



Rountable on Sustainable Palm Oil

Annual Surveillance III

Assessment Report

**PT. HINDOLI & Scheme Smallholder
Sungai Lilin and Tanjung Dalam Mill
South Sumatera, Indonesia
RSPO 00013**

This annual surveillance assessment report has been prepared in accordance with RSPO requirements and the information included is the result of a full RSPO assessment of the Mills and supply base as included in the scope of the certificate.

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A. Scope of the Certification Assessment

A. 1. National Interpretation Used

The management of the Palm Oil Mill(s) and associated suppliers of Fresh Fruit Bunches (FFB) were assessed for compliance against the RSPO Principle and Criteria 2013 Generic, RSPO Certification Systems, and RSPO Supply Chain Certification Systems 2014.

A. 2. Assessment Type (Estate and Mill)

Certification Unit : PT. Hindoli & Scheme Smallholder – Sungai Lilin and Tanjung Dalam Mill located at Desa Teluk Kemang Kecamatan Sungai Lilin MUBA South Sumatera, Indonesia and Desa Dawas, Kecamatan Keluang, Kabupaten Musi Banyuasin, South Sumatera, Indonesia.

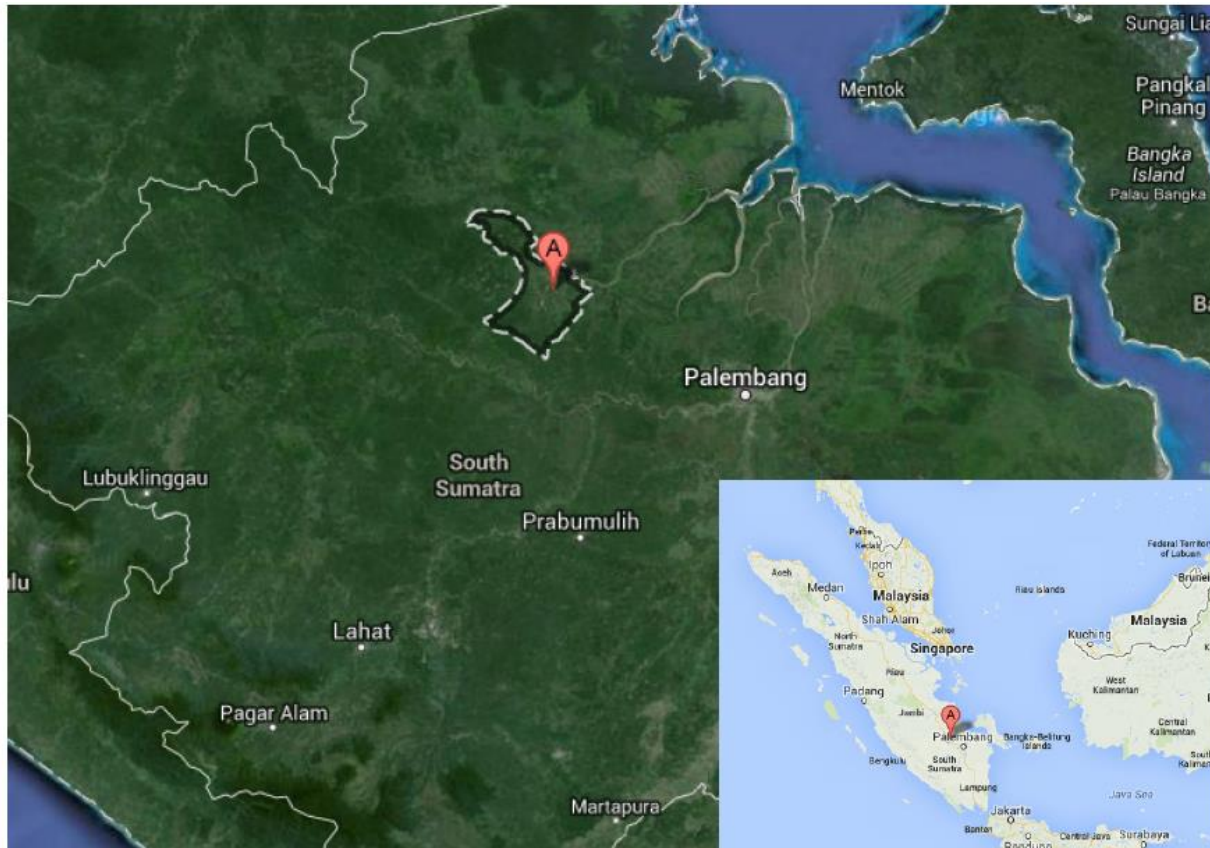
A.3. Location map

Please see Appendix 1 : details of maps

- 1. Mills Location 2. Own estates and Smallholder layout.



LOCATION MAP FOR PT.HINDOLI



A. 3. 1. Data of the Mill, certified tonnages (CPO, PK, FFB), and Certified Area	
Name Of Mill	PT. Hindoli & Scheme Smallholder (Sungai Lilin and Tanjung Dalam Mill)
Location Address	Desa Teluk Kemang, Kecamatan Sungai Lilin, MUBA Sumatera Selatan, Palembang 30755
GPS Reference	Latitude: 02° 36' 46" S Longitude: 104° 07' 41.67" E Latitude: 02° 32' 58.56" S Longitude: 103° 56' 38.4" E
Capacity	160 mt/hr
Actual Production (2016)	Own Estates : CPO : 30,171.64 MT ; PK : 8,126.67 MT FFB : 149,103.98 MT Smallholders : CPO : 53,842.47 MT ; PK : 15,070.82 MT FFB : 276,511.69 MT
Certified tonnages claimed (2017)	Own Estates : CPO : 51,879.83 MT ; PK : 12,681.74 MT

	FFB : 230,577.00 MT Smallholders : CPO : 77,816.11 MT ; PK : 19,021.72 MT FFB : 345,849.38 MT
Certified Area	Own Estate : 9,555.40 Ha Smallholders : 17,594 Ha
Planted Area	Own Estate : 9,479.00 Ha Smallholders : 17,594 Ha
Certified tonnages sold	CPO : 19,936.13 MT, PK : 9,350.73 MT.
Certified tonnages purchased	CPO : - ; PK : -
A.4. Description of Supply Base	
A. 4. 1. General description	
<p>PT. Hindoli operates 2 palm oil mills under PT Hindoli, named PT Hindoli - Sungai Lilin Mill and PT Hindoli – Tanjung Dalam Mill.</p> <p>The raw material/ FFB for PT. Hindoli – Scheme Smallholder is supplied from :</p> <ol style="list-style-type: none"> 1. Sungai Tungkal Estate 2. Sungai Pelepah Estate 3. Tanjung Dalam Sri Gunung Estate 4. KUD Karya Makmur 5. KUD Sumber Barokah 6. KUD Sumber Jaya Lestari 7. KUD Barokah Jaya 8. KUD Mulyo Mandiri 9. KPKS Tri Bakti Sentosa 10. KPKS Bakti Mulya 11. KPKS Suka Rezeki 12. KUD Mitra Tani 13. KUD Mekar Sari 14. KUD Mukti Jaya 15. KUD Suka Makmur 16. KUD Tunas Mekar Inti 17. KUD Bersama Makmur 18. KUD Jaya Usaha Mandiri 	

- 19. KUD Mandiri Jaya Makmur
- 20. KUD Sumber Sari
- 21. KUD Sumber Tani Mandiri
- 22. KUD Tani Mandiri Jaya

Total supplied FFB from these three (3) estates for year 2016 was 149,103.98 MT.

All estates are operated under one management of PT. Hindoli. All estates located in Palembang, INDONESIA. PT. Hindoli is a member of RSPO and they are implementing a program to achieve RSPO Certified Palm Oil for all its production.

A. 4. 2. Location of the supply base

No.	Estate Name	Location	GPS	
			Latitude	Longitude
1	Sungai Tungkal	Desa Suka Damai, Kecamatan Sungai Lilin, Kabupaten Musi Banyuasin, South Sumatera	S02° 24' 33"	E104° 01' 17"
2	Sungai Pelepah	Desa Suka Maju, Kecamatan Tungkal Ilir, Kabupaten Banyuasin, South Sumatera	S02° 27' 02"	E104° 03' 14"
3	Tanjung Dalam Sri Gunung	Desa Dawas, Kecamatan Keluang, Kabupaten Musi Banyuasin, South Sumatera	S02° 27' 02"	E103° 32' 31"
Smallholder KUD				
1	KUD Karya Makmur	Desa Karya Maju Kecamatan Keluang Kabupaten Musi Banyuasin	02° 37' 15.88"	103° 58'07. 24"
2	KUD Sumber Barokah	Desa Sumber Agung Kecamatan Keluang Kabupaten Musi Banyuasin	02°39' 15.84"	103° 56'31.87"
3	KUD Sumber Jaya Lestari	Desa Mekar Jaya Kecamatan Keluang Kabupaten Musi	02° 36' 05.08"	103° 56' 42.87"

		Banyuasin		
4	KUD Barokah Jaya	Desa Tegal Mulyo Kecamatan Keluang Kabupaten Musi Banyuasin	02° 36' 55.93"	103° 59' 56.31"
5	KUD Sumber Sari	Desa Sumber Sari Kecamatan Tungkal Jaya Kabupaten Musi Banyuasin	02° 15' 37.49"	103° 46' 59.91"
6	KUD Mukti Jaya	Desa Bumi Kencana Kecamatan Sungai Lilin Kabupaten Musi Banyuasin	02° 27' 54.70"	103° 58' 73.73"
7	KUD Sumber Tani Mandiri	Desa Sumber Harum Kecamatan Tungkal Jaya Kabupaten Musi Banyuasin	02° 18' 04.25"	103° 47' 52.02"
8	KUD Tani Mandiri Jaya	Desa Sido Mulyo Kecamatan Tungkal Jaya Kabupaten Musi Banyuasin	02°19'17.23"	103° 44' 07.41"
9	KUD Jaya Usaha Mandiri	Desa Sinar Harapan Kecamatan Tungkal Jaya Kabupaten Musi Banyuasin	02° 13' 43.19"	103° 42' 28.38"
10	KUD Mulyo Mandiri	Desa Mulyo Asih Kecamatan Keluang Kabupaten Musi Banyuasin	02° 38' 25.33"	104° 00' 9.25"
11	KPKS Tri Bakti Sentosa	Desa Sido Rejo Kecamatan Keluang Kabupaten Musi Banyuasin	02° 37' 30.60"	103° 55' 36.68"
12	KPKS Bakti Mulya Estate	Desa Cipta Praja Kecamatan Keluan Kabupaten Musi Banyuasin	02° 35' 21.94"	103° 54' 59.94"
13	KPKS Suka Rezeki	Sumber Rezeki, kecamatan sungai lilin, kabupaten Musi Banyu Asin	S2° 32' 07.04"	E 104° 04' 49.11"

14	KUD Mitra Tani	Desa Mekar Jadi, kecamatan Sungai Lilin, kabupaten Musi Banyu Asin	S2 2° 31' 48"	E 104° 07' 15"
15	KUD Mekar Sari	Desa Linggo Sari, kecamatan Sungai lilin, kabupaten Musi Banyu Asin	S2° 30' 02.82"	E104° 4' 50.10"
16	KUD Suka Makmur	Desa Suka Damai, Kecamatan Keluang, Kabupaten Musi Banyu Asin	S2° 31' 52.30"	E104° 2' 47.64"
17	KUD Tunas Mekar Inti	Desa Nusa Serasan, Kecamatan Sungai Lilin, Kabupaten Musi Banyu Asin	S2° 29' 43.57"	E104° 06' 14.58"
18	KUD Bersama Makmur	Desa Srimulyo, kecamatan Tungkal Jaya, Kabupaten Musi Banyuasin	S2° 14' 05.56"	E103° 44' 57.35"
19	KUD Mandiri Jaya Makmur	Desa Bandar Jaya, kecamatan Tungkal Jaya, kabupaten Musi Banyu Asin	S2° 16' 28.35"	E103° 43' 56.37"

A.4.3 Statistic of supply base

A.4.3.1 Statistic of supply base (actual) Own Estate – year 2016 (up to Nov 2016)

No.	Estate Name	Planting Year	Age/ Planting Year	Planted Area (ha)	FFB/Year (ton)	CPO/ Year (ton)	PKO/ Year (ton)
1	Sungai Pelepah	1997-2000	15-25	2.215	44.462,95	8.997,21	2.423,38
		2001-2002	4-15	690			
		2014	<4	91,19			
				2.996,19	44.462,95	8.997,21	2.423,38
2	Sungai Tungkal	1997-2000	15-25	2.346	44.877,80	9.081,16	2.445,99
		2001-2002	4-15	520			
		2014	<4	0			

				2.866	44.877,80	9.081,16	2.445,99
3	Tanjung Dalam Sri Gunung	1997-2000	15-25	2.730	59.763,23	12.093,27	3.257,30
		2001-2002	4-15	873			
		2014	<4	13,29			
				3.616,29	59.763,23	12.093,27	3.257,30
Total				9.478,48	149.103,98	30.171,64	8.126,67

A.4.3.1.1 Statistic of supply base (actual) – Plasma - year 2016 (up to Nov 2016)							
No.	Estate Name	Age/Planting Year (Ha)			FFB/Year (ton/year)	CPO/Year	PK/Year
		< 4 Years	>4-15 Years	>15-25 years			
			2005-2010	1991-2000	2016 (up to Nov 16)		
1	KUD Karya Makmur	0	0	1002	15687,29	3.054,64	855,01
2	KUD Sumber Barokah	0	0	822	13540,24	2.636,56	737,99
3	KUD Sumber Jaya Lestari	0	0	846	15631,75	3.043,82	851,98
4	KUD Barokah Jaya	0	0	610	12636,21	2.460,53	688,72
5	KUD Mulyo Mandiri	0	0	594	10519,97	2.048,45	573,37
6	KPKS Tri Bakti Sentosa	0	0	652	10628,92	2.069,67	579,31
7	KPKS Bakti Mulya	0	0	764	14183,98	2.761,91	773,07
8	KPKS Suka Rezeki	0	0	1034	11125,06	2.166,28	606,35
9	KUD Mitra Tani	0	0	386	3781,56	736,35	206,11
10	KUD Mekar Sari	0	0	534	6731,19	1.310,70	366,87
11	KUD Mukti Jaya	0	0	3848	51556,88	10.039,18	2810,02
12	KUD Suka Makmur	0	0	878	10905,84	2.123,59	594,40
13	KUD Tunas Mekar Inti	0	0	1000	16626,59	3.237,54	906,21
14	KUD Bersama Makmur	0	0	734	12945,84	2.520,82	705,59
15	KUD Jaya Usaha Mandiri	0	0	850	14690,25	2.860,49	800,67
16	KUD Mandiri Jaya Makmur	0	0	858	14549,44	2.833,07	792,99
17	KUD Sumber Sari	0	0	934	17975	3.500,10	979,70
18	KUD Sumber Tani Mandiri	0	0	868	16163,06	3.147,28	880,94
19	KUD Tani Mandiri Jaya	0	0	380	6632,62	1.291,51	361,50

	Total	0	0	17.594,00	276.511,69	53.842,47	15.070,82
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Projected 2017

A.4.3.2.1 Statistic of supply base (projected 2017) – Own Estate				
No.	Estate Name	FFB/Year (ton/year)	CPO/Year	PK/Year
1	Sungai Pelepah Estate	71.724	16.137,90	3944.82
2	Sungai Tungkal Estate	71.280	16.038,00	3920.40
3	Tanjung Dalam Srigunung Estate	87.573	19.703,93	4816.52
Total		230.577,00	51.879,83	12,681.74

A.4.3.2.2 Statistic of supply base (projected 2017) – Smallholders				
No.	Estate Name	FFB/Year (ton/year)	CPO/Year	PK/Year
1	KUD Karya Makmur	18.901,22	4.252,77	1.039,57
2	KUD Sumber Barokah	15.844,05	3.564,91	871,42
3	KUD Sumber Jaya Lestari	16.083,63	3.618,82	884,60
4	KUD Barokah Jaya	11.085,11	2.494,15	609,68
5	KUD Mulyo Mandiri	10.742,42	2.417,04	590,83
6	KPKS Tri Bakti Sentosa	12.390,94	2.787,96	681,50
7	KPKS Bakti Mulya	15.226,57	3.425,98	837,46
8	KPKS Suka Rezeki	18.891,20	4.250,52	1.039,02
9	KUD Mitra Tani	6.757,38	1.520,41	371,66
10	KUD Mekar Sari	9.408,25	2.116,86	517,45
11	KUD Mukti Jaya	69.641,93	15.669,43	3.830,31
12	KUD Suka Makmur	15.961,70	3.591,38	877,89
13	KUD Tunas Mekar Inti	21.440,09	4.824,02	1.179,20
14	KUD Bersama Makmur	16.768,28	3.772,86	922,26
15	KUD Jaya Usaha Mandiri	19.198,33	4.319,63	1.055,91

16	KUD Mandiri Jaya Makmur	19.378,16	4.360,09	1.065,80
17	KUD Sumber Sari	20.977,66	4.719,97	1.153,77
18	KUD Sumber Tani Mandiri	18.809,95	4.232,24	1.034,55
19	KUD Tani Mandiri Jaya	8.342,52	1.877,07	458,84
Total		345.849,52	77.816,11	19.021,72

A. 5. Organizational Information and Contact Person

1	Company Name	PT. Hindoli and Scheme Smallholder
2	Personal Contact	Ms Yunita Widiastuti
3	Vice Management	Ong Kee Chau
4	Company Address	Jl. Palembang – Jambi Desa Teluk Kemang Kecamatan Sungai Lilin MUBA Sumatera Selatan
5	Company Status	Foreign Investor (PMA)
7	Phone/ Fax	(62)21-57891873 / 30755
8	E-mail	Yunita_Widiastuti@cargill.com
9	Website	www.cargill.com
10	RSPO membership number	2-0215-11-000-00

A. 5. 1. Audit Against the Rules for Partial Certification

1. Assessment agenda

Date	Location	Agenda
28 November 2016 – 02 December 2016	PT. Hindoli and Sheme Smallholder Desa Teluk Kemang Kecamatan Sungai Lilin MUBA Sumatera Selatan	Partial Audit

2. Audit Team Findings in Correlation to the Rules Partial Certifications

a. The Organization is a member of RSPO

PT. Hindoli and Sheme Smallholder has confirmed membership of the RSPO with no. 2-0215-11-000-00

b. A Time Bound Plan for achieving certification within relevant entities

Time bound

No	Name of Mill	Supply Base	Company	Location	Estimate time of Certification
1	Manis Mata	1. Manis Mata Estate 2. Bagan Kusik Estate 3. Betivau Estate 4. Kemuning Estate	PT. Harapan Sawit Lestari	Desa Manis Mata, Kecamatan Manis Mata Kabupaten Ketapang Kalimantan Barat – Indonesia	Certified in 2014
2	Paku Juang	1. Paku Juang Estate 2. Kebanteng Estate 3. Keluwin Estate 4. Sungai Dabo Estate	PT. Harapan Sawit Lestari	Desa Air Upas, Kecamatan Air Upas, Kabupaten Ketapang Kalimantan Barat Indonesia	Certified in 2014
3	River view	1. River View Estate 2. Lake View Estate	PT. Indo Sawit Kekal	Dewa Danau Buntar Kecamatan Kendawangan Kabupaten Ketapang Kalimantan Barat Indonesia	Certified in 2014
4	Mukut Mill	1. Mukut Estate 2. Penuguan Estate 3. Pulau Berayun Estate 4. Sungai Nipah Estate	PT. Hindoli	Desa Mukut Kecamatan Pulau Rimau Kabupaten Banyuasin Sumatera Selatan Indonesia	Certified in 2016

		<p>5. KKPA Mukut Estate</p> <p>6. KKPA Penuguan Estate</p>			
	<p>1. Sungai Lilin</p> <p>2. Tanjung Dalam</p>	<p>1. Sungai Pelepah Estate</p> <p>2. Sungai Tungkal Estate</p> <p>3. Tanjung Dalam Sri Gunung Estate</p> <p>4. KUD Karya Makmur Estate</p> <p>5. KUD Sumber Barokah Estate</p> <p>6. KUD Jaya Usaha Mandiri Estate</p> <p>7. KUD Mulyo Mandiri Estate</p>	<p>PT. Hindoli</p>	<p>1. Desa Teluk Kemang, Kecamatan Sungai Lilin Kabupaten Musi Banyuasin Sumatera Selatan Indonesia</p> <p>2. Desa Dawas, Kecamatan Keluang Kabupaten Musi Banyuasin Sumatera Selatan Indonesia</p>	<p>Certified in 2014</p>
5.	<p>Kedipi Mill</p>	<p>1. Kedipi Estate</p> <p>2. Pulailaman Estate</p> <p>3. Jelamu Estate</p>	<p>PT. Maya Agro Investama</p>	<p>Desa Air Dekakah, Kecamatan Manismata, Kabupaten Ketapang</p>	<p>2017</p>
		<p>1. Sei Tempayak Estate</p> <p>2. Danau Ratu Estate</p>	<p>PT. Andes Sawit Mas</p>	<p>Kecamatan Marau dan Jelai Hulu, Kabupaten Ketapang</p>	<p>2017</p>
6.	<p>Sei Kerandi Mill</p>	<p>1. Air Merah Estate</p> <p>2. Sei Resak Estate</p> <p>3. Sei Kerandi Estate</p>	<p>PT. Andes Agro Investama</p>	<p>Desa Kedondong dan Bangkal Serai, Kec. Kendawangan, Kab. Ketapang</p>	<p>2017</p>

		1. Sei Nenas Estate 2. Sei Repin Estate 3. Belangeran Estate	PT.Andes Sawit Lestari	Desa Bangkal Serai, Seriam dan Banjarsari Kec.Kendawangan, Kab. Ketapang	2017
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The company has made the self declaration for partial certification rule and signed by management. The self declaration stated as follows (a-d) :

a. Significant Conflicts

We believe our company must work with employees, suppliers, partners, customers, and governmental, non-governmental and community organizations to protect and enhance environment, health & safety, product quality, food and feed safety.

b. No replacement of primary forest and or area with HCV's since November 2005 or year 2007 (National Interpretation)

N/A, PT. Hindoli was developed before 2005.

c. No labor disputes that are not being resolved through an agreed process


Provide the resources and support necessary to enable our employees to fulfill this responsibility .

d. No evidence of non-compliance with law in any of the non-certified holdings

Meet or exceed all applicable legal and corporate requirements.

The company has comply with the applicable law and regulation refers to RSPO criteria 2.1.which stated no evidence of non-compliance with the applicable regulation. Supporting documents are copies of SK AMDAL, SK HGU, IUP and IMB.

A.6. Date Certificate Issued and Scope of Certificate	
Name of Client	PT. HINDOLI & SCHEME SMALLHOLDER
Client Number	RSPO 00013
Certificate Number	RSPO 00013
Certification Decision Date	Februari 25 th , 2014
Issued by	PT SUCOFINDO, SBU SICS
Address	Graha Sucofindo, SBU SICS. Jl Raya Pasar Minggu Kav 34 Jakarta 12780
Telephone /Fax	Tel.: +62-21-7983666 / Fax.: +62-21-7987015

Email	tuti@sucofindo.co.id
Website	www.sucofindo.co.id
Scope :	
Mill	PT. Hindoli & Scheme Smallholder – Sungai Lilin Mill & Tanjung Dalam Mill
Estate	1. Sungai Pelepah Estate 2. Sungai Tungkal Estate 3. Tanjung Dalam Sri Gunung Estate
Projected mass balance CPO & PK	Own Estate : CPO : 51,879.83 MT ; PK : 12,681.74 MT FFB : 230,577.00 MT Smallholders : CPO : 77,816.11 MT ; PK : 19,021.72 MT FFB : 345,849.38 MT
Certification Registration Code	SICS-00004
Type of Certification	Single site
Certifier	Triyan Aidilfitri
Signed	

B. Assessment Process

B. 1. Certification Body

SUCOFINDO SUCOFINDO ICS INTERNATIONAL CERTIFICATION SERVICES (SUCOFINDO ICS), which was formed in 1994, is one of the strategic business unit that provides certification services for leading company. Sucofindo Certification by International Certification Services is recognized nationally and international. Quality Management System Certification by SUCOFINDO ICS has obtained accreditation from National Accreditation Committee (KAN-Indonesia).

Lead Auditors and Auditors of SUCOFINDO ICS are trained professionals in the field of international standards, auditing and management systems and are registered in the IRCA (International Register of Certified Auditors) and IEMA (Institute of Environmental Management & Assessment), UK. SUCOFINDO ICS certification process is supported by experts at PT. SUCOFINDO who understand the industry sectors and services in Indonesia. SUCOFINDO ICS Operational is supported by a network of branch and representative

offices of PT. SUCOFINDO spread in 45 cities across Indonesia.

The services provided by International Certification Services Sucofindo are:

- Quality Management System Certification
- Environmental Management System
- ISO 22000 :2005
- OHSAS 18000 Certification
- Hazard Analytical Critical and Control Point (HACCP) Certification
- Good Manufacturing Practice (GMP) Audit
- Product Certification
- Sustainable Forest Management Certification
- Products Organic Food Certification
- RSPO certification
- ISPO Certification
- Certification of Integrated Management System Certification (SMT)
- Training

B. 2. Qualifications of the Assessment Team

B. 2. 1. Qualifications of the Lead Assessor and Assessment Team

Tuti Suryani Sirait (Lead Auditor) :

Graduated from Institute Agriculture in Bogor (IPB), 1991 She has more than 10 years audit experiences in auditing HACCP, GMP, ISO 9001:2008, ISO 22000:2005, ISPO and RSPO. She has successfully completion training RSPO by Komisi RSPO, Jakarta, SCC Standard Training by David Ogg & Partner – Jakarta, ISPO Lead Auditor Training by Komisi ISPO, Jakarta, Lead Auditor Training of ISO 9000/19011 organized by SICS – Sucofindo, ISO 22000 : 2005 FSMS Auditor / Lead Auditor by Moody International, Singapore; Lead Assessor for Food Safety Management System (HACCP&GMP) by QAS Sydney, Australia and Social Lead Auditor Training (SA 8000) from Social International Audit (SIA), Turkey. She is actively participated in RSPO meeting to discuss RSPO P & C and also as a trainer in ISPO Lead auditor training.

Sarsongko Wachyutomo (Auditor)

Graduated from Gadjah Mada University, Yogyakarta.
He has successfully completion Lead Auditor Training ISPO by Komisi ISPO, Lead Auditor RSPO by Proforest and Diameter, Bogor, High Conservation Value (HCV) by HCV-NI and Auditor Training VLK by Pusdiklat Kehutanan, Bogor.

Agit Supriadi (Auditor)

Graduated from Institute Agriculture in Bogor.
He has successfully completion Lead Auditor Training ISPO by Komisi ISPO, Lead Auditor RSPO by

Proforest and Diameter, Bogor.

B.3. Assessment Methodology

B. 3. 1. General Overview

The assessment was carrying out in conformity with the SBU SICS RSPO manual and procedures for auditor and certifier. The assessment was conducted by qualified auditors and referred to RSPO standard as endorsed for the Indonesia National interpretation. Partial certification audit conducted during ASA III to check compliance with Final RSPO Certification System for partial certification.

The opening and closing meeting was conducted at the office of Sungai Buaya Estate and then continue in Mill’s and estate’s offices. Stakeholders meeting was conducted once, during ASA.

Date/Time	Functions / areas / Department / activities to be audited (include related requirements)	Auditor(s)
28/11/2016	Day 1st (Monday)	
07.35	Departure from Jakarta to Palembang	Team
08.45	Arrive at Palembang	
09.00	Road trip to site	
12.00	Arrived at site	
14.00	Location: Office Opening meeting	All
14.20	Document audit (Mill and main estates) Location: Office	
	<ul style="list-style-type: none"> • Partial certification • Supply Chain • Compensation to legal and customary right (6.4) • FPIC (2.3) • Social impacts (6.1) • Information provision (1.1, 1.2) • Consultation and communication (6.2) 	TSS
	<ul style="list-style-type: none"> • Compliance to law (2.1) • Discrimination (6.8) • Continuous improvement (8) • Management Plan (3.1) • Environmental impact assessment (5.1) • Water management plan (4.4.1) 	AGT

	<ul style="list-style-type: none"> • Disposal of waste material (4.6.10, 5.3) • Best practices mill (4.1) • Safety in Pesticide (4.6.5, 4.6.6, 4.6.9, 4.6.11, 4.6.12) • Training (4.8) 	
	<ul style="list-style-type: none"> • Ethical Conduct (1.3) • Legality regarding land (2.2.1, 2.2.2) & 1.2.1 regarding land title • Land dispute and conflict (2.2.3, 2.2.4, 2.2.5, 2.2.6) • Protection of water courses and wetlands (4.4.2) 	SSW
17.30	End of day 1	
29/11/2016	Day 2nd (Tuesday)	
08.00	Location: Office Document Audit	
	<ul style="list-style-type: none"> • Trade unions (6.6) • Local sustainable development (6.11) • Human rights (6.13) • Compliance and grievances (6.3) • Transparency (6.10) • Worker welfare (6.5, 6.12) • Minimum working age (6.7) • Child labor (6.7) • Sexual harassment (6.9) 	TSS
	<ul style="list-style-type: none"> • GHG emission (5.6) • Treatment of mill effluent (4.4.3) • Water efficiency at Mill (4.4.4) • Efficiency of fossil fuel (5.4) • Occupational health and safety (4.7) 	AGT
	<ul style="list-style-type: none"> • Best practices estate (4.1, 4.2, 4.3, 4.5) • Pesticide (4.6.1-4.6.4, 4.6.8) • HCV (5.2) • NPP (7) (<i>if applicable</i>) • Land preparation without burning (5.5) 	SSW
12.00	Break	
14.00	Visit Sungai Lilin Mill	All
17.00	End of Day 2	
30/11/2016	Day 3rd (Wednesday)	

06.00	Visit Tanjung Dalam - Sri Gunung Estate Attending Master Morning in Block F35 Tanjung Dalam Estate Trenches Visit to Block F25 Interview with Fruit Picker in Block F24 Sampling to buffer zone monitoring in Block F22	All
12.00	Break	
14.00	Visit Tanjung Dalam Mill	All
17.00	End of Day 3	
01/11/2016	Day 4rd (Thursday)	
07.00	Site visit: KUD Sumber Tani Mandiri Visit to Block D5 to see BPN poles	All
12.00	Break	
14.00	Visit KUD Mukti Jaya	TSS
14.00	Visit Sungai Tungkal Estate	AGT&SSW
17.00	End of Day 4	
02/12/2016	Day 5th (Friday)	
08.00	Location: Office	
	• Interview with stakeholders	TSS
	• Continue from previous audit documentation (note: completing audit data)	All
12.00	Break	Team
14.00	Reporting	Team
15.00	Closing Meeting	All
18.00	End of Day 5	Team
03/12/2016	Day 6th (Saturday)	
06.30	Departure from Site to Palembang	Team
11.30	Departure from Palembang to Jakarta	Team

Scope : 2 mills and 3 estates and 22 KUDs

Number of assessor participating: 3 auditors

Number of days spent for the assessment on site : 5 days

Total number of mandays used for the assessment on site : 15 days

B.4 Stakeholder Consultation		
B.4.1 Summary of How Stakeholder Consultation was Organized		
Issue	Company Response	Assessor comment
General Comment		
Head of Sumber Tani Mandiri Pollution of Water and Air :		
No communities complaint	-	Conform
KUD Mukti Jaya and KUD Sumber Tani Mandiri HCV :		
The Company has not socialized yet the list of protected flora and fauna that issued by Local BKSDA	<p>a). Communicate with the company about list of protected flora which is issued by the local BKSDA (Kab. Banyuasin or Prov. South Sumatra)</p> <p>b). Make and install the sign board of protected flora existing in the local area.</p>	Conform
Contractors PT. Brawijaya Racking Services and PT. Jasa Parung Jaya Transport TBS		
PT. Brawijaya has a work agreement (SPK) with contract number CON-HIN-CO-0001135 (validity period from August 2015 until November 30 th 2016) which have already contained about : <ul style="list-style-type: none"> a) The minimum age's requirement is 18 years old (chapter 8 act 1) b) The anti-corruption and bribery's requirement (chapter 10) 	The company has the commitment to ensure all activities under controlled and met with government regulation.	Conform
Head of Village – Panca Tunggal Village		

<ul style="list-style-type: none"> - The company has provided an assistance through Corporate Social Responsibility which are renovation of worship houses, donation in the celebration of Independence day, road maintenance, and down payment assistance - There is no land dispute in the village's surrounding - The proposal in requesting a drilled wells for water supply has been realized by the company per October 15th, 2016 of October 15, 2016 - There is no issue related in river's pollution - The company carries out road watering regularly in order to avoid dust pollution - Requesting that empty fruit bunch and solid are given back to farmers. 	<p>The company explains that the return process of empty fruit bunch will not be sufficient for the entire small holder so that the empty fruit bunch's granting only given at anytime.</p>	<p>Conform</p>
<p>Union</p>		
<ul style="list-style-type: none"> a. The salary has met with the government regulation. b. The kind of deduction on the salary slip is not well undertand since the language is in English. 	<p>The company will conduct the socialisation of salary deduction which are BPJS Kesehatan and BPJS Ketenagakerjaan (Insurance for health and welfare).</p>	<p>The deductions are met with the government regulation. The salary slip has been revised to Indonesian language.</p>
<p>KUD Mukti Jaya and KUD Sumber Tani Mandiri</p> <p>Cooperation - KUD</p>		
<ul style="list-style-type: none"> a. The FFB price has met with the local government determination for plasma b. There is no term of payment stated in MOU. Usually, 	<p>There is no complain so far for the frequency and date of payment. MOU will be revised to meet with RSPO standard</p>	<p>The MOU for all KUD (19 KUD) has been revised, by adding that the</p>

<p>company pay to KUD every month on date between 10th-12th each month</p> <p>c. There is no program or planning for long term.</p>	<p>The ICS will make the requirement that All KUDs have to set for long term planning.</p>	<p>payment will be done every month on date 10th of each month.</p> <p>The long term planning has been available for three years</p>
<p>Environmental Agency - Province of South Sumatera</p>		
<p>Letter No. 660/16-80/Ban.LH/III/2016 to Sucofindo as an answering to Sufocindo's letter dated November 2, 2016. The letter explained that all operation in Hindoli has met with the government regulation such as AMDAL, Effluent of Mill activity, Source of emission, Waste storage, protected zone such as riparian river. All reports has been submitted regularly every three month</p>	<p>The company has the commitment to ensure all environment activities under controlled and met with government regulation.</p>	<p>Conform</p>

B. 5. Date of Next Surveillance Visit

One (1) year after date of 2016 surveillance audit

C. Assessment Findings

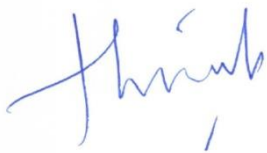
C. 1. Lead Assessor's Summary and Recommendation for Certification

The management (Mill and estate) showed the commitment to the implementation of the principles and criteria of the RSPO NI-INA. The Surveillance audit has been carried out through field visit to head office, mill and estate.

Audit Team has published the nonconformities, comprising 5 majors, 6 minors and 12 observations. The company has made the corrective actions refer to

nonconformities as graded to majors, minors and observations issued. The company has been follow-up so that all of the major findings has been downgraded to a minor or observation or closed. The final conclusion regarding all of these findings are 4 minors, 12 observations and 7 closed. The team will see the evidence of implementation on the next surveillance audit.

There is commitment of management to make corrective action and for continuous improvement. The audit team found that PT Hindoli – Sungai Lilin and Tanjung Dalam Mill and its estates is complying against RSPO P & C approved for Indonesia. Therefore, certification can proceed to Hindoli – Sungai Lilin and Tanjung Dalam Mill (Mills and supply bases).



Signed :
Tuti Suryani Sirait
January 2017

C.2	Summary of Findings by Criteria
1	COMMITMENT TO TRANSPARENCY
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.
1.1.1	Evidence should be provided that information is received in appropriate form(s) and language(s) by relevant stakeholders. Information will include information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities.
Minor	
The Company already has a list of stakeholders that reviewed periodically. Last stakeholder list is reviewed on 16 November, 2016.	

List of stakeholders consisting of local government such as cooperation of smallholders, smallholder farmers, unions, ministries of labor, forestry service and the environment, BPN, department of estates, health department, police, village head covering all the surrounding villages, traditional leaders, NGOs, contractors and suppliers. List of stakeholders is equipped with a name, address, and telephone number.

The company has made a list of information that can be accessed by stakeholders. It is stated in SOP 003 / SOP / STM / VII / 2011. SOP is stated the provision of time limit to answer each incoming letter.

Conclusion : Conform

1.1.2	Records of requests for information and responses shall be maintained.
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Major	
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The Company has made a provision to give regular information to relevant agencies and already designate a PIC (person in charge) for providing such information. The provision is included in SOP No. 003 / SOP / STM / VII / 2011.

The Company already designated a person who has the authority to provide and update information in accordance with the type of information. At the time of meeting with the stakeholders, there was information that stakeholders have understood the procedure of information and understand the type of information that is accessible to the company.

In sampling, there are letters to request of information from Cooperative, associated with clarity and conditions of FFB plasma premium after getting RSPO certification. Company's response has outlined in the PKB (work agreement) that the FFB plasma premium price would be offset in the cost of production which will reduce costs by 50%

Conclusion : Conform

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
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1.2.1	Publicly available documents shall include, but are not necessarily limited to:
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Major	
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- 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);

	<input type="checkbox"/> Negotiation procedures (Criterion 6.4); <input type="checkbox"/> Continual improvement plans (Criterion 8.1); <input type="checkbox"/> Public summary of certification assessment report; <input type="checkbox"/> Human Rights Policy (Criterion 6.13).
<p>The company has a file titled “Master List Dokumen PT. Hindoli No: HIN/MGT/05/01/FORM-Master List Kontrol Dokumen” dan Record Rev.1 dated 13 October 2015 which listed documents that are available for public upon request. List information includes information such as: the type of information, the name of the document, personal in charge, access, and stakeholder approval.</p> <p>The company also has communication procedure No: HIN/MGT/04/SOP-Komunikasi Rev.10 dated 24 October 2016. The representative of the company also stated that as long as written request.</p> <p>Conclusion : Conform</p>	
1.3	Grower and millers commit to ethical conduct in all business operation and transaction
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.
Minor	
<p>The company has a written policy that contains the code of ethics and integrity signed by Gregory R. Page (CEO) and David W. MacLennan (COO) in the code of conduct Cargill Handbook include:</p> <ol style="list-style-type: none"> 1. Conducting business with integrity, fairness an ethical. 2. Do not offer or accept bribes or receive prizes in doing business 3. Doing healthy competition and honest 4. Committed to compliance laws. <p>The policy has been disseminated to both internal employees as well to other stakeholders include contactors.</p> <p>Conclusion : Conform</p>	
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	Evidence of compliance with relevant legal requirements shall be available.
Major	
<p>The Company has complied requirements of the statutory laws. The company makes a list of statutory laws and other requirements on the form HIN/MGT/002/01. The company should</p>	

conduct a review of statutory laws and regulations because there are obsolete laws, such as:

- Government Regulation No 27 year 1999
- Government Regulation No 85 year 1999
- Regulation of the Minister of Environment No. 11 year 2006
- Regulation of the Minister of Environment No. 8 year 2006
- Regulation of the Minister of Environment No. 13 of 2000
- Decree of the Minister of Environment No. 51 year 1995
- Keptapedal (Decree of Environmental Impact Management Institution) No. 5 year 1995

The Company unit Sungai Lilin Mill and Tanjung Dalam Mill not fully comply with the regulation of the Minister of manpower No. 186 / MEN / 1999 for the number of officers fire prevention class A. However the company has been in communication with the third party to conduct training for fire class A. This finding is raised as observation non conformity.

Scheme Smallholder

The company (KUD Sumber Tani Mandiri and KUD Muktijaya) should conduct a review of statutory laws and regulations because there are obsolete laws, such as:

Regulation No 23 year 1997

Smallholder unit need to add several relevant regulation such as :

Regulation of the Minister of Manpower No. 03 of 1986

Regulation of the Minister of Manpower No. 416 of 1990

This finding is raised as observation non conformity.

Conclusion : Observation NCR No.6 (See C.3.1), Observation NCR No.7 (See C.3.2)

2.1.2	documented system, which includes written information on legal requirements, shall be maintained.
Minor	

Company has set SOP Compliance with legal requirements No. SOP HIN-MGT-002. In the procedure, the PIC for updating regulation is Sustainability Division.

Conclusion : Conform

2.1.3	mechanism for ensuring compliance shall be implemented.
Minor	

The Company has conducted evaluation of statutory laws and regulation periodically every 6 months. Regulations that are evaluated include K3 regulations, employment, environment, HCV, and approval of land. The company carried out the final review on June 1, 2016.

During a visit to the mill area, there are several notes such as ;

- a) Fire extinguisher No. 31 in the Boiler Station, fire extinguisher in the CPO Unloading Station Sungai Lilin Mill and No. 2 at Estate Sungai Tungkal should be adjusted to follow the procedures for granting sign with Regulation of the Minister Manpower 04 / MEN / 1980.
- b) Installation sign of the characteristics of hazardous waste in Sungai Lilin Mill and Tanjung Dalam Mill should be adjusted to the appropriate type of waste with Government

Regulation 74 of 2001	
Conclusion : Observation NCR No.8 (See C.3.1)	
2.1.4	A system for tracking any changes in the law shall be implemented.
Minor	
<p>The company has established a mechanism/system for tracking any changes in law. In the mechanism put in such as: correspond with the local agencies, conduct training, call the relevant agencies, and correspond by internet. This mechanism was included in the procedure with No. HIN-MGT-002.</p> <p>Conclusion : Conform</p>	
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	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.
Major	
<p>During the document review, there are 2.125 ha at Tungkal and Pelepah Estates that located outside the land title of PT. Hindoli with detail as follows:</p> <ul style="list-style-type: none"> • Sungai Tungkal Estate has around 2.866 ha of planted area, but only 1.975,07 ha is covered with HGU. Remaining ±890,93 ha has not yet been covered with HGU. • Sungai Pelepah Estate has 2.938,82 ha of planted area, but only 2.261,14 ha is covered with HGU. The remaining ±677,68 ha have not yet been covered with HGU. <p>Until the surveillance audit, the areas are still on progress to get approval on the releasing forest areas from the Forestry Department, with letter No. 303/CI/DIR-HIN/IX/2011. Auditor raised this as an observation.</p> <p>Conclusion : Observation NCR No.4 (See C.3.1)</p>	
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained.
Minor	
<p>The company has an inspection of legal boundaries procedure at procedure No: HIN/SL-IPR/TSD/092. Legal boundaries inspection carried out twice a year.</p> <p>Records of monitoring on legal boundaries are available, e.g.: latest inspection conducted on November 2016 at Tanjung Dalam Estate, August 2016 at Sungai Tungkal Estate, and June 2016 at Sungai Pelepah Estate.</p> <p>During verification of Mandor Daily Report auditor found evidence of the implementation of boundary pole maintenance on 7 November 2016. Observed during visit to boundary pole No. 93 in block F22 and pole no. 11 in block I32, the auditors found that the poles are in good condition and well maintained.</p> <p>Conclusion : Conform</p>	
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of

Minor	title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).
<p>During document verification on land conflict that is found that there is no ongoing conflict related with land tenure by local communittee.</p> <p>Conclusion : Conform</p>	
2.2.4	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.
Major	
<p>There is no land conflict based on interview with the company. During stakeholder consultations, it is informed that there is only personal conflict within the company for 14 Ha with Mr. Rusli in the concession area of Company.</p> <p>Conclusion : Conform</p>	
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).
Minor	
<p>The Company has a map of land claimed by personal name Rusli. There are land claimed by Rusli about 14 hectares area, located in Sungai Pelepah Estate, Bentayan village. Company already had map of the land conflict with the scale of 1: 400.</p> <p>However, in Land Dispute Resolution procedure No. SL-SOP-ADM-07 does not include a map of the location of the conflict. Auditor raised this as an observation.</p> <p>Conclusion : Observation NCR No.9 (See C.3.1)</p>	
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.
Major	
<p>Both parties (the Company with the plaintiff - Rusli) has took legal action against the land dispute. The company claimed that the land dispute is in the concession of company. Company keep historical documents related to the lawsuit. Status of the latest data is the letter of NGOs through Law firm (Lubis, Santosa & Maramis Law firm) that ask to review to the Supreme Court by letter. The letter sent dated March 4, 2015. The Company declared that request of PK was rejected but the company does not have a copy of the decision from the Supreme Court.</p> <p>Conclusion : Conform</p>	
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.
2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).
Major	
<p>The Company has map with scale of 1:100.000 and if there is a conflict, so the Company should make the scale of map more specific, as example the land conflict with Rusli (the Company should make map with scale of 1 : 400)</p>	

Conclusion : Conform	
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:
Minor	<p>a) Evidence 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) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the 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>Company already have documents related to the release process of land. In the document stipulates that both parties are mutually understood and accepted the release process of land and compensation.</p> <p>Conclusion : Conform</p>	
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.
Minor	
<p>The acquisition process of land and compensation in company's document should make in Bahasa, so that the both parties (company and communities) can understand the contents. The official letter of deal for both parties also make in Bahasa.</p> <p>Conclusion : Conform</p>	
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.
Major	
<p>The Company already has a policy to ensure that all the negotiating process must be transparent and shall be attended by representatives of the village and related person to ensure the representation of all parties.</p> <p>Conclusion : Conform</p>	
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	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.
Major	
<p>A documented business plan is available in Cargill Tropical Palm (CTP). As reflected in the</p>	

document, budgets and implementation measures for the mill and estate operations are listed within the document as follows:

- Safety index
- Potential yield articulated covering both nucleus and smallholders
- OER extraction
- KER extraction
- CPO production

The company already has a long term plan for period in years of 2016 – 2020 which contain company's target such as :

Production of CPO & PK, OER & KER target, Safety Index, Yield, Asafety Index and other thing about the availability of human resources.

The result of sampling from 2 cooperative (KUD) indicates that the cooperatives can not show the long term plan (minimum 3 years to ensure the sustainability aspect). All this time, the cooperative makes a plan and allocates budget only once in 1 years according to the regulations of Indonesian Cooperative about the annual responsibility system of cooperative's management to its member. The corrective action is already done where the cooperative has made a plan for revenue and expenditure during 3 years (2017 – 2019) which contain about the average of FFB production per year (19.500.000 kg/year) and the trend of price also indicates improvement progressively.

Conclusion : Major NCR No.3 (See C.3.2)

3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.
Minor	

Tanjung Dalam Estate will have a replanting in the year 2024 as the estate was first planted with oil palm in 1999. As for plasma replanting plan is for old plants in 1991, 1992, and 1993. However, the other consideration for replanting program not only on the age of the palm oil but rather based on the productivity of the plant.

The cooperative of Sumber Tani Mandiri has already made a plan for replanting (for the next 5 years) and has done finance's cut from the result of FFB which has been collected to the cooperative in order to fund the replanting plan.

Conclusion : Conform

4	USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS
4.1	Operating procedures are appropriately documented and consistently implemented and monitored
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.
Major	

SOP for plantation and mill activities are established and documented. SOPs are checked and verified during the audit, e.g.:

1. SOP Early harvest (HIN/SL-IPR/TSD/076)
2. SOP Harvest Manually (HIN/SL-IPR/TSD/077)
3. SOP Full Mechanical Harvest (HIN/SL-IPR/TSD/078)
4. SOP FFB Transportation (HIN/SL-IPR/TSD/080)
5. SOP Beneficial Plan (HIN/SL-IPR/TSD/097)
6. SOP Integrated Pest Management (HIN/SL-IPR/TSD/052)
7. SOP Loading Ramp Station (TD/PROD/01/SOP)
8. SOP Kernel Station (TD/PROD/06/SOP)
9. SOP Grading (TD/PROD/11/SOP)
10. SOP for Reception of FFB: Weighbridge (TD/ADM/03/SOP)

Conclusion : Conform

4.1.2	A mechanism to check consistent implementation of procedures shall be in place.
Minor	

The Agronomy Service Department conducted the field audit to check periodically to ensure the SOP implementation.

How to check for consistency in the implementation of SOP is to conduct a field audit. Procedures for implementation will follow the “*Scoring Field Audit Tanaman Menghasilkan*” document No: HIN/ISL-IPR/TSD/071/SOP Rev.7 dated 1 Juli 2015. The purpose of this procedure is to assess the suitability of each activity, and based on the determined score table. Score table will be forwarded to the Estate Manager then followed up with corrective action.

Assessment categories include:

1. Harvest of fresh fruit bunches
2. FFB transportation
3. Condition of ground cover plants
4. Soil management
5. Soil erosion
6. Pests
7. Effect of flooding

Conclusion : Conform

4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.
Minor	

Results of the assessment (scoring) of the field audit will be incorporated into the Corrective Action Requests and Prevention (form NC) by inspectors to be given to the Estate Manager to look for the root cause and corrective action. Corrective actions will be seen at the time of the audit field next semester.

Sample verify on the form NC No: ASD / EST / 11/16 on 3-4 November 2016 at Sungai Tungkal Estate published by Harjito. In the form contained details of the following findings:

1. Harvest Rotation > 10 days
2. Black bunches

Root cause investigation:

1. Peak season

Corrective action plans:

1. Adding harvest personel

Conclusion : Conform

4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).
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Major	
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Records of FFB sources area available and maintained included of third party FFB. The FFB suppliers are:

1. Sungai Tungkal Estate
2. Sungai Pelepah Estate
3. Tanjung Dalam Sri Gunung Estate
4. KUD Karya Makmur
5. KUD Sumber Barokah
6. KUD Sumber Jaya Lestari
7. KUD Barokah Jaya
8. KUD Mulyo Mandiri
9. KPKS Tri Bakti Sentosa
10. KPKS Bakti Mulya
11. KPKS Suka Rezeki
12. KUD Mitra Tani
13. KUD Mekar Sari
14. KUD Mukti Jaya
15. KUD Suka Makmur
16. KUD Tunas Mekar Inti
17. KUD Bersama Makmur
18. KUD Jaya Usaha Mandiri
19. KUD Mandiri Jaya Makmur

- 20. KUD Sumber Sari
- 21. KUD Sumber Tani Mandiri
- 22. KUD Tani Mandiri Jaya

At the time of witnessing in FFB's acceptance from small holder, the company conducts sampling (as much as 10% from the total acceptance of FFB). The sorting process has already done to the quality of FFB which is consist of maturity level, empty bunch, long stalk, decay, and anomaly FFB. The small holder has witnessed the sorting result and signed the FFB sorting's receipt. The sorting process and penalty granting has already followed the government regulation.

Conclusion : Conform

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

The company conducted fertilizer application based on:

- HIN/SL-IPR/TSD//044: SOP Manual Manuring
- HIN/SL-IPR/TSD//045: SOP Mechanical Manuring
- HIN/SL-IPR/TSD//046: SOP Manuring of nutrient deficiency correction

Manuring activities conducted refers to fertilizers input recommondation which based on result of soil and leaf sampling unit.

Conclusion : Conform

4.2.2	Records of fertiliser inputs shall be maintained.
Minor	

Records of fertilizer application are available and checked during the surveillance audit. Records of fertilizer input are available in OMP programs, e.g. Division report: Fertilizer summary at Sungai Pelepah Estate in 2016, fertilizer used i.e: urea, RP-Peruvian, KCl, NPK Hikay Plus, Dolomite, Kieserite, and Borate.

Conclusion : Conform

4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.
Minor	

The company conducted the tissue and soil sampling periodically. The analysis conducted by the third party. Records of those available as mentioned below:

- Soil sampling was taken from two depths: 0-20 cm and 20-40 cm as many as 824 samples. Samples were sent for analysis by a third party, namely the Central Plantation Services (PT. Central Natural Resources Lestari) with proof of mailing out 112 / TSD-HIN /

<p>III / 2015 received on 6 April 2015. Samples were completely analyzed on August 10, 2015 and the results have been submitted to the PT. Hindoli with documentary evidence incoming CPS / 235 / VIII / 2015. Soil samples for testing were taken with a period of 5 years.</p> <ul style="list-style-type: none"> • There is a Certificate of Test Result No: CPS / 162 / IV / 2016 from Plantation Central Services Laboratory. Date of samples received for analysis is March 18, 2016 with a number of 398 samples. <p>Conclusion : Conform</p>	
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.
Minor	
<p>The company conducted nutrient recycling strategy based on:</p> <ul style="list-style-type: none"> • HIN/SL-IPR/TSD//086: SOP EFB application • HIN/SL-IPR/TSD//087: SOP Solid application <p>Records of nutrient recycling input are available in OMP programs, e.g. Division report: Organic Fertilizer summary at Sungai Tungkal Estate in 2016.</p> <p>Conclusion : Conform</p>	
4.3	Practices minimize and control erosion and degradation of soils.
4.3.1	Maps of any fragile soils shall be available.
Major	
<p>No fragile soil at the company areas. Based on the soil map, the soil type in company areas are ultisol and entisol.</p> <p>Conclusion : Conform</p>	
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).
Minor	
<p>Based on the slope maps and checked during field visit, there is no area in the company that breaks the limit. However, there are stacking technique applied in the surging area.</p> <p>Conclusion : Conform</p>	
4.3.3	A road maintenance programme shall be in place.
Minor	
<p>Maps of road maintenance in accordance with the road maintenance Work Programme year 2016/2017 starting from June-November 2016. On November 2016 road maintenance done on the block I25 to I37.</p> <p>Conclusion : Conform</p>	
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.
Major	
<p>Not applicable. Based on the company soil map, no peat soil at the company areas</p>	

Conclusion : Conform	
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.
Minor	
Not applicable. Based on the company soil map, no peat soil at the company areas	
Conclusion : Conform	
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).
Minor	
Not applicable. No fragile soil at the company areas. Based on the soil map, the soil type in company areas are ultisol and entisol	
Conclusion : Conform	
4.4	Practices maintain the quality and availability of surface and groundwater.
4.4.1	An implemented water management plan shall be in place.
Minor	
<p>The Company has SOP Water Management no. EST / EHS / 36. Based on the procedure, the source of water for the mill activities, estate and employee housing comes from surface water (Sungai Lilin). The Company already has a permit utilization of surface water (surface water of SIPPA) from <i>Badan Promosi dan Perizinan Penanaman Modal</i> as No. 217 / PTSP-BP3MD / V / 2016 for source water from Sungai Lilin. Surface water use permit is valid for 2 years.</p> <p>Plans in water protection was performed by abstaining from the application of chemicals in the area close to the flow of water, making water tanks and manufacture of barrier. Domestic clean water tested every 3 months by the Engineering Institute of Environmental Health and Disease Control class 1 Palembang. The test results reference based on Regulation of Minister of Health 416/1990 and all parameters meet quality standards. The Company is already calculating the flow of water since 2010.</p>	
Conclusion : Conform	
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.
Major	
<p>The Company has a map of the river that crosses company area i.e.: Tungkal river, Dawas river, and Sawo river.</p> <p>Riparian river</p> <p>River that passes through the company area is protected by the company. The company has set a mark on the riparian river are protected by the company.</p> <p>The Company establishes HCV SOP No. EST / EHS / 27 Rev.5 as a procedure for Buffer Zone Protection</p>	
Conclusion : Conform	
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring

Minor	of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).
<p>Sungai Lilin POM has <i>Surat Keterangan Teliti Ulang</i> (SKTU), in the form of Wastewater Disposal Permit from the local government No. 0396 year 2010. Permits wastewater discharges into water bodies is valid until March 25, 2017. Measurement of waste water parameters such as BODs, COD, TSS, Oil, Nitrogen, pH, and its debit that performed routinely every month. Measuring the quality of effluent carried by the environment lab UPTB South Sumatra Province (has been accredited by KAN). Until October 2016 monitoring of all parameters meet the quality standards that set in South Sumatra Governor Regulation No. 8 Year 2012. The report effluent quality monitoring results submitted to the relevant agencies, namely the Ministry of Environment, the Environment Institution of Environmental Pollution Field, South Sumatra Province, the Environment Institution of Environmental Pollution Field, Banyuasin district and regional PPLH.</p> <p>Tanjung Dalam POM has permit of land application no. 660/0732 / BLHPP / 2015. This permit is issued by BP3M Muba district. Land application management report has been made and submitted to the authorities.</p> <p>IPAL di PKS Sungai lilin terdiri dari 19 kolam. Ada SOP khusus yang mengatur pengelolaan IPAL yaitu SOP No. 06 Manual WWTP MSL</p> <p>Instalation of wastewater management (IPAL) in Sungai Lilin POM consists of 19 ponds. There is a special SOP (Procedure) of management IPAL, that is SOP No. 06 Manual WWTP MSL</p> <p>Testing of groundwater in monitoring wells performed every 6 months. The quality standard testing parameters refer to Permenkes 416 of 1990. The latest monitoring conducted in November 2016. The test results showed the parameters still meet the quality standards. Soil analysis conducted every year. Last analysis performed on 10 November 2015 were carried out by the Chemical Biology Laboratory and Soil Fertility Sriwijaya University.</p> <p>Monitoring the working environment for Sungai Lilin and Tanjung Dalam POM conducted every year. Monitoring the work environment include noise, vibration, light, ISBB, and chemical factors. This year the last monitoring was conducted in June 2016.</p> <p>Conclusion : Conform</p>	
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.
Minor	<p>The company monitors water use per tonne of FFB every year. Examples of monitoring the use of water as in Sungai Lilin POM for 2015 and 2016.</p> <p>FY 14-15 193,253 M³</p> <p>FY 15-16 151,347 M³</p> <p>Use of water that is monitored constantly hit the target Goal line 5% base line 236,470 in 2010.</p>

Conclusion : Conform	
4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management Techniques
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored.
Major	
<p>If the attacks above 5% the company would do the census again. If the results of the census concluded it is true there is an attack would be followed up with control measures.</p> <p>There is a record of the implementation of monitoring of pest attacks made each estate with the specified block. Implementation is done every month.</p>	
Conclusion : Conform	
4.5.2	Training of those involved in IPM implementation shall be demonstrated.
Minor	
<p>There is evidence in the form of attendance EWS training and materials Internal Training Integrated Pest Management (IPM). Training materials include objectives, components of IPM, IPM diagram, the observation point, sampling leaves, and other types of pests.</p>	
Conclusion : Conform	
4.6	Pesticides are used in a way that do not endanger health or the environment.
4.6.1	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.
Major	
<p>The company justified the pesticides that would be use in every year. One method that used on pesticides justification is by referring the green book of allowed pesticide that publish by Agriculture Ministry. Pesticides trials conducted for the new type and label in the first time.</p>	
Conclusion : Conform	
4.6.2	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 provided.
Major	
<p>The company maintained the records of the palm oil plantation operational records including records according to the use of pesticides at OMP programs with IT based. During the the surveillance audit the copany maintained the reports of pesticides use with the active ingredients applied per ha and number of applications included.</p>	
Conclusion : Conform	
4.6.3	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 national Best Practice guidelines.
Major	
<p>The company has a policy to reduce the use of pesticides in accordance with Integrated Pest Management (IPM) plans. Method that use to reduce of pesticides, e.g.:</p>	

- Planting beneficial plant (*Turnera* sp.) at main and collection road.
- Gupon using as a nest for Owl (*Tyto alba*) in order to control the rats population.

Conclusion : Conform

4.6.4	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, 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.
Minor	

Records of pesticides used available at OMP programs and the summary available at the company chemicals used data 2016-2017 and also available at the stock cards. Based on the records there were no pesticides that categorized as WHO Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions.

Conclusion : Conform

4.6.5	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).
Major	

Pesticide application applied by the selective persons who have competencies. During interview with the workers, shows the applicant of pesticides have a competencies regarding pesticides used. Training of using pesticides are available.

From sampling, it was found spraying worker used apron that made from not waterproof and thin material so that it could not protect the body from pesticide. This finding is raised as major non conformity.

The company has been conducted an identification for any kind of risk potential which happens in work environment (routine work or non-routine work). The company has a commitment to ensure that worker get appropriate training and PPE (Personal Protection Equipment) in order to prevent from the illness. The result of sampling to the harvester indicates conformity in PPE implementation where the worker has already worn a full and complete package of PPE (e.g helmet, google, and boots).

All this time, there is an agreement in 20th October 2011 between the management of cooperative with the splasher work force to wear PPE rightly (e.g wearpack, apron, mask, google, gloves, and others). In addition, there are list of names in cooperative for splasher work force (for about 16 workers).

The result of sampling for splasher work force in the field (in estate), there is non-conformity be founded such as :

- a) The splasher work force which is wear apron that can not protect the body from the pesticide's spill (using apron material that is so slight, thin, and not also waterproof).

The result of sampling for splasher worker in the field (small holder), there is non-conformity be founded such as :

- a) The splasher work force which is wear apron that can not protect the body from the pesticide's spill (using apron material that is so slight, thin, and not also waterproof).
- b) The splasher work force which is use mask that is not specifically suit
- c) The work forces in the small holder area does not get an extrafooding
- d) There was no field inspection to ensure workers have been wearing safety equipment properly.

Conclusion : Major NCR No.1 (See C.3.1), Major NCR No.4 (See C.3.2)

4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed off and not used for other purposes (see Criterion 5.3).
Major	

Each POM and Estate has TPS LB3 (Temporary Storage of Hazardous Wastewater) respectively. TPS LB3 permit valid for all locations such as TPS LB3 permit No. 0768 year 2014 for Sungai Lilin POM valid until July 7, 2018. The stored waste already includes all the B3 waste list such as used oil, cotton waste, used batteries, drums, used derigen/drums chemical, oil filters, expired chemicals, fluorescent lamp and items contaminated with B3 (Hazardous waste). The Company also make 3 monthly reports of waste balance sheet until period of July-Sept 2016. The balance sheet format of B3 (Hazardous waste) follow Decree of Minister of Environmental No. 0768 year 2014.

Conclusion : Conform

4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts.
Minor	

At the time of field visits, sprayer officer is equipped with personal protective equipment such as masks, aprons, goggles, boots, gloves and helmets. The workers already know the practice of using pesticides such as knowing the wind direction for the sprayers. The workers also know the procedures for emergency response. Mandor already provides equipment of P3K.

Conclusion : Conform

4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.
Major	

Based on document review at OMP programs show that no used af any aerals pesticides applications.

Conclusion : Conform

4.6.9	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).
Minor	

Based on interview, the worker understood well enough regarding the spraying method for every

<p>type of pesticides, type of spraying targets and disposal handling of pesticides material and the waste.</p> <p>Conclusion : Conform</p>	
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).
Minor	
<p>The Company establishes SOP management and utilization of waste in EHS-MSL-07-SOP. Prosedure arrange Hazardous waste (solid and liquid) and non-B3 (solid, liquid), organic and non-organic waste. Fiber and shells used as renewable energy for boiler fuel meanwhile empty bunch and solid cake decanter used as fertilizer. SOP waste management has understood by workers.</p> <p>Conclusion : Minor NCR No.7 (See C.3.1)</p>	
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.
Major	
<p>The company carries out special medical examination for pesticide handler. Examination conducted regularly every 6 months. Last examination carried out in November 2016.</p> <p>Smallholder Unit has not been carried out specific medical examinations of the examination of cholinesterase for sprayer officers in KUD Sumber Tani Mandiri and KUD Muktijaya</p> <p>Conclusion : Minor NCR No.2 (See C.3.2)</p>	
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.
Major	
<p>During the interview with the workers and paramedic, no pregnant and breast feeding workers at the chemical areas. The company conducted the surveillance of pregnant and breast feeding workers regularly.</p> <p>From information and data, It was obtained that pregnancy tests conducted per 3 months. The early pregnancy test should be conducted as soon as possible to protect pregnancies / fetuses from chemical contamination.</p> <p>Conclusion : Observation NCR No.10 (See C.3.1)</p>	
4.7	An occupational health and safety plan is documented, effectively communicated and implemented
4.7.1	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.
Major	
<p>The Company has policy of occupational health and safety (K3) and signed by the President Director on 31-05-2016. K3 policy covers the company's commitment to prevent the risks of all activities for workers. Policies have been socialized and communicated to employees through</p>	

monthly meetings.

The company has set goals, objectives and programs K3. K3 goals and objectives include prevention of occupational accidents and occupational diseases. The company has been monitoring the effectiveness of K3, periodic health monitoring of labor and internal audit of K3.

The Company has conducted periodic monitoring of the health workforce in November 2016 which includes general check-up, audiometry check, spirometry and cholinesterase. The Company also has made a special examination for sprayer, conducted in May and November 2016 (every 6 months).

Conclusion : Conform

4.7.2	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.
Major	

The Company has procedures to identify, assess and control risks (IBPPR). IBPPR implementation is contained in the Task inventory and analysis - Plantation Doc MKE / EHS / 05 and Mill task inventory doc 02-EHS Support document for critical task procedure. IBPPR conducted by appointed personnel and training such as safety coordinator officer. IBPPR have to be reviewed once a year and in case of accidents.

At the time of witnessing in Tanjung Dalam Sri Gunung (TDSG) estate indicates that the workers which is been found have already wore safety shoes, uniform, and safety vest. As additional information, the pregnancy test (once in 3 months) and cholinesterase test (once in 6 months) has been conducted regulary.

Conclusion : Conform

4.7.3	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.
Major	

The Company has established a K3 training plan for the entire workforce contained in EHS Manual Training Schedule 2016-2017. The training includes LK3MKP policy, waste management, electrical safety and emergency preparedness.

According to the data acquiring at the time of visitation to Tanjung Dalam Estate (along with morning briefing) indicated that the company always require the workers to commit relate to several issues such as safety priority, discipline, the correct usage of PPE, and program in target achieving.

The company has had a trained workforce to operate equipment that require a license in accordance with the laws and regulations listed in Mechanical integrity program. For example, Sungai Lilin Mill as 4 SIO lift freight loader, 7 SIO Boiler (grade I / SIO Boilers, class II / SIO Sterilizer 10 officers. One K3 (occupational safety and health) general expert and secretary P2K3 on behalf of Mr. Kasnan. K3 Secretary has training AK3 general and has received the appointing, 2 officers AK3 electricity for each mill, two people welder grade 3 officers P3K, Company's doctor has received the appointing, periodic checks etc. The Company did submission class A fire training and has received responses from third parties to conduct its training. The company already has officer AK3 electricity for 1250 KVA.

Conclusion : Conform

4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.
Major	

The Company has set P2K3 team responsible for implementing K3. Structure of P2K3 team in Sungai Lilin Mill has been issued by the Manpower Banyuasin district no. KEP-560 / 370.1 / P2K3 / Nakertrans / 3/2015. The company also has set P2K3 structure for Tanjung Dalam mill. P2K3 team has been issued by the Manpower Banyuasin no. KEP-560 / 370.1 / P2K3 / Nakertrans / 3/2015.

P2K3 Board has conducted monthly meetings. Meeting documentation including a list of attendance and minutes of meeting. Board P2K3 reporting activities every three months to the local Manpower Office. Reporting recently in the period of June to August, 2016.

Conclusion : Conform

4.7.5	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.
Minor	

The Company has procedures for the reporting and investigation of occupational accidents, namely SOP-EHS Incident investigation SL-11-05 / B.7.1. This procedure had been in place since April 1998. The procedures are reviewed regularly once a year. SOP has been arranged in case of work accidents and will be investigated by using form 562 EHS injury or accident vehicle using the form EHS 55. For reporting of accidents follow Pemenaker No 03/1998 ie 2 x 24 hours using KK2 form.

The Company has procedures to identify potential emergencies such as SOP plan emergency action from EHS-SL-27-05 / B.1. The procedure is established a relevant potential emergencies such as natural disasters, fires, earthquakes, accidents, demonstrations, bomb threats and chemical spills. Every WI / SOP is made by Company and had been communicated to the entire workforce. The company has had personnel who have been trained and licensed to

become officers first aid of accident as many as 11 people for Sungai Lilin Mill. The Company also provided equipment P3K throughout the workplace and has adjusted its contents with Permenaker No. 15/2008.

Conclusion : Conform

4.7.6	All workers shall be provided with medical care, and covered by accident insurance.
Minor	

All workers and staff were protected by PT Hindoli by the use of the BPJS Insurance. Any work accident were covered by the company by BPJS from April 2015. The company has also provided clinic at each estate and mill.

Conclusion : Conform

4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.
Minor	

The company has been doing recording of every incident of workplace accidents contained in Incident investigation SL-EHS-11-05 / B.7.1 set April 1998. The procedures are reviewed regularly. The company has made data analysis K3 which includes the calculation of FR and SR contained in each event of workplace accidents. Calculations refer to the provisions in Ministerial Regulation No. 03 / MEN / 1998, and already counting lost working days (Lost Time Accident).

Conclusion : Conform

4.8	All staff, workers, smallholders and contractors are appropriately trained.
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.
Major	

Formal training program are available at PT Hindoli Training Calender Fiscal Year 2016-2017. The training programme is available that includes:

- a) Kebijakan LK3MKP – Briefing on the ERT Species and HCV (Sosialisasi perlindungan Satwa yang dilindungi dan Area Nilai Konservasi Tinggi)
- b) Kebijakan LK3MKP – Bloodborne pathogen
- c) Kebijakan LK3MKP – Handling of Hazardous Material (Komunikasi bahaya bahan kimia)
- d) Kebijakan LK3MKP – Confined Space (Memasuki Ruang Terbatas)
- e) Kebijakan LK3MKP – PPE and Safety in Noise Activity (Alat Perlindungan Diri (APD) dan konservasi pendengaran)
- f) Kebijakan LK3MKP – Behavior based Safety harvesting
- g) Kebijakan LK3MKP – Safe Practice in Harvesting (Teknis keselamatan panen)
- h) Kebijakan LK3MKP – Emergency Response Procedure (Rencana Tindakan saat darurat)
- i) Kebijakan LK3MKP – Safety in Motorized Vehicle and Transportation (Keselamatan

Berkendara sepeda motor)	
Training Plan for smallholders are established and be made available to the audit team during the audit.	
Conclusion : Conform	
4.8.2	Records of training for each employee shall be maintained.
Minor	
At the Inti and Mill level, records of training are kept based on the training programme attendance and a competence test is conducted to elevate the participant achievement. HR has responsibility for maintaining training records using software program. At the smallholders level, records of training given to all workers for smallholders are kept at KUD level.	
Conclusion : Conform	
5	ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY
5.1	Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate
5.1.1	An environmental impact assessment (EIA) shall be documented.
Major	
The Company has environmental documents such as EIA (AMDAL) Decree No. 285 / KPTS / BAPEDALDA / 2005. Environmental document had been established on May 14, 2005 by the Governor of South Sumatra. Based on the environmental document total area of 27,000 ha (17,000 ha Smallholders and 10,000 ha Own estates) with Sungai Lilin Mill capacity of 120 MT FFB/hour, Tanjung Dalam Mill capacity of 90 MT FFB / hour. The company has made RKL RPL (Environmental Monitoring Plan and Environmental Management Plan) every 3 months. The last report period on July-September 2016.	
Conclusion : Conform	
5.1.2	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.
Minor	
The Company has a document of environmental management and environmental monitoring based on EIA document in EIA Decree No. 285 / KPTS / BAPEDALDA / 2005. The Company has reported the results of environmental monitoring of the first half of 2016 to the local government. Based on the environmental examination last semester there is a discrepancy. Follow-up results of the work environment is not yet meet the requirements because of the lack of lighting in the press and boiler compartment. The Company has made corrective action by replacing the lamp.	

Conclusion : Conform	
5.1.3	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.
Minor	
<p>The environmental management plan (RKL) and monitoring (RPL) are adaptive to operational changes. According to the monitoring reports during period 2016 noted that the company is not only implement the environmental management plan as required by RKL-RPL documents as approved by government authority on the past 2005. The additional management plan and monitoring protocol due to the operational changes for instance:</p> <ul style="list-style-type: none"> - Implementation and monitoring of land application of POME - Implementation and monitoring of hazardous waste management - Determination of buffer zone area as high conservation areas - Reducing chemical usage 	
Conclusion : Conform	
5.2	The status of rare, threatened or endangered species 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 operations managed to best ensure that they are maintained and/or enhanced
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).
Major	
<p>HCV assessment was conducted in 2008 by HCV assessor Mr. Jarwadi B. Hernowo. According to the assessment has been concluded:</p> <ul style="list-style-type: none"> • RTEs habitat located at river riparian, such as Tungal river. • RTEs flora species were identified: <i>Ficus spp</i> and <i>Koompassia malaccensis</i>. <p>Maps of relevant wider landscape-level was not included in HCV Assessment Report. However, the company has already mapped its locations with the location of the nearest animal sanctuary. From the map it can be seen that there Bentayan Wildlife Sanctuary within 4.5 km from the Tungal Estate and Dangku Wildlife Sanctuary within 6 km from Tanjung Dalam Estate.</p>	
Conclusion : Conform	
5.2.2	Where rare, threatened or endangered (RTE) species, 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.
Major	
Measures and monitoring to maintain and enhance the values has been developed and	

implemented through monitoring of riparian through monthly survey in sampling plots.
 Poster and signboard of no hunting allowed was installed as part of species and buffer zone protection.

Observation granted because the company has made a list of animals protected under the Flora and Fauna Protection SOP No: EST / EHS / 35, but the list has not included the identification of the status of animals in the IUCN Red List and the company does not have a list of flora and fauna are protected issued by local government (BKSDA Kab. Musi Banyuasin atau Prop. Sumatera Selatan).

During field visit to the smallholder (KUD Sumber Tani Mandiri and KUD Mukti Jaya) it is found that they do not have a list of protected flora in their local area and auditor has raised major non-conformity

Conclusion : Observation NCR No.5 (See C.3.1), Major NCR No.1 (See C.3.2)

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 any individual working for the company is found to capture, harm, collect or kill these species.
Minor	

There is Estate Assurance Program Monthly Training Schedule 2016-2017 period for all estates. In the program, there is information of socialization plan including the socialization the protection of flora and fauna and areas of HCV.

Examples of socialization and training is dated June 20, 2016 in Tungal Estate and October 26, 2016 in Tanjung Dalam Estate conducted respectively by the Estates Assistant.

There are Environmental policy, K3, Quality and Efficiency SDA (LK3MKP) PT. Hindoli approved by Mr. Ong Kee Chau-President Director and CEO John J. Hartman-dated 6 April 2015. One of the environmental policy is "proactively prevent hunting and prohibits the exploitation of wildlife".

Conclusion : Minor NCR No.3 (See C.3.1)

5.2.4	Where a management plan has been created there shall be ongoing monitoring: 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.
Minor	

Measures and monitoring to maintain and enhance the values has bee developed and implemented through the following evidences:

- Monitoring of riparian through monthly survey.
- HCV boundary checking through monthly survey.

Checked during surveillance audit for inspector period report 2016 at Pelepah and Tungal Estate noted that no disturbance over all of HCV areas.

Conclusion : Conform

5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally
Minor	

	safeguards both the HCVs and these rights.
<p>HCV Assessment was conducted in 2008 by HCV assessor Mr. Jarwadi B. Hernowo. On HCV assessment report, there is no HCV set-asides with existing rights of local communities have been identified.</p> <p>Conclusion : Conform</p>	
5.3	Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner
5.3.1	All waste products and sources of pollution shall be identified and documented.
Major	
<p>All waste and pollution sources were register in document of Identifikasi & Evaluasi Aspek dan Dampak Lingkungan, and RKL-RPL document. It covers both mill and the 4 estates.</p> <p>Other several waste from the mill such as empty fruit bunch, fiber, shell, ash and solid decanter. Most of the waste from mill will be used either as fuel for the boiler or apply on the field. For scrap metal, it will sell to the recycler.</p> <p>All waste products and sources of pollution has been well documented on environmental aspects register (01-Identifikasi dan evaluasi aspek dan dampak lingkungan) last updated on 24 Nov 2015.</p> <p>Conclusion : Conform</p>	
5.3.2	All chemicals and their containers shall be disposed of responsibly.
Major	
<p>Each Mill and the Estate already have TPS of hazardous waste (LB3) respectively. LB3 TPS permit valid for all locations such as permission TPS LB3 No. 0768/ 2014 for Sungai Lilin Mill valid until July 7, 2018. The stored waste already includes all the B3 waste such as used oil, cotton waste, used batteries, drums, used chemical's bottles, oil filters, expired chemicals, fluorescent lamp and perhaps items that contaminate with B3 waste. The Company also reports quarterly waste balance until the period July-Sept 2016. The balance sheet format of hazardous material based on KepmenLH No. 0768 / 2014.</p> <p>Conclusion : Conform</p>	
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.
Minor	
<p>The Company has established documentation of waste management and disposal plan to avoid or reduce pollution. Balance sheet format B3 follow kepmenlh No. 0768 2014. Waste management is carried out by the company has been an attempt to minimize and efforts to reduce waste. The Company has determined the evidence that the plan has been implemented and evidence that the waste was not disposed of using an open flame. TPS LB3 at each Mill and the Estate. There is already a third party to transport and manage LB3.</p> <p>Conclusion : Conform</p>	

5.4	Efficiency of fossil fuel use and the use of renewable energy is optimized
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.
Minor	
<p>Program is conducted by the company to reduce the number of fossil fuels such as reduced use of diesel from innovation modified freight capacity of TBS.</p> <p>The efficiency of diesel consumption / tonne of FFB can be seen for the last two years as follows:</p> <p>The use of fossil fuels in the Sungai Lilin Mill in last two years. FY 14-15 286.608 liters FY 15-16 463.535 liters</p> <p>The use of fossil fuels in the Tanjung Dalam Mill in last two years. FY 14-15 179.332 liters FY 15-16 180.156 liters</p> <p>Conclusion : Conform</p>	
5.5	Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.
5.5.1	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.
Major	
<p>In the procedure for land clearing (HIN/SL/TSD/002/SOP) stated that the burning is prohibited for preparing land for new planting and replanting. During field visit to Tanjung Dalam Estate noted that no burning at all relevant activities.</p> <p>Conclusion : Conform</p>	
5.5.2	Where fire has been used for preparing land for replanting, 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.
Minor	
<p>Not applicable. During field visit to Tanjung Dalam Estate noted that no burning at all relevant activities.</p> <p>Conclusion : Conform</p>	
5.6	Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented, and monitored.
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4)
Major	
<p>The Company assesses all the activities pollution, including greenhouse gas emissions,</p>	

emissions of particulate / soot and waste. Based on identification, pollution sources include emissions from boilers, generators and vehicles.

GHG value in FY 15-16 are as follows:

Sungai Lilin Mill

FY 15-16 is 947.86 kg CO₂ eq / Ton CPO

Tanjung Dalam Mill

FY 15-16 is 940.76 kg CO₂ eq / Ton CPO

Conclusion : Conform

5.6.2	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4)
Major	

The company has calculated GHG emission using ISCC method. GHG emission reduction plan has been established, for example: Turbine.

Significant pollutant and GHG emission has been identified within GHG emission calculator. Significant pollutant identified are:

- Palm Oil Mill Effluent (Palm Oil Mill Effluent)
- Fossil diesel consumption

Plan to reduce and minimize emission has been developed and set in documented environmental management objective, target and program.

Conclusion : Conform

5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.
Minor	

A monitoring system in term of RKL/RPL conducted in daily, monthly, 6 monthly. The monitoring report provided per semester. During surveillance audit checked monitoring report for semester II 2015 and semester I 2016. Monitoring for GHG emission carried out annually, GHG emission calculation during period 2011 to 2015 checked during audit.

Conclusion : Conform

6	RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLS
6.1	Aspects of estate and mill management 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
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.
Major	

The company has conducted SIA by collaborating with Sriwijaya University (Faculty of Social & Economy) in year of 2012. The SIA's assessment process covered area for 11 villages and its

report indicates there are impact analysis (positive and negative) for company's existence in that area.

In SIA's study indicates several information such as the right to access the way of workers welfare, payroll, religion & culture aspects, health, education, and other things which is change due to the plantation existence.

The cooperative (KUD) has set Corporate Social Responsibility (CSR) activities's budget in cooperative members annual meeting (last performed in March 16th 2016). The meeting also discussed about the members request about any social activities.

Conclusion : Conform

6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.
Major	

The SIA's report has included about public consultation by inviting relevant stakeholders (e.g small holder cooperative, small holder land worker, labor union, employment regulator services, forestry and enviromental regulator services, BPN, plantation regulator services, health regulator services, police, heads of around village, traditional leaders, NGO, contractor, and supplier. The cooperative (KUD) has made Corporate Social Responsibility (CSR) program and its realization in wage of teachers (elementary school & junior high school), and net building.

Conclusion : Conform

6.1.3	Plans for 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.
Major	

In order of negative impact's mitigation, the company has made a short-term plan (current year) and long-term (5 years). In the period of first semester in 2016, the company's CSR have been realized in 25 programme worth Rp. 738,308,400, -, with the biggest support emphasis in procurement of mobile library for school children which includes three districts namely Sungai Lilin Districts, Keluang Districts, and Tunggal Jaya Districts worth a total of Rp. 376,500,000, -. The realisation of CSR programme in second semester 2016 until the day of audit was conducted such as aid the opening of acces roads, support in the building of elementary school (SDN 02 Teluk Kemang), support in wells drilling, and toilet for the villagers of Dawas Village & Panca Tunggal Village, loaning graders in assisting the road repair in Sungai Lilin districts, pump and extinguisher support in 5 villages, the waste bank management in Sungai Lilin districts, teacher's honorarium, religious assistance and Indonesian Independence Day Celebrating Assistance. There are already a realization of scholarship, teacher honorarium, death compensation, and celebrating assistance for periode 2016 worth Rp. 128,480,000, -.

Conclusion : Conform

6.1.4	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
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	should be made to current practices. There shall be evidence that the review includes the participation of affected parties.
Minor	
<p>The company has conducted a periodically review to ensure the effectiveness from annual and long-term CSR programme. There are semester reports which is including progress percentage from every CSR project.</p> <p>Conclusion : Conform</p>	
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).
Minor	
<p>The CSR programme from company has already covered village's area around the small holder (consist of 19 cooperative / KUD and KKPS). The company continually support a scholarship awarding and teacher honorarium.</p> <p>Conclusion : Conform</p>	
6.2	There are open and transparent methods for communication and consultation between growers and/or mills, local communities and other affected or interested parties
6.2.1	Consultation and communication procedures shall be documented.
Major	
<p>The company has Communication SOP HIN/MGT/04/SOP-Komunikasi Rev.10 dated 24 October 2016. Furthermore, the company and cooperative has a communication procedure – SOP ISO 9001-14001-RSPO which is contained about the pattern of communication between company and small holder which is represented by the cooperative.</p> <p>Conclusion : Conform</p>	
6.2.2	A management official responsible for these issues shall be nominated.
Minor	
<p>The company defines Corporate Affairs and Government Liaison Officer which has a responsibility in communicating with all of stakeholder. In each personel's job description contain hierarchy of information distribution. In related procedure has been set a good communication pattern by using letter/email, telephone, and stakeholders can directly come to the office.</p> <p>Conclusion : Conform</p>	
6.2.3	A list of stakeholders, 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.
Minor	
<p>The company has a list of stakeholders which is been updated periodically. The company has</p>	

set a meeting with cooperative (KUD) periodically which is a part of company's internal control system.

Conclusion : Conform

6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties
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6.3.1	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.
Major	

The company has SOP and mechanism to deliver undirectly mechanism to superior or via hotline to head office (USA) with document number ISO 9001-14000/GO-SOP-HRD-19. The complaint that has been delivered by the worker to the superior gradually and the highest fulfillment to the complaint will be done by Director President.

The company provided line which is called "Ethics Open Line" with telephone number in United States Of America (1-800-357-OPEN or per country with access code per country and then press number1-800-357-OPEN.

It is best for the company to complete SOP for facilitating and socializing RSPO standard for complaint confidentially.

Conclusion : Observation NCR No.11 (See C.3.1)

6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available.
Major	

All this time, there is no data or documentation which is related to complaint confidentially. The company has documented against every deal which is made by the cooperative (KUD) and society.

Conclusion : Conform

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 stake holders to express their views through their own representative institutions
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6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.
Major	

Company already have provision related to compensation and how to identify the entitled party to compensation. The provisions set in SOP Land Acquisition (SOP SL- ADM-07).

Conclusion : Conform

6.4.2	A procedure for calculating and distributing fair compensation (monetary or
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Minor	otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions 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 longestablished communities; and differences in ethnic groups' proof of legal versus communal ownership of land.
<p>In the Land Acquisition SOP (SOP SL- ADM-07) contain representation from all parties, including the consideration of gender has the right to make a claim, or immigrant / transmigrant communities. From data in the company, there are groups of workers who come from transmigration. The majority of workers are local residents.</p> <p>Conclusion : Conform</p>	
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.
Major	
<p>All data related to the compensation process is kept by the Public Section Affair. The kept data are in accordance with the requirements, stipulated in the Land Acquisition SOP (SOP SL- ADM-07). Data is proof of identity of the party who receives compensation, a letter of agreement signed by both parties and witnesses.</p> <p>Conclusion : Conform</p>	
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
6.5.1	Documentation of pay and conditions shall be available.
Major	
<p>The company has a company regulation which consist of obedience to the regulation of employment and payment in the local area. The company has a list of worker based on the work relationship with the company, such as :</p> <p>Pelepah Estate Casual daily : 358 worker Permanent daily : 216 worker</p> <p>Sungai Tungal Estate Casual daily : 295 worker Permanent daily : 247 worker</p> <p>The result of sampling with the scale and provision of wage, the company has implemented the payment of minimum wage based on the provision of Musi Banyuasin District worth Rp.2.281.300, so that the wage per day worth Rp. 91.250. Furthermore, the company provide subsidy for food, housing, and safety bonus. The company has already paid the health insurance (BPJS) and employment insurance based on the requirement which is been</p>	

determined by government.

The result of sampling in block A6720 – 730 still indicates that several workers with casual daily although having 2 years experiment at PT. Hindoli. The sampling process is conducted in TDSG to the group of muck work force. This has been raised as major non conformity.

Conclusion : Major NCR No.2 (See C.3.1)

6.5.2	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.
Major	

The company has determined the payment method for overtime according to the requirement of government which is 1 per 173 multiply with minimum wage. The sampling is conducted in calculation of total value of overtime and its suitability.

The result of interview with the worker indicates that the worker do not understand about wage component comprehensively. In order the wage slip can be understand by all of the worker, its best to print out the wage slip in format of Bahasa so that the wage component in wage slip can be understood by all workers.

The interview was conducted to sample boy and laboratorium analyst as correspondence (at laboratorium departement) in order to ensure overtime regulation. Based on interview indicated that both of worker working in two shifts with status as a casual worker with overtime regulation as follows :

1. Wage per hour equal with total salary divided with 173
2. Payment of the first hour's overtime was multiplied with 150% and the next hour was multiplied with 200%
3. The calculation of worker's salary and overtime described as follow :
 - Total salary / 173 = Rp. 3.200.000 / 173 = Rp. 18.497 / hour (wage per hour)
 - The 3 hours overtime was calculated as 5,5 hours x Rp. 18.497 / hours = Rp. 101.733,5
 - This calculation has already conformed with the company's salary slip and its realization. In case of overtime which was 3 hours exceeds, the company should provide supplementary food as an extra fooding .

When visit to cooperation, from data obtain non conformity such as :

- a.) From interview with Head of Village Rayon D-5, harvester salary payment was given in cash by cooperation member. This information was different with KUD's provision which is salary's payment is given directly by KUD.
- b.) KUD assigned the contract with worker who is represented by worker's representation. The contract should be made in accordance with government regulation, contract between businessmen/KUD has to conduct individually

Conclusion : Observation NCR No.12 (See C.3.1), Observation NCR No.8 (See C.3.2)

6.5.3	Growers and millers shall provide adequate housing, water supplies, medical,
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Minor	educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.
<p>By sampling in the housing block F 35, and Block AA 0720, 730, the company has been providing water, electricity and house with 2 rooms. The Information is obtained from harvesting workers and sprayers. The company provide schools from elementary to junior high school.</p> <p>Conclusion : Conform</p>	
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.
Minor	
<p>All own estates and smallholders are near the villages and districts so that no trouble to get groceries ingredients for everyday purposes.</p> <p>Conclusion : Conform</p>	
6.6	The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel
6.6.1	A published statement in local languages recognising freedom of association shall be available.
Major	
<p>The Company has a policy that guarantees freedom of association as outlined in Rule companies. PT. Hindoli already formed a bipartite body and there is also a union called the <i>Serikat Pekerja Pertanian</i>. Unions make provisions set in the AD / ART, which include the amount of contribution Rp. 6000 per month for each member. The contribution paid through automatic deductions from workers' paychecks.</p> <p>During an interview with the chairman of union indicated that the salary's cut was implemented to the workers (the salary's cut details are not only from union's premium and also BPJS Kesehatan dan Ketenagakerjaan, and Manulife Insurance). The evidence of salary's cut has already conformed with the copy of salary slip in October (sampling). As information, the number of union members have already reached as much as 576 persons.</p> <p>Conclusion : Conform</p>	
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.
Minor	
<p>Related with the operation of the union, found a discrepancy in the form of:</p> <ul style="list-style-type: none"> a) It has not found AD / ART unions in PT. Hindoli and legalized by the local Department of Labour. b) It has not found results of the minutes / records of workers to Korwil and or board who ensure the aspiration already collected, recorded and communicated to management. <p>Conclusion : Observation NCR No.13 (See C.3.1)</p>	

6.7	Children are not employed or exploited.
6.7.1	There shall be documentary evidence that minimum age requirements are met.
Major	
<p>The Company has set a worker's age requirements set in the company regulations and the recruitment SOP. (HRD / SOP / 01 rev.05). Company already have jobs data consisting of the name, ID, age and date of entry of employee. From the results of these data, there were no workers under the age of 18 years old at the time of recruitment.</p> <p>Conclusion : Conform</p>	
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	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.
Major	
<p>The Company has set the age limit policy to recruit the employees. The company also set equal opportunity policy for employees. This policy has been signed by the President Director on November 1, 2016. Evidence is found that the company does not discriminate to employees. It can be seen from the documentation of vacancy on Nov. 10, 2016.</p> <p>The Company already has regulation of company and SOP provisions on the prohibition of discrimination and harassment ((GO-SOP-HRD-20). In these procedures, the company ensuring that a work environment free from any form of discrimination.</p> <p>Conclusion : Conform</p>	
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.
Major	
<p>The Company does not discriminate against workers. The number of workers for Sungai Lilin Mill is 1,487 people. The number of workers is composed of men and women as many as 1039 workers and 448 workers respectively. Local workers from the area of Palembang, South Sumatra as many as 1242 workers and nonlocal as many as 245 workers.</p> <p>During an interview with the workers during morning master, it was found that information workers already understand the category of sexual harassment. The company also has formed a committee but it was found that gender socialization of gender committee has not been maximized so that more effort is needed to ensure that all employees know the duties and responsibilities of the gender committee.</p> <p>Conclusion : Conform</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.
Minor	
<p>Company has established recruitment procedures with document number GO-SOP-HRD-01 rev. 05 of 2013. The company also set promotion procedures with no. GO-SOP-HRD-16 rev. 05 of 2013. In the procedure there is a requirement for prospective health checks for new employees. In 2016 there are new personnel recruitment and promotion as many as 835 employees; 2</p>	

workers for mill and 3 workers for estate.	
Conclusion : Conform	
6.9	There is no harassment or abuse in the work place, and reproductive rights are protected
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.
Major	
Company has SOP Discrimination and Harassment (GO-SOP-HRD-20) revise 03 in 2016. In the SOP states that need a work environment that is free from all harassment and discrimination form. During an interview with a group of workers at Block F35, workers already understand definitions and forms of harassment that can occur in the workplace. The Company has socialized to all categories of workers, especially for groups of women workers.	
Conclusion : Conform	
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.
Major	
The Company has adopted policies and prohibition of female workers who are pregnant or lactating to work in the spraying and fertilizing or working with chemicals. The doctor on duty in Clinics perform periodic checks to ensure that no pregnant worker who works in fertilization and spraying division. From interview results with workers show that all workers understand the prohibition on working in conditions of pregnant and lactating women also understand the consequences of risks.	
Conclusion : Conform	
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.
Minor	
The Company already has a gender committee tasked to handle complaints related to reporting when there is social harassment. Socialization should be conducted periodically to ensure the presence of a gender committee and ensure its presence in the company.	
Conclusion : Conform	
6.10	Growers and mills 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.
Minor	
The Company has MoU with all cooperative partner. The MoU has been listed in the rights and responsibilities of each party. Provision of sorting and penalties also have been determined in accordance with the government decree.	
Conclusion : Conform	
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).
Major	

The Company and smallholders already had agreement of the terms of pricing FFB refer to local government. FFB price listed on the board in POM and cooperations. Provisions to give penalties against inappropriate fruit already understood by all parties.

During an interview in cooperative (KUD Sumber Tani Mandiri) indicated that the FFB price at that time is about Rp. 1800 / kg. In every month the payment was made (in date of 10 until 12). The cooperative (KUD) has cut every Rp. 400/kg for maintenance and fertilizer cost.

Conclusion : Conform

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.
Minor	

There is an agreement on cooperation between cooperatives and company in which MoU already contained the rights and obligations of each party. There are 19 MoU from all cooperative partner with the company.

Conclusion : Conform

6.10.4	Agreed payments shall be made in a timely manner.
Minor	

MoU of Company and KUD related to the agreement of timing of payments from the company to the cooperatives (KUD) in connection with purchases FFB from farmers has not been found. This finding is raised as Minor non conformity.

Conclusion : Minor NCR No.6 (See C.3.2)

6.11	Growers and millers contribute to local sustainable development wherever appropriate
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6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.
Minor	

Company conduct working with the local community such as transportation services, and maintenance of the plant. In addition the company has partnered with 19 cooperatives which sends FFB to the company.

Conclusion : Conform

6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.
Minor	

The company carries out continuous training through the program Internal control system (ICS). Company already perform guidance and training to all cooperatives both of technical and managerial skills.

Conclusion : Conform

6.12	No form of forced or trafficked labour are used
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6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.
Major	

Majority of company workers are local workers around Musi Banyuasin and no hired from other

<p>countries. All daily workers are already equipped with an employment contract that conformed to government regulations. Contracts made with a language that understood and signed by both parties.</p> <p>Conclusion : Conform</p>	
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred.
Minor	
<p>No "contract substitution" in the company.</p> <p>Conclusion : N/A</p>	
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.
Major	
<p>There are no temporary or migrant workers are employed at the company.</p> <p>Conclusion : N/A</p>	
6.13	Growers and millers respect human rights.
6.13.1	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).
Major	
<p>The company stated commitment to human rights as outlined in Cargill Principle Guidance Handbook. All cooperative stated commitment to human rights as outlined in each AD / ART.</p> <p>Conclusion : Conform</p>	
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	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.
Major	
<p>Not applicable. The company conduct the replanting programme after felling the old plam and there is no plan for expansion.</p> <p>Conclusion : N/A</p>	
8	COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY
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
8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.
Major	As a minimum, these shall include, but are not necessarily be limited to:

	<ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); Social impacts (Criterion 6.1); • Optimising the yield of the supply base.
<p>The company makes internal audit programs on a regular basis at least once a year. Internal audit provisions are set in the HIN / MGT / 09 / SOP - Internal Audit which includes an internal audit system ISO 9001, ISO 14001, Corp. EHS, RSPO, ISPO and ISCC.</p> <p>The Company also conducts internal audits for all cooperatives partner with a company that is as much as 19 KUD. Internal Audit's activities of RSPO smallholders set in SOP / 001 / Plasma / V / 2012. In the SOP stated that Lead auditor was Farmer Development Manager and assisted by a team of auditors from FG tea and Assurance Program Department. Internal audit covers all cooperatives and area coordinators. Last internal audit in smallholder was conducted from October 19, 2016 to November 16, 2016. Output of internal audit reports confirming all RSPO P & C have been presented in the form of a checklist and it consists of Principles numbers, Analysis of the question, Indicators of findings, Corrective Action, PIC, deadline and status improvements of findings.</p> <p>Company / KUD has not been set in the Job Desc related to the competency requirements of personnel responsible as ICS. Internal audit results have not reached the stage of ensuring compliance / interviews of workers, so far is merely the fulfillment of documentation at KUD. This finding is raised as Minor Non Conformity.</p> <p>Conclusion : Minor NCR No.5 (See C.3.2)</p>	

C.2.2 RSPO Supply Chain Checklist – Module D : Mill Identity Preserved
<p>D.1 Definition</p> <p>D.1.1</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>
<p>D.2 Explanation</p> <p>D.2.1</p>

The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.

Objective evidence :

Date recorded on Daily Mill Production Report :

Own Estates :

CPO : 30,171.64 MT ; PK : 8,126.67 MT ; FFB : 149,103.98 MT

Smallholders :

CPO : 53,842.47 MT ; PK : 15,070.82 MT ; FFB : 276,511.69 MT

D.2.2

The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim)

Objective evidence :

- a. Mr. Yanuar Aditya has the responsible to register and conduct the transaction physically in Palm trace with IP module.
- b. Mr. Sau Guan Tan is the responsible person to report and sale all CPO /PK/PKO/PKE in Palm trace system

D.3 Documented procedures

D.3.1

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- a) Complete and up to date procedures covering the implementation of all the elements in these requirements;

Objective evidence :

The company has the procedure that covering all activities from receiving FFB until CPO/PK delivery (RSPO Supply Chain – Indentify Preserved , Document No .: HIN/MGT/015/SOP-RSPO Supply Chain – IP ModuleD.

- b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site’s procedures for the implementation of this standard.

Objective evidence :

- a. Mill Manager (Wayu Andyansyah & Jhony Aguscikare are responsible person for the implementation to input all FFB certified into Mill
- b. Administration officer /KTU (Faradilla & Oktaviana) are responsible person for the documentation of total input and output certified FFB as stated in SOP
- c. Logistic officer (Peri) To ensure all logistic documentation meet as per stated in SOP
- d. Coordinatopn Sustainability (Emy Kusariani) is responsible to ensure all implementation of supply hain in the company meet with the requirement of RSPO standard.

D.4 Purchasing and goods in

D.4.1

The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.

Objective evidence :

During witnessing in weighbridge has been found that the labelling to the FFB's note only using ISCC seal. The sampling of FFB came from the small holder B3 09 with vehicle's license plate number BG 8431 B

The company has identified all FFB sources that comes from own estate and plasma estate. The weighbridge operator is the responsible person to verify the FFB and CPO tonnage input and output. The Company should give the marking on the TBS receipt document that show RSPO certified fruit.

Observation NCR No.14 (See C.3.1)

D.4.2

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

Objective evidence :

During audit, the company has no activity that showed of overproduction.

D.5 Record keeping

D.5.1

The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.

Objective evidence :

The company has the regular reports such as daily, monthly, three monly, semester and yearly. All data in reports has stated for the total incoming FFB, CPO/PK produce, OER/KER, Losses and all balance stock from previous day/month/semester and year.

Data showed during audit dated November 29, 2016 :

CPO Certified volume : 47,878.5 MT

CPO sold : 19,936.13 MT

CPO remaining : 27,942.37 MT

PK Certified volume : 12,490.1MT

PK sold : 9,350.73 MT

PK remaining : 3,139.37 MT

D.6 Processing

D.6.1

The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.

Objective evidence :

The company has the system to identify all FFB receipt into Mill. All FFB has unique identification that come from own estate, plasma and KKPA. If there is any FFB unidentified come in, then Weighbridge system will automatically reject (auto reect).

D.6.2

The objective is for 100 % segregated material to be reached.

Objective evidence :

During audit, it was found that all incoming FFB comes from identified estate that within the scope of RSPO certification system, then 100% seregated is reached.

C.3 Non Conformity Register

C.3.1 Non Conformity Register (Own estate)

No	Category	Clause	Std	Auditor	Description	Root Cause Investigation*	Corrective Action & Evidence*	Audit Team Review	Status
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Major	4.6.5	1	TSS	From sampling, it was found spraying worker used apron that made from not waterproof and thin material so that it could not protect the body from pesticide.	<ul style="list-style-type: none"> - Lack of supervision and control of the apron condition that spraying worker used. - Apron that do not appropriate still registered in the CPS system, so that the purchasing party is still often make the mistake of re-order apron. 	<ul style="list-style-type: none"> - Make sure sprayer workers use the apron with the brand "DuPont-Tychem" - Remove CPS system to avoid errors of re-order 	The company has revised the related SOP – add the PPE inspection daily (SOP for harvester, fertilizer and sprayer).	CLOSE
2	Major	6.5.1	1	TSS	From sampling in block AA6720-730 , it was found daily paid workers which is worked for many years in PT. Hindoli. Sampling was conducted in TDSG of fertilizing worker group.	- Lack of communication between the HRD and management site, so there is a discrepancy of databases in HR payroll system to some employees.	- Employees in the name Nani Arianti - 3002881, has been appointed as KHT per November 1, 2016, updated payroll solution on 28 November 2016 and letters of appointment have sent to the estate on 01 December 2016, to be forwarded to related employee.	The company has revised the employee status of the relevant person from casual worker to be permanent worker	CLOSE
							- Revised SOP / GO-SOP-HRD-22, Appointment of KHT, adding communication procedures of HR-Estate after issued the appointment letter by HR	The procedure has been revised accordingly.	

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3	Minor	5.2.3	1	SSW	The Company has not conducted the training or socialization related to protected plants to workers	<ul style="list-style-type: none"> - HCV conducted in the year 2008 after all palm plant is already planted, just along the river's mouth has not opened as part of the HCV area. - Risk exposure towards protected flora is relatively low, because it is include in the concession of company and limited access 	<ul style="list-style-type: none"> - Conduct training / socialization of protected plants to workers '- Coordinate with local BKSDA to obtain pertinent literature types of protected flora and fauna in the territory of Muba 	<p>On January 27, 2017 the company sent a response in the form of:</p> <ol style="list-style-type: none"> 1. socialization training materials that include rare and protected plants 2. attendance of socialization 3. information books conservation areas in South Sumatra issued by BKSDA South Sumatra in which there are a list of flora and fauna which are protected in South Sumatra. <p>Related with ensuring implementation will be ensured in the next surveillance audit.</p>	CLOSE
4	Observation	2.2.1	1	SSW	a) Sungai Tungkal estate has planted area of 2,866 ha, however only 1,975.07 ha included in HGU. There is 890,93 ha do not has HGU yet.	HGU in the process, the concession agreement takes long time, if it is done in accordance with business ethic Cargill company, since 2005 until now the process of acquiring the concession has not	<ul style="list-style-type: none"> - Regularly follow up to the BPN Office. - Send a letter to the BPN to request acceleration of the processes of inhibition of the concession agreement 	<p>On January 27, 2017 the Company sent a clarification in the form of sequence of processes being undertaken but have not submitted the documentary</p>	OPEN

					b) Sungai Pelepah estate has planted area 3,030 ha. However, only 2,261.14 ha covered in HGU. There is 768.86 ha do not has HGU yet.	been completed due to the complexity of government bureaucracy also linked in this concession (HGU)		evidence (letters, etc.) of each process contained in the information column. Related to the ascertainment of the board of the concession will be confirmed in the next surveillance audit. These findings remain open (open)	
5	Obs	5.2.2	1	SSW	The Company has not identified the status of animals in the Red List IUCN of wildlife listed in SOP Protection of Flora and Fauna No: EST / EHS / 35	<ul style="list-style-type: none"> - HCV that conducted by the company in 2008 based on HCV Toolkit 2008 and has not required status of IUCN red list. - HCV simple report published in 2008 was done as the fulfilment of the RSPO P & C at the time, and done when all areas are already fully embedded. 	<ul style="list-style-type: none"> - Revise the SOP EST / EHS / 35 by adding a list of flora and fauna according to the IUCN Red List - Coordinate with local BKSDA to obtain pertinent literature types of protected flora and fauna in the territory of Muba 	<p>On January 27, 2017 the company sent a response in the form of book conservation areas in South Sumatra information issued by BKSDA South Sumatra in which there are a list of flora and fauna which are protected in South Sumatra. The Company has not shown the revised SOP crate that is written in the column corrective action.</p> <p>Related with ensuring</p>	OPEN

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								implementation will be ensured in the next surveillance audit.	
	Obs	5.2.2	1	SSW	The Company do not have a list of Protected flora and fauna are issued by Local BKSDA (Banyuasin or South Sumatra Province)	- Lack of risk on the HCV violations in company location, and lack of socialization / supervisory control of the BKSDA to local companies	Communicate with BKSD provincy to get a list of flora and fauna that is issued by BKSD	On January 27, 2017 the company sent a response in the form of book conservation areas in South Sumatra information issued by BKSDA South Sumatra in which there are a list of flora and fauna which are protected in South Sumatra.	CLOSE
6	Obs	2.1.1	1	AGT	a) The Company should conducted a review of the national and local regulations applicable to the Company's activities. There are regulation that have expired in the list of regulation such as PP No. 27 Tahun 1999 PP No. 85 Tahun 1999 PermenLH No 11	- Lack of resources to update the new rules in the company. - The absence of an active role of the government as the institution that issued Law if there is a new law that replaces the old law, so the company has limited access to enhance the delivery of the company's register of Law	Conduct a review to a list of rules and regulations	The company must attach a list of legislation that has been revisited	The Implementati on will be seen in the next audit

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					<p>Tahun 2006</p> <p>PermenLH No. 8 Tahun 2006</p> <p>PermenLH No. 13 Tahun 2000</p> <p>Kepmen LH No. 51 Tahun 1995</p> <p>Keppapedal No. 5 Tahun 1995</p>				
					<p>b) Company, Sungai Lilin Mill and Tanjung Dalam Mill not fully comply with the provisions of Decree No. 186 / MEN / 1999 especially regarding to the number of fire prevention officer A class.</p>	<p>- There is no fixed schedule of PJK3 for certification of class A fire-fighting</p> <p>- The limited resources of the government and enthusiasts of this training from the company, in addition to the cost of certification is also not cheap</p>	<p>Conduct communication with PJK3 regarding certification schedule of fire prevention A class and send a representative of the company for following this certification</p>	<p>The company must attach proof of enrollment for the training of fire class A</p>	<p>The Implementation will be seen in the next audit</p>
7	Minor	4.6.10	1	AGT	<p>a) Expired chemicals stored in the laboratory Sungai Lilin Mill has not been managed as hazardous waste. Example: potassium sulfite have been expired 31 August 2016</p>	<p>- Less control and regular inspection of the types of Chemicals which expired</p> <p>- There are no FIFO implementations in the laboratory</p>	<p>Expired Sodium Hydroxide been moved to temporary Hazardous Waste (LB3) Storage Facility and has been recorded in the balance sheet LB3</p>	<p>Company already manage expired chemicals Sodium Hydroxide as hazardous waste.</p> <p>The company has been attaching the evidence such as manifest hazardous waste and document waste</p>	<p>The Implementation will be seen in the next audit</p>

								balance. The Company has not made the identification of all kinds of chemicals that are used in all areas of the company. Including identification of expiration of such chemicals.	
8	Obs	2.1.3	1	AGT	a) APAR (fire extinguisher) No. 31 in Boiler Station, APAR in the CPO Unloading Station Sungai Lilin Mill and APAR No. 2 in Sungai Tungkal Estate should be adjusted to the procedures for granting the signs by following Permenaker 04 / MEN / 1980	- Standardisation Process and inspections not running well related to the procedures for granting signs of APAR in accordance with the provisions of Permenaker for all locations of Hindoli.	Conducted labeling to lost APAR on the location of the boiler and CPO unloading, and re-adjust the placement of APAR symbols in estate in accordance with the provisions Permenaker 04 / MEN / 1980	Attach the labeling evidence	The Implementation will be seen in the next audit
					b) Installation of hazardous waste symbol, especially for oil in Sungai Lilin Mill and Tanjung Dalam Mill should be adjusted with MSDS and PP 74 year 2001.	- Person in charge that responsible for conducting SOP Review of the waste handling is less accurate, thus it stated that the characteristics of used oil is flammable and supposed to toxic.	SOP revision regarding hazardous waste handling, "substitute statement for the LB3 characteristics of the used flammable oil into a toxic"	The company must attach proof of the revised SOP. Implementation of the SOP will be seen in surveillance audit	The Implementation will be seen in the next audit

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9	Obs	2.2.5	1	TSS	SOP has not attached map of conflict location (SOP for participatory mapping of disputed area)	- Lack of understanding of the provisions of the RSPO P & C, so SOP Dispute Settlement Land SL-SOP-ADM-07 has not fully adopted the provisions of the RSPO P & C that related mapping the locations of conflict	Adding to the SOP Dispute Settlement Land SL-SOP-ADM-07, point 3.1, " <i>Pihak yg melakukan klaim dan pihak perusahaan akan bersama-sama melihat area yang diklaim, selanjutnya memetakan area yg disengketakan tersebut, dan peta sengketa di tanda tangani oleh kedua belah pihak</i> "		CLOSE
10	Obs	4.6.12	1	TSS	From information and data, It was obtained that pregnancy tests conducted per 3 months. The early pregnancy test should be conducted as soon as possible to protect pregnancies / fetuses from chemical contamination.	There are SOP of Special Medical Check and SOP of Employed Women's Reproductive Rights, but it does not include provisions regarding pregnancy tests as early as possible.	Adding provision of prenatal care as early as possible in the SOP Special MCU "The company will conduct pregnancy tests every 3 months for sprayer employees, but if employees are already got signs of pregnancy before a routine inspection, the employee can immediately conduct pregnancy tests in Hindoli Clinic without waiting routine inspection schedule.	The implementation will be seen in the next surveillance audit	OPEN
11	Obs	6.3.1	1	TSS	The Company has procedure and mechanism for grievance indirectly to superiors or by telephone directly to head office (USA). The procedure should be completed with the mechanism to facilitate confidential	There are SOP for mechanisms on the submission of complaints and discrimination / harassment in the workplace, but to SOP laments, the Company has not included the guarantee of confidentiality to	Revised SOP GO-SOP-HRD-19, SOP of complaints/laments, adding guarantee of confidentiality of informant and conduct dissemination to all workers	The implementation will be seen in the next surveillance audit	OPEN

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					complaint and local telephone number and socialize RSPO standard regarding confidential complaint.	informant			
12	Obs	6.5.2	1	TSS	From interviews with workers, the workers did not understand salary component matters. Salary receipt should be made in Bahasa so the worker understand the contents.	There are some words in salary slip use English	Will be in consult with the vendor for this change	The implementation will be seen in the next surveillance audit	OPEN
13	Obs	6.6.2	1	TSS	a.) It was not found AD / ART of labor unions that was legalized by the local Department of Labour.	PUK SPSI PT. Hindoli not have AD / ART were legalized by the local Department of Labour, but refers to the AD / ART National SPSI	Consult with SPSI District / Province to manufacture AD / ART PUK SPSI PT. Hindoli	The implementation will be seen in the next surveillance audit	OPEN
					b. It was not found minutes of meeting from worker to korwil and/or administrators who ensure the aspiration already collected, recorded and communicated to management	Lack of maintenance of administration PUK SPSI PT. Hindoli. Aspirations of members conveyed to Korwil orally, to be taken in the meeting members PUK SPSI PT .Hindoli	Provide a logbook for each division of the PUK SPSI Pt.Hindoli, to record the aspirations of members, then going under Korwil during board-members meeting PUK SPSI PT. Hindoli	The implementation will be seen in the next surveillance audit	OPEN
14	Obs	Supply Chain	1	TSS	The Company should give the marking on the TBS receipt document that show RSPO certified fruit	On document receipt FFB (scales ticket) have not listed a marking that received FFB is RSPO certified	Make markings on the scales ticket with the words "RSPO Certified-Certificate No."	The implementation will be seen in the next surveillance audit	OPEN

C.3.2 Non Conformity Register (Smallholder)

No	Category (2)	Clause (3)	Std (4)	Auditor (5)	Description (6)	Root Cause Investigation* (7)	Corrective Action & Evidence* (8)	Audit Team Review (9)	Status (10)
1	Major	5,2	1	SSW	KUD Board Sumber Tani and KUD Mukti Jaya Mandiri do not have a list of protected flora in their local area.	- Risk exposure to protected flora is relatively low, in respect of land concessions KUD Sumber Tani KUD Mukti Jaya Mandiri and oil palm has been planted since 1997	a). Communicate with the company about list of protected flora which is issued by the local BKSDA (Kab. Banyuasin or Prov. South Sumatra) b). Make and install the sign board of protected flora existing in the local area.	On Januari 27, 2017 The Company sent response such as: 1. socialization training materials that include rare and protected plants 2. attendance of socialization 3. signboard installation 4. the company sent a response in the form of book conservation areas in South Sumatra information issued by BKSDA South Sumatra in which there are a list of flora and fauna which are protected in South Sumatra Related with ensuring implementation will be ensured in the	CLOSE

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								next surveillance audit.	
2	Minor	4,6	1	AGT	Company have not conduct special medical examinations of cholinesterase for sprayers in KUD Sumber Tani Mandiri and KUD Muktijaya			<p>The company has been attaching evidence such as</p> <p>Documentation the implementation specific examination for all spayer worker in KUD.</p> <p>Specific examination was conducted by Occupational Health Medical Center, South Sumatera Province</p>	The implementation will be seen in the next audit
3	Major	3,1	1	TSS	From 2 cooperation based on sampling, They can not show long-term plans, at least 3 years to ensure the sustainability of its aspects	Cooperative work plan and budget (RAPB Cooperative) created once a year because according to the Law of Indonesia Cooperative, management systems of accountability to its	Creating a work plan for this year to every three years starting in 2017.	The cooperation has conducting meeting to set the long term plans, dated 31 December 2016. The report has included the financial status	CLOSE

						members (forum RAT) is once a year.		and replanting program in plasma estate	
4	Major	4,6	1	TSS	From Sampling of workers in the field, it was found: a) Spraying worker used apron that made from not waterproof and thin material so that it could not protect the body from pesticide.	Apron in smallholder/ plasma similar to those used in the own estate (PPE recommended for smallholder refers to own estate).	Apron in plasma will be adjusted with the own estate.	The company has revised the related SOP The PPE will be provided with the same quality with own estate apron. Inspection of PPE will be conducted daily revised SOP for harvester, fertilizer and sprayer	CLOSE
					b) Spraying worker used mask which is not match with its specification.	Mask in smallholder/ plasma similar to those used in the own estate (PPE recommended for smallholder refers to own estate).	Mask in smallholder/ plasma similar to those used in the own estate (PPE recommended for smallholder refers to own estate).		CLOSE

					c) Extravooding, i.e. milk is given twice a month and brought to home.			The procedure has been revised, stated that extrafooding will be provided before starting to work . (SOP Pengendalian Gulma Kimiawi, rev 5 dated 6 January 2017).	CLOSE
					d) There was no field inspection to ensure workers have been wearing safety equipment properly.	There is no regular monitoring system for safety equipment in the field by the cooperative board worker / foreman with or without a builder PT. Hindoli. Farmers and boards of KUD not yet aware of the risks when working by using the safety equipment that is not appropriate with standard	<ul style="list-style-type: none"> - Make a book of worker control safety equipment in field. - Create schedule for inspection of safety equipment on a regular basis (monthly) should be done by the board 	The inspection log book has been created in order to record PPE of worker daily related to th type of job.	CLOSE

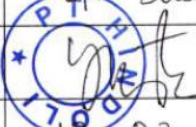
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5	Minor	8	1	TSS	The Company / KUD has not established in the Job Desc related to the competency requirements of personnel who is responsible as ICS. Internal audit results have not reached the stage for ensuring compliance / interviews of workers, so far is merely the fulfillment of documentation in KUD	- Lack of knowledge regarding SOP Internal Auditor, so the internal audit process has not cover metode of interview for all workers.	Adding job description in PCS Sr PAC by conducting internal audits in accordance with the certification (RSPO / ISO / ISCC) and others and adding an interview in the internal audit SOP ICS.	The relevant Job Desc has been revised (Chief Plasma Operation Manager and Senior Plasma Admin Coordinator) by adding the competency requirement of RSPO Standard. The Procedure has been revised (dated 6 January 2017) by adding the audit mehods (on desc, on site and interview)	The implementati on will be sseen in the next audit.
6	Minor	6.10.	1	TSS	It was not found the MOU between Company and KUD related to the payment timeline agreement from Company to KUD related to the FFB purchase transaction from farmer.	Terms related provisions of 6.10.4 have not been fully understood by the team in charge of plasma in the Company so that the rules in P & C is not yet listed in SPJB which has existed since 1999.	Make official letter with 19 cooperative's head regarding the agreement repayment period of FFB that they received this month. It will be paid in the following month and no later than date 10th of each month.	The MOU has beed revised and added the payment timeline every month and no later than 10 th of each month. The revised of MOU is available and signed by all chief of KUD.	The term of payment will be seen in the next audit.

7	Obs	2,1	1	AGT	<p>a) Management KUD Sumber Tani Mandiri and KUD Muktijaya should re-evaluate the list of rules and regulations because the list of rules no longer exists as law no. 23, 1997</p> <p>b) It should be added some relevant regulations in the smallholders, law no. 18 / 2008, Permenkes 416 / 1990, Permenaker 03/ 1986.</p>	Lack of resources to update the new KUD regulation.	Coordinate with the company when conducting a review of the legislation to obtain information of new legislation or legislation that does not apply anymore	Company should attach list of re-evaluate legislation / regulation	The implementation will be seen in the next audit
8	Obs	6,5	1	TSS	a) The results of interviews with village head D-5, obtained information that the payment of salaries of harvester given in cash by the cooperative members. This information is different with the provisions of KUD	a) there is a miscommunication and misunderstanding between Head of Village and administrators KUD, System of harvesters salary payment conducted through cooperatives, but the source of the funds is the allowance of members (owners of	a) Ensuring communication system, so that information obtained correctly. b) updating the labor contracts of representation to individuals.		OPEN

					<p>where workers' salaries are paid directly by KUD.</p> <p>b) KUD signed a contract with workers that represented by workers' representatives. Contract should be made in accordance with government regulations, where the contract between the employer / KUD should be done individually..</p>	kavling).			
9	Obs	1,1	1	TSS	<p>a) In the SOP of Communication do not establish yet regarding the timelimit for giving information (reply to information request)</p>	<p>SOP of communication is not fully understood by KUD management / FD team, so that the provisions of clause 1.1, which requires a time limit in response to information not included in SOP</p>	<p>Conduct revision of SOP by adding time limit response (letter /request of information) in SOP of Communication.</p>		<p>OPEN, The implementation will be seen in next audit</p>


					<p>b) Stakeholder list should contain the complete stakeholder, for example Disnaker and KLHK.</p>	<p>Basically, the cooperative has not been directly associated with Manpower, because the needs of employees adapted to the needs of each cooperative so that there is no reporting to the office about employment in cooperatives/cooperation.</p>		<p>Still become non conformity finding because cooperation should complete list of related stakeholder.</p>	<p>Still become non conformity finding because cooperation should complete list of related stakeholder.</p>
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D.Certified Organization's Acknowledgement of Internal Responsibility	
D. 1. Formal Sign-Off of the Assessment Findings	
I the undersigned, being the legal representative of the inspected company, agree with the contents of this report and accept the liability in execution of the instructions given in the report.	
Name	YUNITA WIDIASTUTI
Position	GR. SUSTAINABILITY MGR
Signature	
Date	13.03.2017 .


D.2 Statement by the Certifier Body on Behalf of PT. Sucofindo SBU-SICS

We, the undersigned declare that the information and conclusions included in this report have been prepared in accordance with rule and standard of RSPO, P&C, and that the certification decision has been based upon this information.

Verified and Reviewed by:

Name	Nuzwardy Sjahwil
Position	SLA- / LA / Auditor
Signature	
Date	29 February 2017

Approval:

Name	Triyan Aidilfitri
Position	HSE Audit and Certification Department Head
Signature	
Date	29 February 2017

APPENDIX 1

List of Abbreviation

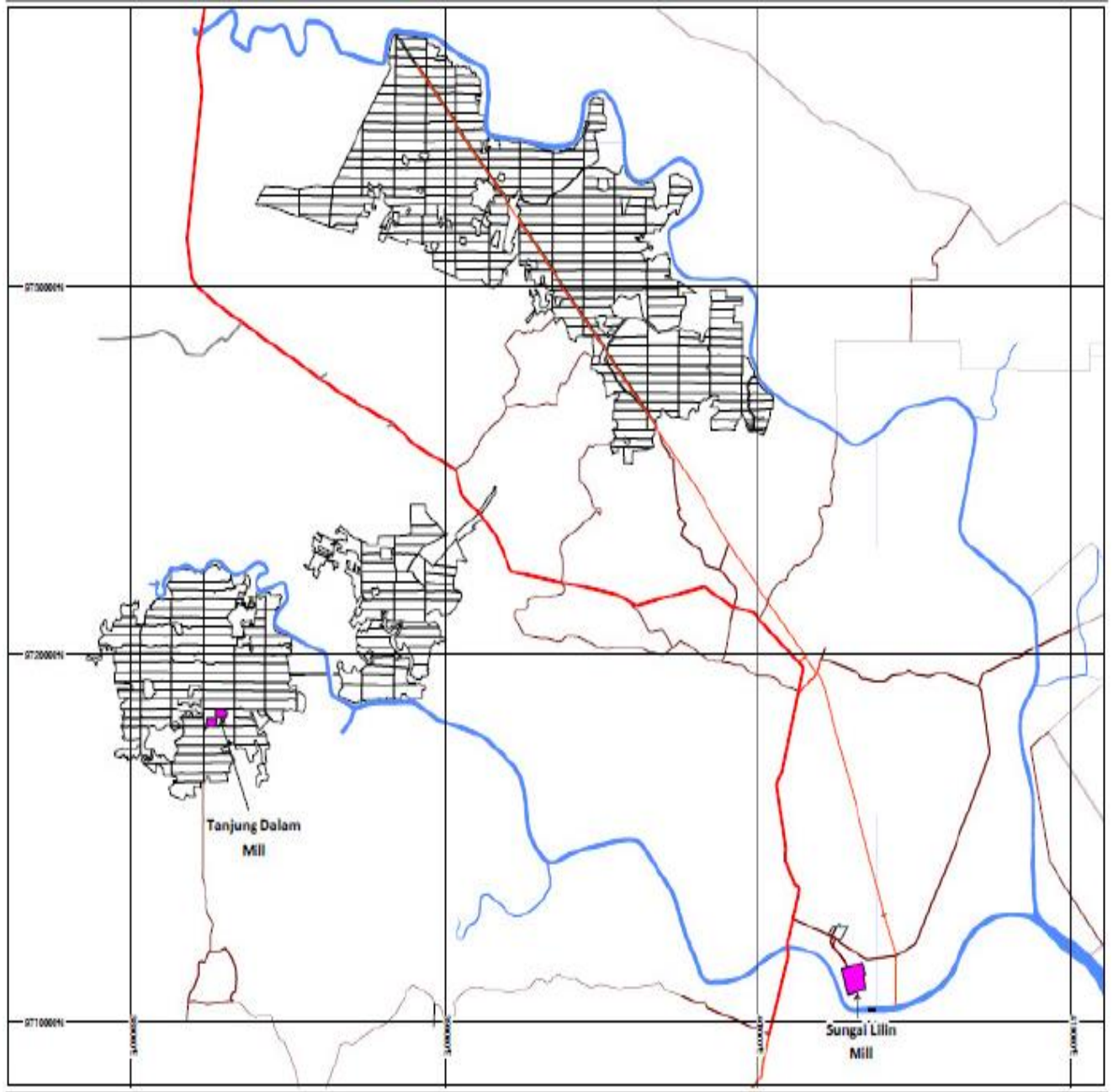
AMDAL	Analisa Mengenai Dampak Lingkungan (Environment Impact Study Report)
ANDAL	Analisa Dampak Lingkungan (Environment Impact Analysis Report)
BOD	Biological Oxygen Demand
BPN	Badan Pertanahan Nasional (National Land Agency)
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFA	Free Fatty Acid(s)
FFB	Fresh Fruit Bunch
FSMS	Food Safety Management System
GMP	Good Manufacturing Practice
GPS	Global Positioning System
Ha	Hectare(s)
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
HGU	Hak Guna Usaha (Land Use Title)
HSE	Health Safety Environment
IEMA	Institute of Environmental Management and Assessment
IPB	Institut Pertanian Bogor
IRCA	International Register of Certified Auditor
JAMSOSTEK	Jaminan Sosial Tenaga Kerja (Labor Social Insurance)
K3	Keselamatan dan Kesehatan Kerja (Occupational Safety and Health)
KAN	Komite Akreditasi Nasional (The Indonesian Accreditation Committee)
KKPA	Kredit Kepada Koperasi Primer
KLH	Kementerian Lingkungan Hidup (Ministry of Environment)
KTU	Kepala Tata Usaha (Administration Head)
LCC	Legume Cover Crop
LSM	Lembaga Swadaya Masyarakat (NGO(s))
MOU	Memorandum of Understanding
MSDS	Material Safety Data Sheet
MSJA	Estate
NA	Not Applicable
NC	Non Conformity
NCR	Non Conformity Register
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme

P&C	Principle and Criteria
PHT	Pengendalian Hama Terpadu (Integrated Pest Management/IPM)
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
RKL-RPL	Rencana Kelola Lingkungan dan Rencana Pemantauan Lingkungan (Environment Management Plan – Environment Monitoring Plan)
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SIO	Surat Izin Operator
SOP	Standard Operating Procedure
SMK3	Sistem Manajemen – Keselamatan dan Kesehatan Kerja (Management System of Occupational Safety and Health)
TTD	Tim Tanggap Darurat (Emergency Response and Preparedness)
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UPL	Upaya Pemantauan Lingkungan (Environmental Monitoring Efforts)
WWTP	Waste Water Treatment Plant
WHO	World Health Organization

APPENDIX 2

MAP

Mills Location Map



Own estates and Smallholders Map

