 2016. • Assistance for construction cost of road along 1,700 meters on May 17, 2016. • Market selling 250 boxes of cooking oil. • Cement assistance of 20 zak for construction of Tolan Police Office on 21 May 2016. • Help on making school fence of MTs Nurul Ikhwan on 26 September 2016. • Meubiler procurement assistance dated September 26, 2016. • Funding for the purchase of office land of Teluk Panji Raya Sub-district on 27 September 2016. 	C
	6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity		

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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?	Company has not partnership agreement with smallholder, the company did not provide the human resources to the smallholder.	N.A
6.1 2	No forms of forced or trafficked labour are used. (Forced labour refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities)		
	6.12.1 (M) There shall be evidence that no forms of forced or trafficked labour are used.		

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	<ul style="list-style-type: none"> 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 foreign/ migrant workers directly and/or through licenced outsourcing agencies/ labour suppliers? d. Who is the person responsible for selecting/ screening labour suppliers/ outsourcing agents? 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? f. Are there restrictions on workers from leaving the mill or estate or their housing facilities outside working hours? g. What is the process if a worker wants to terminate their employment before their contract expires? In this case, who pays for the return transportation? h. What are the penalties imposed if the workers were terminated or fired before their contract expires? i. Who keeps the workers passports or identity documents? j. If workers do not keep their passports or identity documents, is this legally allowed? k. What is the process for workers’ to hand over their passports or identity documents to the company? l. Do workers have unrestricted access to their passports or identity documents? Describe how workers are able to access their documents? 	<p>Based on employment data on PT Milano April 2017, all workers have a clear identity and there is no illegal worker (trafficked) or forced. Workers may refuse to work if they are not working in accordance with the existing labour regulations.</p>	C
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred</p>			
	<ul style="list-style-type: none"> a. Is there evidence of contract substitution occurring? b. Are foreign workers asked to sign a contract upon arriving in the receiving country? If yes, is that contract identical to the one signed in the country of origin? c. Are workers given a copy of their employment contracts? If yes, is the contract identical to the one signed at the time of recruitment? 	<p>Based on interview and verification of agreement on behalf Meda Nur Sefa, Poniran and Alam Syah Putra that they are direct contract or no contract substitution.</p>	C

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	6.12.3 (M) Where temporary or migrant/foreign/honorary workers are employed, a special worker labour policy and procedures and the evidence of implementation shall be established and implemented.		
	a. What is the company's policy and procedures for temporary or foreign/migrant workers? Does the special labour policy include: <ul style="list-style-type: none"> • Statement of the non-discriminatory practices? • No contract substitution? • Post-arrival orientation programme with emphasis on language, safety, labour laws, cultural practices etc.? • The provision of decent living conditions? b. Have the policies and procedures been implemented?	Temporary workers are employed by company so that company have labor policy where it has stated on collective join agreement regarding non-discriminatory practices and no contract substitution. It has implemented as example promotion, recruitment and time work, wage, etc There is no form of forced or trafficked labour in all PT Perkebunan Milano estates and Pinang Awan Mill.	C
6.1 3	Growers and millers respect human rights.		
	6.13.1 (M) A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).		
	a. Is there a company policy on human rights? b. How is this communicated to all employees, including out-sourced workers, customers and suppliers? If by training, how often is the training conducted? c. Who has the task of communicating the policy internally and externally? d. Does the company have any outstanding cases of human rights violations?	Wilmar respect and protecting human rights in order to create safety for every one of all forms of harassment and violence create working environment and living environment that is safe, clean, and healthy. Human rights dissemination policy has been carried out on December 7 and June 26, 2016 (Estate, Mill), February 10, 2017 at Merbau Estate. Result of interview with management side, it was known that socialization of Human Right policy was conducted by representative of management for ontractor on 8 February 2017.	C
Principle 7: Responsible Development of New Plantings			
7.1	A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
	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.		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<p>a. Is there any new plantings or operations, or expanding existing ones by the company? What is the size of the new planting area?</p> <p>b. Has an independent social and environmental impact assessment (SEIA) been documented for the new plantings?</p> <p>c. Are the impact assessments prepared by accredited independent experts?</p> <p>d. Are all environmental and social impacts adequately identified?</p> <p>e. Is the SEIA undertaken based on the scope of operation?</p> <p>f. Is the SEIA undertaken in a participatory manner, including the relevant affected stakeholders?</p> <p>g. Does the SEIA assessment include and as a minimum:</p> <ul style="list-style-type: none"> • Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure? • Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected? • Assessment of potential effects on adjacent natural ecosystems of planned developments, including 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? • Analysis of type of land to be used (forest, de- 	<p>There are year of planting 2007-2008 but no new planting so that this is indicator not applicable</p>	<p>N.A</p>

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<p>graded forest, cleared land)?</p> <ul style="list-style-type: none"> • 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 implemented?</p>	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
	<p>7.1.3 Where the development includes an outgrower scheme, the impacts of the scheme (skema kemitraan), the impacts of the scheme and the implications of the way it is managed shall be given particular attention</p> <p>Specific guidance: For 7.1.3. : Outgrower scheme is a farmer selling the FFB through exclusive contract to the growers and millers. Schemed smallholders (plasma) included into this scheme.</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>	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
7.2	Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations		

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	<p>7.2.1 (M) Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</p>		
	<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 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? 	<p>There are year of planting 2007-2008 but no new planting so that this is indicator not applicable</p>	<p>N.A</p>
	<p>7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations</p>		

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	<ul style="list-style-type: none"> a. Does the area where plantings are done require drainage or irrigation? b. If yes, is there adequate topographic information to guide the planning of drainage and irrigation systems? c. Is the topographic information and best practices taken into consideration during the development of roads and infrastructure? 	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
7.3	New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values		
	7.3.1 (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).		
	<ul style="list-style-type: none"> 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? b. Where HCVs have been identified on the land that is intended for new plantings, have new plantings been planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2)? c. Are there finalised HCV maps and areas endorsed/signed off by management showing type of HCV and area coverage (ha)? d. Has the company comply with NPP procedures? i.e. NPP documents was submitted and put for public notification. e. Is CB verification of NPP documents include field verification? If not, field verification of HCV is required during certification audit. 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? 	There are year of planting 2007-2008 and explanation from RSPO secretariat regarding zero liability for PT Perkebunan Milano areas. Year of planting 2007 & 2008 has covered in HCV assessment year 2009.	C
	7.3.2 (M) Reports of A comprehensive HCV assessment, which involves including 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. This shall include a 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.		

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	<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>	-	-
	7.3.3 Records Dates of land preparation and clearing dates shall be available. commencement shall be recorded		
	Are the dates of land preparation and commencement recorded?	-	-
	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 procedures (see Criterion 5.2)?</p>	-	-
	7.3.5 Evidence of consultation with the Areas required by 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 communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2).		
	<p>a. Have areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, been identified in consultation with the communities?</p> <p>b. Have these areas been incorporated into HCV assessments and management plans (see Criterion 5.2)?</p>	-	-
7.4	Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.		
	7.4.1 (M) Maps identifying Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<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>	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
<p>7.4.2 (M) Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.</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; • 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>	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
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>7.5.1 (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.</p>		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<ul style="list-style-type: none"> a. Does the new planting area include 'local people's land'? b. If yes, has the community given their consent? c. Is there evidence to demonstrate that the consent/agreement has been given? d. Has the community been given the opportunity to say 'no' to the proposed development? e. Are the principles of the FPIC process followed? 	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
7.6	Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
	7.6.1 (M) Documented identification and assessment of demonstrable legal, customary and user rights shall be available		
	<ul style="list-style-type: none"> 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 protocol/SOP? Does the process follow and respect the FPIC principles? e. Has the process of identification and assessment been recorded/documented and made publicly available? 	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
	7.6.2 (M) A system A procedure for identifying people entitled to compensation shall be available in place .		
	<ul style="list-style-type: none"> a. Does the company have a system in place to identify people and/or community groups entitled to compensation? b. Is the system documented? c. Does the system follow and respect the FPIC principles? 	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
	7.6.3 (M) A system for Records of calculation system and distribution of calculating and distributing fair compensation (monetary or otherwise) shall be available in place .		
	<ul style="list-style-type: none"> a. Does the company have a system in place to calculate and distribute fair compensation (monetary or otherwise)? b. Is the system documented and publicly made available? c. Does the system follow and respect the FPIC principles? 	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A

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	7.6.4 Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development		
	Does the company provide communities that have lost access and rights to land for plantation expansion opportunities to benefit from plantation development?	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
	7.6.5 The process and outcome of any compensation claims shall be documented and made publicly available to the affected communities and their representatives.		
	Is the process and outcome of any compensation claims documented and made publicly available?	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
	7.6.6. Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.		
	<ul style="list-style-type: none"> 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? b. Is there evidence to show that the company has sought the community and the right holders' consent to the initial planning phases of the operations prior to the new issuance of a concession or land title? 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? 	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
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. There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<ul style="list-style-type: none"> a. Is there evidence of land preparation by burning? (The auditors shall conduct site verification of the newly planted site which will include interviews with workers). b. 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? c. 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? d. Is document showing proper justification for such activity available? 	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
<p>7.7.2 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>			
	<ul style="list-style-type: none"> 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? b. Was the activity incorporated in the SEIA report? c. What were the mitigation measures? Was it implemented? 	There are year of planting 2007-2008 but no new planting so that this is indicator not applicable	N.A
7.8 1	<p>New plantation developments are designed to minimise net greenhouse gas emissions.</p> <p><i>Preamble :</i></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. 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>		

¹ New Criteria - Preamble

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	<p><i>Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2).</i></p> <p><i>Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.</i></p>		
	<p>7.8.1 (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>a. Is there an assessment conducted to identify and estimate the carbon stock in the proposed development area and major potential sources of emissions that may result directly from the development?</p> <p>b. What are the tools and methodologies used to identify and estimate the carbon stock and potential sources of emission?</p> <p>c. Has the results of the carbon stock assessment been submitted and reported to RSPO according to RSPO procedures and timeline?</p>	<p>There are year of planting 2007-2008 but no new planting so that this is indicator not applicable</p>	<p>N.A</p>
	<p>7.8.2 <i>There shall be a plan to minimise net GHG emissions from new development and/or sequestration options. Records of plan to minimize net GHG emissions shall be available which takes into account avoidance of land areas with high carbon stocks</i></p>		
	<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>	<p>There are year of planting 2007-2008 but no new planting so that this is indicator not applicable</p>	<p>N.A</p>
<p>Principle 8: Commitment To Continual Improvement In Key Areas of Activity.</p>			
<p>8.1</p>	<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>8.1.1 (M) The action plan for continual improvement shall be implemented, based on a consideration of the <i>main social and environmental impacts and routine evaluation of the plantation and mill operations. opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</i></p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of <i>certain chemicals pesticides</i>(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); 		

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CR	CHECKLIST	RESULTS OF VERIFICATION	STATUS (C / NC / C WITH OBS.)
	<ul style="list-style-type: none"> • Social impacts (Criterion 6.1); • Optimising the yield of the supply base (criterion 4.2). 		
	<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>Do growers have a system to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the work-force?</p>	<p>PT Perkebunn Milano shown effectiveness regarding IPM continuous improvement by using biological agents such as <i>turnera subulata</i> and <i>tyto alba</i> to control pest and diseases. Besides that, based on pesticed usage data 2014-2016 it was informed that all pesticides uses in the later year has significantly reduced and company have commitment with no paraquat/WHO 1A/1B usage since 2013</p>	C