

Audit Report

2nd Annual Surveillance Audit and Follow Up Audit for

PT. HARI SAWIT JAYA - Negeri Lama 2 Mill and Its Supply Bases

FMS40024

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

RSPO Member name: PT. INTI INDOSAWIT SUBUR

Audited Address:

Negeri Lama 2 Mill:

Negeri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera IDN

Its supply bases:

Negeri Lama Utara Estate, Negeri Lama Selatan Estate and Negeri Lama Central Estate :

Negeri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera IDN

Aek Kuo Estate:

Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatera IDN

Date of audit: 19 - 22 December 2017

Follow Up Audit : 14 – 15 February 2018

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Executive Overview

SAI Global has conducted the 2nd Annual Surveillance Audit on 19 – 21 December 2017 for Certified Units

- a. Mill : Negeri Lama II Mill
- b. Supply bases : Negeri Lama Utara, Negeri Lama Selatan, Negeri Lama Central and Aek Kuo Estate
- c. Model of Supply Chain Certification : MB

The audit concluded with issuance of 14 Major and 7 minor NCRs. There were recurrence of Major NCRs (indicator 2.1.1; 4.6.5; 4.6.6; and 6.5.2) from previous audit. Also, there were 4 minor NCR recurrence from previous audit (indicator 4.2.2; 4.4.1; 4.7.5 and 5.3.3) so in this audit upgraded into Major NCR. Follow up audit for verification of major NCRs root cause analysis, correction and corrective actions were done onsite 14-15 February 2018 and concluded that major NCRs were closed and minor NCRs responses were accepted.

At the conclusion of this audit, Negeri Lama II Mill and its supply bases operation has not been complied overall with the requirements of the Indonesian National Interpretation of the RSPO Principles and Criteria 2013 (Endorsed by the RSPO Board of Governors on September 30th, 2016) and the RSPO Supply Chain Certification Standard, Module E – CPO Mill: Mass Balance, version November 2014. The recommendation from this audit is can continue as a producer of RSPO Principles and Criteria for Sustainable Palm Oil Production, May 2013 (Endorsed by the RSPO Board of Governors on September 30th, 2016) and the RSPO Supply Chain Certification Standard, Module E – CPO Mill: Module E Mass Balance, November 2014.

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

Estimated tonnage of certified CPO produced	71.986,14 MT
Estimated tonnage of certified PK produced	14.441,10 MT

The Mill has calculated the net GHG emissions using The RSPO Palm GHG Calculator Version 3.0.1. Capturing the information about summary of net GHG emissions, summary of field emissions and sinks, and summary of mill emissions and credits.

Summary of net GHG emissions

Emissions per Product	tCO2e/tProduct
CPO	15.48
PK	15.48

Production	t/yr
FFB processed	202,803
CPO Produced	44,025

Land use	ha
OP planted area	14,351
OP planted on peat	14,351
Conservation (forested)	0
Conservation (non-forested)	108
Other	56
Total	14,515

Extraction	%
OER	21.71
KER	4.52

Summary of field emissions and sinks

	Own Crop		Group		3rd Party		Total	
	tCO2e	tCO2e/tFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB
Emissions								
<i>Land Conversion</i>	104574.39	0.68	0	0	0	0	104574.39	0.68
<i>*CO2 Emissions from Fertilizer</i>	4935.4	0.03	0	0	0	0	4935.4	0.03
<i>**N2O Emissions</i>	83611.76	0.54	0	0	0	0	83611.76	0.54
<i>Fuel Consumption</i>	3593.49	0.02	0	0	0	0	3593.49	0.02
<i>Peat Oxidation</i>	578108.34	3.74	0	0	0	0	578108.34	3.74
Sinks								
<i>Crop Sequestration</i>	-99122.64	-0.64	0	0	0	0	0	0
<i>Conservation Sequestration</i>	0	0	0	0	0	0	0	0
Total	675700.74	4.37	0	0	149640.21	0	0	0

Summary of mill emissions and credits

	tCO2e	tCo2e/tFFB
<i>Emissions</i>	3856.64	0.02
<i>POME</i>	105.57	0
<i>Fuel Consumption</i>	8.87	0
<i>Grid Electricity Utilization</i>		
Credits		
<i>Export of Grid Electricity</i>	-161.6	0
<i>Sales of PKS</i>	-5621	-0.03
<i>Sales of EFB</i>	0	0
Total	-1811.72	-0.01

Palm Oil Mill Effluent (POME) Treatment:

Divert to compost	0%
Divert to anaerobic digestion	100%

POME Diverted to Anaerobic Digestion:

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

Abbreviations Used

AK3U	Occupational Health and Safety Expert (<i>Ahli K3 Umum</i>)
AMDAL	Environmental Impact Analysis (<i>Analisis Dampak Lingkungan</i>)
BKM	Log book of group leader activity (<i>Buku Kegiatan Mandor</i>)
BLH	Environmental Agency (<i>Badan Lingkungan Hidup</i>)
BOD	Biological Oxygen Demand
BPN	National Land Agency (<i>Badan Pertanahan Nasional</i>)
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty fruit bunch
ERT	Emergency Response Team
FFB	Fresh Fruit Bunch
FRF	Fractionation and Refinery Factory
GAPKI	Gabungan Pengusaha Kelapa Sawit Indonesia
GPS	Global Positioning System
Ha	Hectare
HACCP	Hazard Analysis Critical Control Point
HCV	High Conservation Value
HGU	Land Use Title (<i>Hak Guna Usaha</i>)
HIPERKES	Industrial Hygienist
IDN	Indonesia
IPM	Integrated Pest Management
ISCC	International Sustainability Carbon Certification
ISO	International Standards Organisation
ISPO	Indonesia on Sustainable Palm Oil
Jamsostek	Man Power Social Assurance (<i>Jaminan Sosial Tenaga Kerja</i>)
Kepmen	Degree of Man Power Ministry (<i>Keputusan Menteri Tenaga Kerja</i>)
KAK	Aek Kuo Estate (<i>Kebun Aek Kuo</i>)
KNC	Negri Lama Central Estate (<i>Kebun Negri Lama Central</i>)
KNS	Negri Lama Selatan Estate (<i>Kebun Negri Lama Selatan</i>)
KNU	Negri Lama Utara Estate (<i>Kebun Negri Lama Utara</i>)
KTU	Head of Administration (<i>Kepala Tata Usaha</i>)
KUD	Cooperation of Village Unit (Koperasi Unit Desa)
LA	Land Application
LHP	Daily Mill Report (<i>Laporan Harian Pabrik</i>)
LTI	Loss Time Incident
LUK	Estate Unit Report (<i>Laporan Unit Kebun</i>)
LUP	Mill Unit Report (<i>Laporan Unit Pabrik</i>)
MCU	Medical Check-Up
MOS	Mill Operation Summary
MSDS	Material Safety Data Sheet
NCR	Non Conformance Report
NGO	Non-Government Organisation
OER	Oil Extraction Rate
OHS	Occupational Health and Safety
P2K3	Safety Committee
P&C	Principle and Criteria
Permen/Permenaker	Regulation of Man Power Ministry (<i>Peraturan Menteri Tenaga Kerja</i>)
Permentan	Regulation of Agricultural Ministry (<i>Peraturan Menteri Pertanian</i>)
PHL	Daily worker (<i>Pekerja Harian Lepas</i>)
PK	Palm Kernel

PKWT	Contracted worker (<i>Pekerja Waktu Tertentu</i>)
PND	Negri Lama II Mill (<i>Pabrik Negri Lama Dua</i>)
PNS	Negri Lama I Mill (<i>Pabrik Negri Lama Satu</i>)
POME	Palm Oil Mill Effluent
PP	Government Regulation (<i>Peraturan Pemerintah</i>)
PPE	Personal Protective Equipment
PK	Palm Kernel
PKB	Joint Working Agreement (<i>Perjanjian Kerja Bersama</i>)
QC	Quality Control
R&D	Research and Development
RABQSA	Quality Society of Australia
RKH	Daily Work Plan (<i>Rencana Kerja Harian</i>)
RKL	Environmental Management Plan (<i>Rencana Pengelolaan Lingkungan</i>)
RPL	Environmental Monitoring Plan (<i>Rencana Pemantauan Lingkungan</i>)
RSPO	Roundtable on Sustainable Palm Oil
SA	Social Accountability
SCCS	Supply Chain Certification System
SEL	Environmental Evaluation Study (<i>Studi Evaluasi Lingkungan</i>)
SIA	Social Impact Assessment
SKU	Permanent worker (<i>Syarat Kerja Utama</i>)
SPSI	Indonesian Worker Union (<i>Serikat Pekerja Seluruh Indonesia</i>)
SOP	Standard Operational Procedure
UKL	Environmental Management Effort (<i>Upaya Pengelolaan Lingkungan</i>)
UPL	Environmental Monitoring Effort (<i>Upaya Pemantauan Lingkungan</i>)
Walhi	(Wahana Lingkungan Hidup Indonesia)
WWF	World Wild Fund
WWTP	Waste Water Treatment Plant
YOP	Year of Planting

1.0 SCOPE OF THE ASSESSMENT

1.1 Introduction

SAI Global conducted an audit of PT. Hari Sawit Jaya, Negeri Lama II Mill and Its Supply Base on 19 – 21 December 2017. Supply bases of Negeri Lama II Mill are Negeri Lama Selatan Estate (KNS), Negeri Lama Utara Estate (KNU), Negeri Lama Central Estate (KNC) and Aek Kuo Estate (KAK).

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

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

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

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

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

1.2 Audit Objective

The purpose of this audit was to determine continuing compliance of your organization's management system with the audit criteria; and it's effectiveness in achieving continual improvement and system objectives. Also to verify the volume of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers

1.3 Scope of certification

The scope of certification is the CPO production from one (1) Palm Oil Mill and three (3) FFB supply bases owned by PT. Hari Sawit Jaya (KNS, KNU and KNC) and one (1) Oil Palm Estate owned by subsidiary (KAK).

1.4 Location of mill and estates

1.4.1 Palm Oil Mill

Negri Lama II Mill, PT. Hari Sawit Jaya

Location: Negeri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera Indonesia
 GPS Location: East 100° 02' 08" North 2° 21' 35"
 Mill capacity: 45 MT FFB/hour (permit: 60 MT FFB/hour)

1.4.2 Oil Palm Estate

Negri Lama Selatan Estate, PT. Hari Sawit Jaya

Location: Negeri Lama Seberang Village, Bilah Hilir District, Labuhan Batu, Regency, North Sumatera Indonesia
 GPS Location: East 99° 59' 08" – 100° 02' 36"
 North 2° 16' 29" – 2° 23' 28"
 Total Certified Area 4.790 Ha
 Planted Area 4,718 Ha

Negri Lama Central Estate, PT. Hari Sawit Jaya

Location: Negeri Lama Seberang Village, Bilah Hilir District, Labuhan Batu, Regency, North Sumatera Indonesia
 GPS Location: East 99° 58' 45" – 100° 02' 37"
 North 2° 21' 15" – 2° 25' 40"
 Total Certified Area 3.146 Ha
 Planted Area 3,139 Ha

Negri Lama Utara Estate, PT. Hari Sawit Jaya

Location: Negeri Lama Seberang Village, Bilah Hilir District, Labuhan Batu, Regency, North Sumatera Indonesia
 GPS Location: East 99° 58' 56" – 100° 02' 35"
 North 2° 23' 54" – 2° 28' 30"
 Total Certified Area 4.030 Ha
 Planted Area 3,896 Ha

Aek Kuo Estate, PT. Andalas Intiagro Lestari

Location: Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatera Indonesia
 GPS Location: East 99° 54' 18" – 99° 59' 00"
 North 2° 22' 58" – 2° 26' 00"
 Total Certified Area 2.088 Ha
 Planted Area 2,033 Ha

1.4 Location of mill and estates

Table 1: Mill and Estates GPS Locations

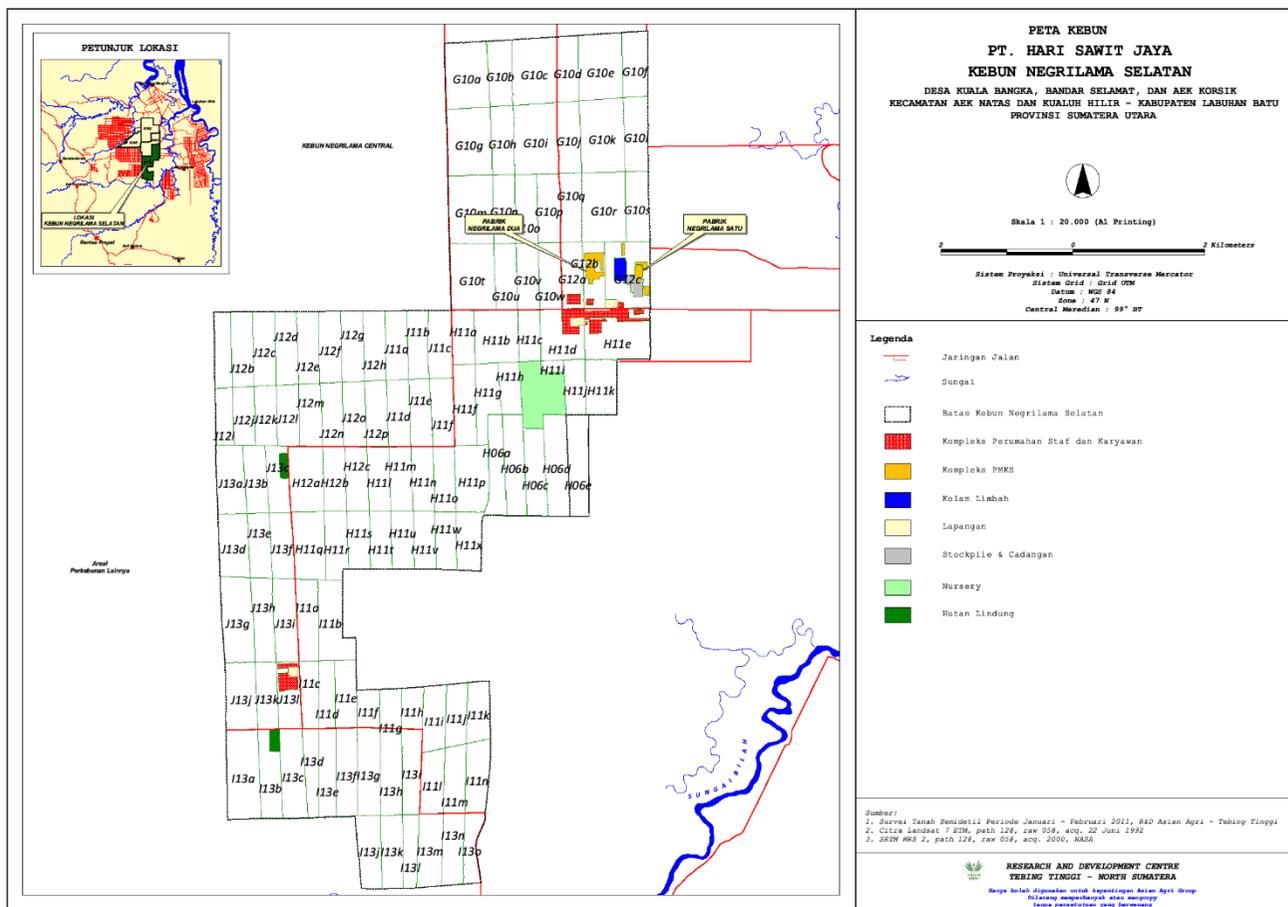
MILL AND ESTATE	EASTING	NORTHING
Negri Lama II Mill (PND), PT. Hari Sawit Jaya	100° 02' 29" E	2°21'35" N
Negri Lama Selatan Estate (KNS), PT. Hari Sawit Jaya	99° 59' 08" – 100° 02' 36" E	2° 16' 29" – 2° 23' 28" N
Negri Lama Central Estate (KNC), PT. Hari Sawit Jaya	99° 58' 45" – 100° 02' 37" E	2° 21' 15" – 2° 25' 40" N
Negri Lama Utara Estate (KNU), PT. Hari Sawit Jaya	99° 58' 56" – 100° 02' 35" E	2° 23' 54" – 2° 28' 30" N
Aek Kuo Estate (KAK), PT. Andalas Intiagro Lestari	99° 54' 18" – 99° 59' 00" E	2° 22' 58" – 2° 26' 00" N

1.5 Description of supply base

Table 2: Estimated FFB Production of the supply base 20188

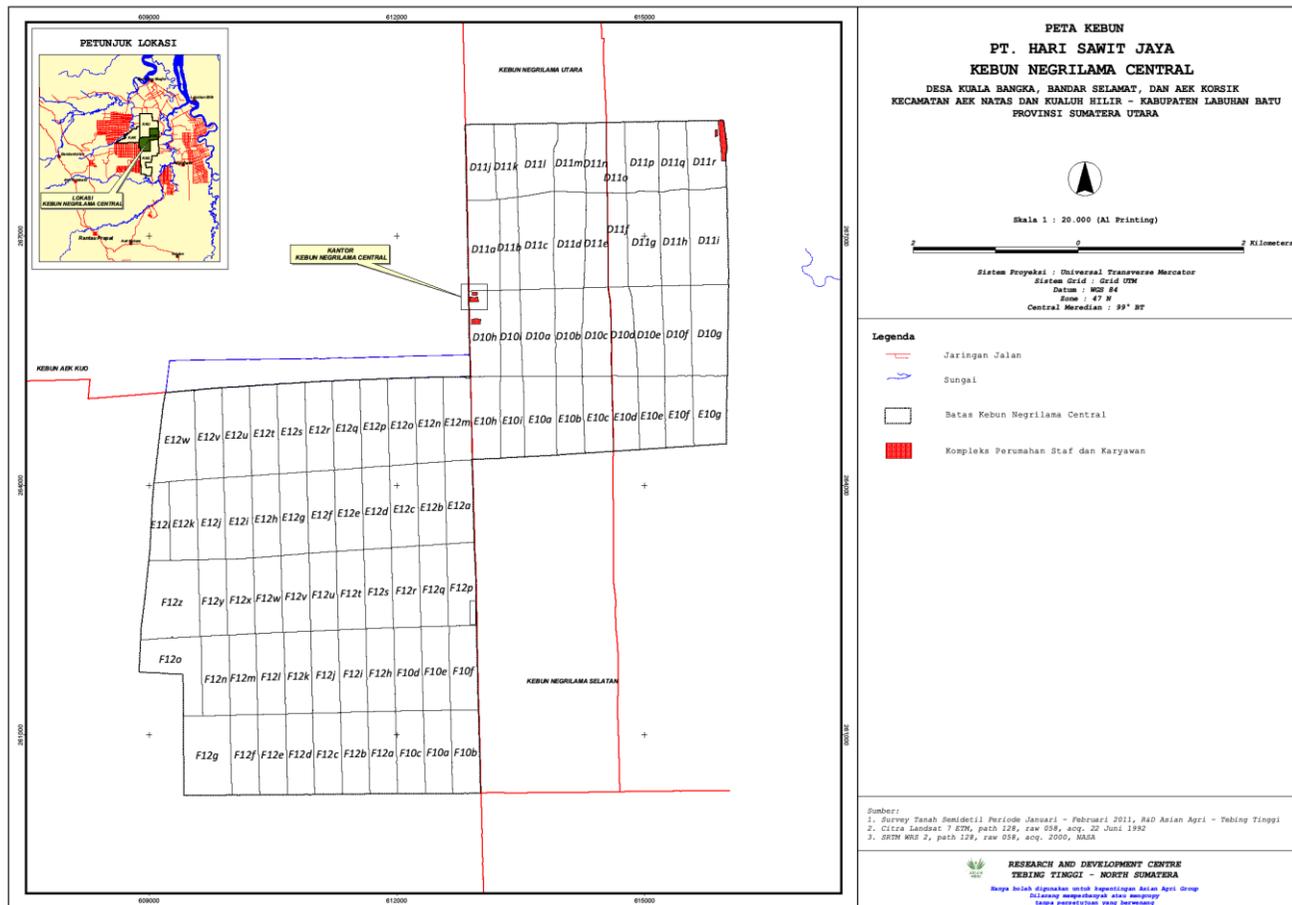
ESTATE	PRODUCTION AREA (HA)	TBM AREA /REPLANTING (HA)	ESTIMATED FFB PRODUCTION 2018 (TON/YEAR)
Negri Lama Selatan Estate	4,570	148	138,479
Negri Lama Central Estate	3,139	-	93,298
Negri Lama Utara Estate	2,056	1,840	60,460
Aek Kuo Estate PT. Andalas Intiagro Lestari	1,160	873	30,609
Total	10,925	2,861	322,846

Figure 1 Map of Negri Lama Selatan Estate and Negri Lama I and II Mill



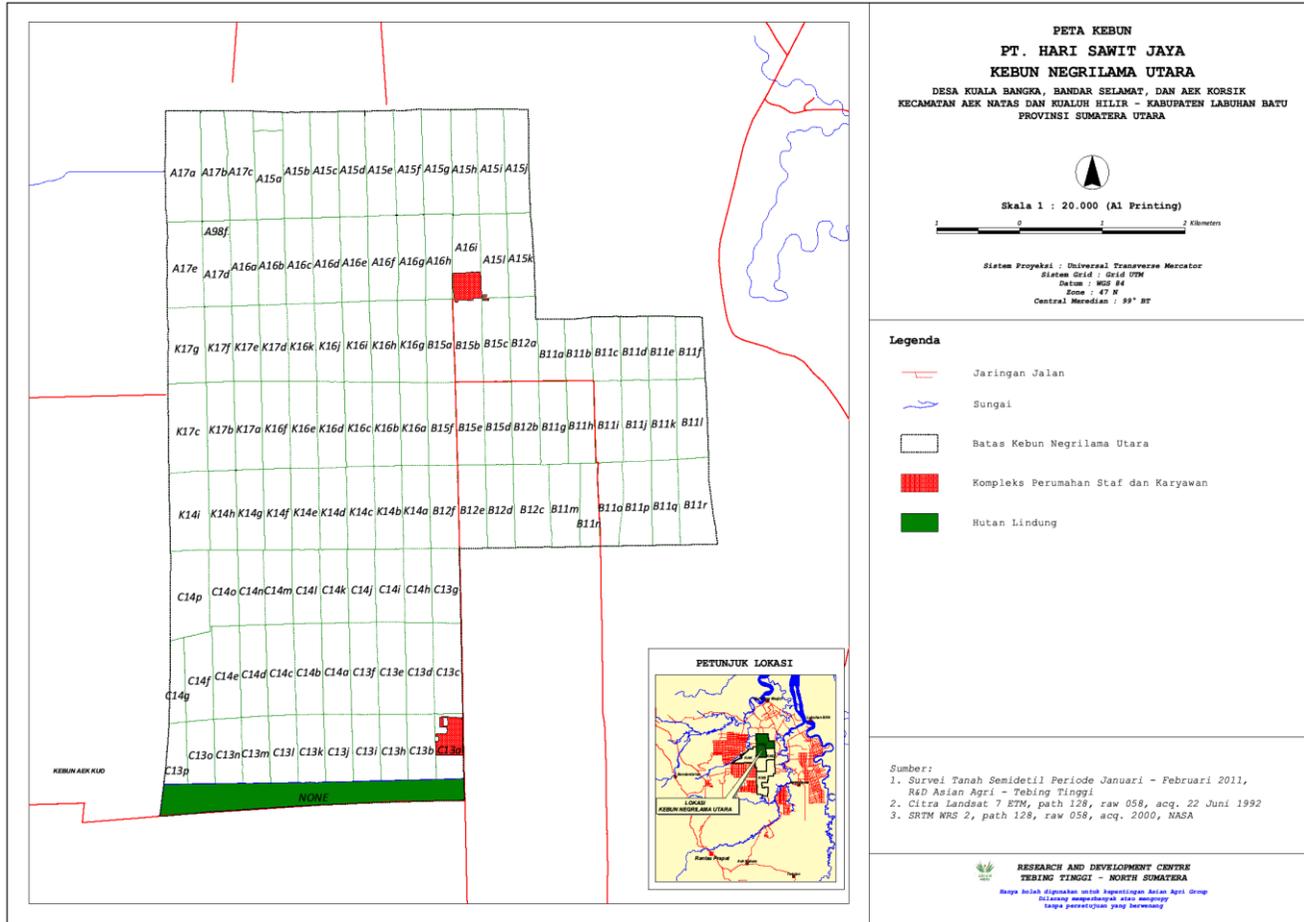
Source: PT. Hari Sawit Jaya, December 2017

Figure 2 Map of Negri Lama Central Estate



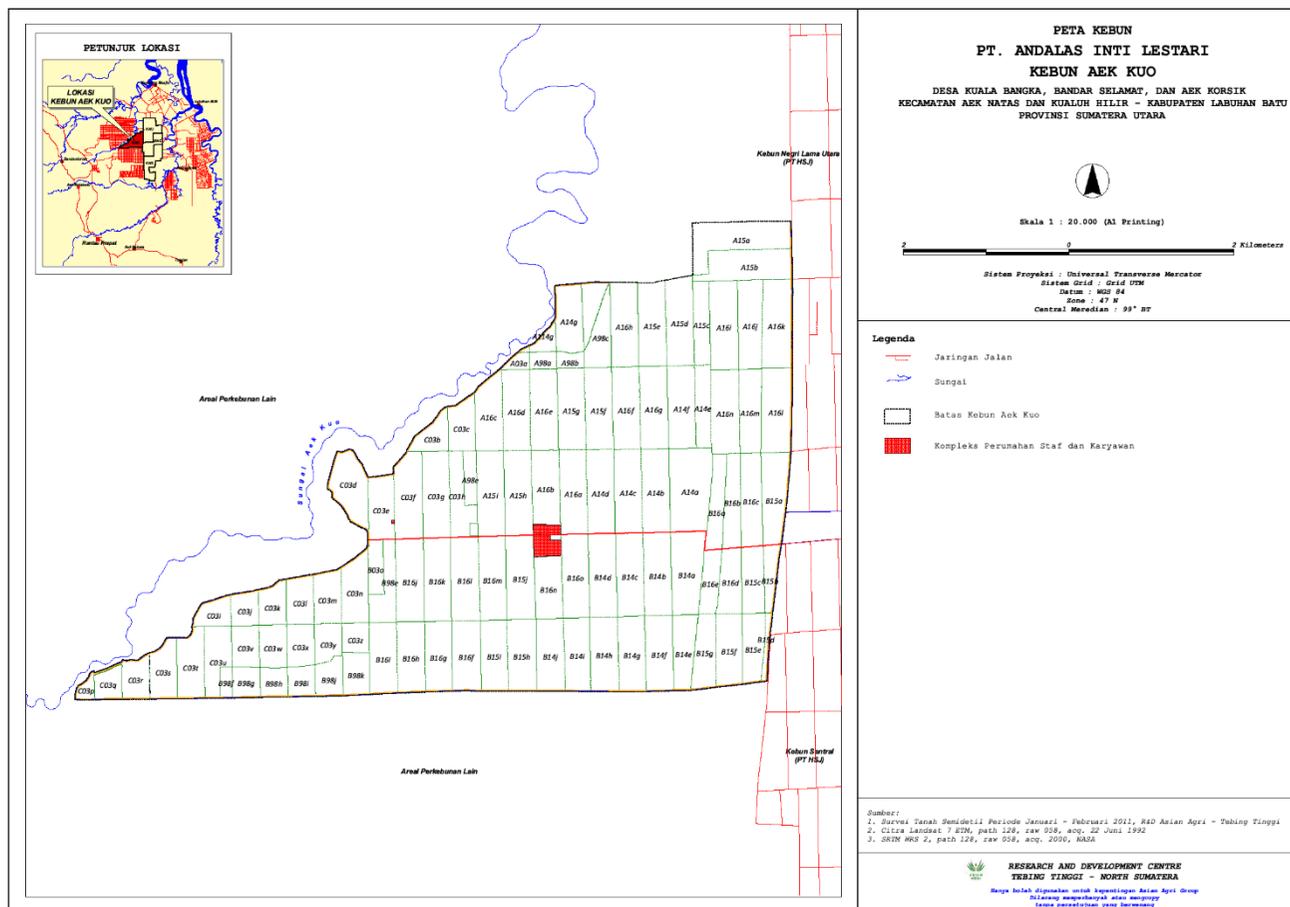
Source: PT. Hari Sawit Jaya, December 2017

Figure 3 Map of Negri Lama Utara Estate



Source: PT. Hari Sawit Jaya, December 2017

Figure 4 Map of Aek Kuo Estate



Source: PT. Andalas Inti Lestari, December 2017

1.6 Date of plantings

Table 3: Age Profiles of Planted Palms in 2017

Year of Planting	Negri Lama Selatan Estate (KNS)	Negri Lama Central Estate (KNC)	Negri Lama Utara Estate (KNU)	Aek Kuo Estate, PT. Andalas Intiagro Lestatri (KAK)	Total	% of Planted Area
1998				132	132	0.96
1999						
2000						
2003				481	481	3.49
2006*	189				189	1.37
2010*	1,116	822			1,938	14.06
2011*	1,465	625	552		2,642	19.16
2012*	743	1,692	214		2,649	19.22
2013*	1,057		452		1,509	10.94
2014*			838	547	1,385	10.05
Mature	4,570	3,139	2,056	1,160	10,925	79.25
2015*	116		691	345	1,152	8.36
2016*			669	528	1,197	8.68
2017*	32		480		512	3.71
Immature	148	0	1,840	873	2,861	20.75
Total	4,718	3,139	3,896	2,033	13,786	100.00

Note : *) replanting

Source: PT. Hari Sawit Jaya, December 2017

1.7 Area of plantation

Table 4: Land use description of Estate in 2017

AREA	Negri Lama Selatan Estate (KNS)	Negri Lama Central Estate (KNC)	Negri Lama Utara Estate (KNU)	Aek Kuo Estate, PT. Andalas Intiagro Lestatri (KAK)	Total (Ha)
Mature area	4,570	3,139	2,056	1,160	10,925
Immature area	148	0	1,840	873	2,861
Total planted area	4,718	3,139	3,896	2,033	13,786
Emplacement	41	7	25	55	128
HCV	0	0	109	0	109
Nursery	0	0	0	0	0
Mill	16	0	0	0	16
POME	15	0	0	0	15

AREA	Negri Lama Selatan Estate (KNS)	Negri Lama Central Estate (KNC)	Negri Lama Utara Estate (KNU)	Aek Kuo Estate, PT. Andalas Intiagro Lestari (KAK)	Total (Ha)
Total unplanted area	72	7	134	55	268
Total certified area	4,790	3,146	4,030	2,088	14,054

Source: PT. Hari Sawit Jaya, December 2017

Table 5: Estates and Area Planted in 2017

ESTATE	MATURE (HA)	IMMATURE (HA)
Negri Lama Selatan Estate	4,570	148
Negri Lama Central Estate	3,139	0
Negri Lama Utara Estate	2,056	1,840
Aek Kuo Estate PT. Andalas Intiagro Lestari	1,160	873
Total	10,925	2,861

Source: PT. Hari Sawit Jaya, December 2017

1.8 Approximate tonnages offered for certification (CPO and PK)

Table 6: Estate FFB Production Trend 2012 – 2016

YEAR	Actual Production (MT)
2011	187,252
2012	130,139
2013	116,200
2014	124,310
2015	186,414
2016	211,155

Source: PT. Hari Sawit Jaya, December 2017

Table 7: Mill Total CPO and PK Production of 2017 and Estimate Production of 2018

Supply Base	FFB Processed	CPO	OER (%)	PK Production	KER
	(MT)	Production			(MT)
Actual production Dec 2016 - Nov 2017					
Negri Lama Selatan	98,520.21	26,842.12	27.25	4,784.97	4.86
Negri Lama Central	55,031.15	15,240.04	27.69	2,801.75	5.09
Negri Lama Utara	29,273.20	6,402.87	21.87	1,257.39	4.30
Aek Kuo Estate	10,084.36	2,119.16	21.01	442.73	4.39
Sub Total Own Estate*	192,908.92	50,604.19	26.23	9,286.84	4.81
Other Supply Base					
□ The 3 rd Party	35,083.79	5,974.25	17.03	1,763.51	5.03
Total actual production	227,992.71	56,578.43	24.82	11,050.35	4.85
Estimation production Dec 2017 – November 2018					
Negri Lama Selatan	137,652.65	32,828.80	23.85	6,194.37	4.5
Negri Lama Central	92,618.39	21,624.74	23.35	4,167.83	4.5
Negri Lama Utara	60,727.17	12,341.17	20.32	2,732.72	4.5
Aek Kuo Estate	29,915.10	5,191.43	17.35	1,346.18	4.5
Sub Total Own Estate*	320,913.31	71,986.14	22.43	14,441.10	4.5
Other Supply Base					4.5
□ The 3 rd Party	33,916.66	5,833.67	17.20	1,526.25	

Supply Base	FFB Processed	CPO Production	OER (%)	PK Production (MT)	KER
	(MT)	(MT)			(%)
Total actual production	354,829.98	77,819.80	21.93	15,967.35	4.5

Source: PT. Hari Sawit Jaya, December 2017

Table 8: Actual Negri Lama II Mill Production of CPO and PK derived period December 2016 – November 2017

Month	Total FFB (Ton)						CPO Produced (Ton)						Palm Kernel Produced (Ton)					
	Own Estate					3rd party	Own Estate					3rd party	Own Estate					3rd party
	KNS	KNC	KNU	KAK	Sub Total		KNS	KNC	KNU	KAK	Sub Total		KNS	KNC	KNU	KAK	Sub Total	
Dec-16	8,204.99	5,965.26	2,468.96	699.76	17,338.97	-	1,932.74	1,381.85	556.58	154.88	4,026.05	-	330.75	240.83	99.65	27.99	699.22	-
Jan-17	8,534.15	6,208.52	2,719.56	742.61	18,204.84	-	2,012.16	1,432.85	579.70	151.39	4,176.10	-	347.72	253.05	110.69	30.19	741.65	-
Feb-17	7,849.38	5,164.88	2,359.34	1,188.34	16,561.94	-	1,892.77	1,222.12	515.76	244.55	3,875.19	-	365.81	241.18	110.46	54.89	772.33	-
Mar-17	9,512.29	6,610.86	3,421.19	1,431.68	20,976.02	504.65	2,243.92	1,526.59	727.59	294.73	4,792.82	81.52	422.53	295.15	152.08	64.16	933.93	25.68
Apr-17	9,735.56	6,720.80	3,516.41	1,803.04	21,775.81	844.50	2,324.25	1,588.30	770.29	359.57	5,042.41	157.96	438.85	306.77	160.89	78.43	984.94	47.67
May-17	10,563.59	6,718.88	3,633.20	1,775.16	22,690.83	-	2,647.55	1,634.77	811.87	395.69	5,489.88	-	471.76	296.35	160.08	81.29	1,009.48	-
Jun-17	9,175.48	5,392.50	3,266.40	1,678.58	19,512.96	1,888.95	2,240.72	1,288.09	717.74	353.31	4,599.85	336.24	403.70	237.03	143.76	73.97	858.45	94.44
Jul-17	9,783.08	261.85	3,607.56	95.98	13,748.47	7,448.74	2,316.35	45.67	775.02	13.79	3,150.83	1,194.55	405.38	7.78	148.63	2.63	564.42	355.70
Aug-17	11,153.87	2,320.39	4,280.59	669.21	18,424.06	8,086.70	2,719.47	583.09	941.84	151.25	4,395.65	1,430.98	444.03	99.18	169.97	29.18	742.36	402.36
Sep-17	9,812.85	6,654.98	-	-	16,467.83	6,531.41	2,317.23	1,524.49	-	-	3,848.19	1,089.69	389.14	261.61	-	-	651.94	313.29
Oct-17	2,207.47	1,514.22	-	-	3,721.69	5,667.52	2,207.47	1,514.22	-	-	3,721.69	975.41	388.74	272.51	-	-	661.25	294.93
Nov-17	1,987.50	1,498.01	-	-	3,485.51	4,111.32	1,987.50	1,498.01	-	-	3,485.51	707.91	376.57	290.31	-	-	666.88	229.43
Total	98,520.21	55,031.15	29,273.20	10,084.36	192,908.92	35,083.79	26,842.12	15,240.04	6,402.87	2,119.16	50,604.19	5,974.25	4,784.97	2,801.75	1,257.39	442.73	9,286.84	1,763.51

Source: PT. Hari Sawit Jaya, December 2017

Table 9. Estimated Negri Lama II Mill Production of CPO and PK for December 2017 – November 2018

Month	Total FFB (Ton)						CPO Produced (Ton)					
	Own Estate					3rd party	Own Estate					3rd party
	KNS	KNC	KNU	KAK	Sub Total		KNS	KNC	KNU	KAK	Sub Total	
Dec-17	10,797.65	7,378.85	5,855.30	1,587.32	25,619.12	-	2,510.45	1,678.69	1,229.61	319.05	5,737.81	-
Jan-18	8,554.00	7,451.77	3,256.38	2,028.06	21,290.21	3,083.33	2,044.41	1,743.72	659.42	348.83	4,796.36	530.33
Feb-18	8,691.00	6,598.66	3,466.55	1,898.38	20,654.59	3,083.33	2,077.15	1,544.09	701.98	326.52	4,649.73	530.33
Mar-18	9,928.00	7,305.36	3,988.72	2,150.15	23,372.23	3,083.33	2,372.79	1,709.45	807.72	369.83	5,259.79	530.33
Apr-18	10,497.00	7,511.47	4,700.88	2,099.55	24,808.89	3,083.33	2,508.78	1,757.68	951.93	361.12	5,579.52	530.33
May-18	12,148.00	8,322.88	5,309.39	2,301.85	28,082.11	3,083.33	2,903.37	1,947.55	1,075.15	395.92	6,321.99	530.33
Jun-18	11,155.00	7,480.33	5,337.41	2,535.18	26,507.93	3,083.33	2,666.05	1,750.40	1,080.83	436.05	5,933.32	530.33
Jul-18	13,339.00	7,320.87	5,486.77	3,316.85	29,463.49	3,083.33	3,188.02	1,713.08	1,111.07	570.50	6,582.67	530.33
Aug-18	14,159.00	8,218.33	5,702.77	3,153.92	31,234.01	3,083.33	3,384.00	1,923.09	1,154.81	542.47	7,004.37	530.33
Sep-18	13,264.00	8,752.23	6,019.03	3,186.25	31,221.50	3,083.33	3,170.10	2,048.02	1,218.85	548.03	6,985.01	530.33
Oct-18	12,845.00	8,297.14	5,836.77	2,839.60	29,818.50	3,083.33	3,069.96	1,941.53	1,181.95	488.41	6,681.84	530.33
Nov-18	12,275.00	7,980.50	5,767.21	2,818.02	28,840.72	3,083.33	2,933.73	1,867.44	1,167.86	484.70	6,453.72	530.33
Total	137,652.65	92,618.39	60,727.17	29,915.10	320,913.31	33,916.66	32,828.80	21,624.74	12,341.17	5,191.43	71,986.14	5,833.67

Source: PT. Hari Sawit Jaya, December 2017

Based on the above figures, the estimated of certified CPO and PK offered in 2018 for certification are:

Estimated tonnage of certified CPO produced	71.986,14 MT
Estimated tonnage of certified PK produced	14.441,10 MT

1.9 Other certificates held

Table 10: Certificates Held by Mill and Estates

MILL/ESTATE	OTHER CERTIFICATION HELD
Negri Lama II Mill	ISCC by SGS Germany GmbH, certificate number: EU-ISCC-Cert-DE100-53032017, Expired 20 September 2018.
Negri Lama Selatan Estate, Negri Lama Central Estate, Negri Lama Utara Estate, Aek Kuo Estate	ISPO Certified by SAI Global Indonesia, FMS 40011 Expired 10 December 2020

1.10 Organizational information/contact person

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1.11 Time bound plan for other management units

PT. Hari Sawit Jaya and PT. Andalas Intiagro Lestari as a subsidiary of PT. Inti Indosawit Subur is committed to RSPO certification of all its Management Units located in North Sumatera, Riau and Jambi Province. Time bound plan has been developed to achieve the RSPO certification for all its Management Units and Plasma. The time bound plan is realistic and challenging. The plan was detailed on Table 11. The time bound plan was revised in February 2016 and updated in November 2017.

Table 11: RSPO Certification Time Bound Plan

Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Progress
Buatan I Mill	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Re-certified on 16 September 2015
		Buatan (Plasma)	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau		
Buatan II Mill	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Re-certified on 16 September 2015
		Buatan (Plasma)	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau		
Ukui I Mill	Ukui Village, Ukui District, Pelalawan Regency, Riau	Ukui Estate	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Re-certified on 1 March 2016
		Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Re-certified on 1 March 2016
Ukui II Mill	Ukui Village, Ukui District, Pelalawan Regency, Riau	Soga Estate	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Re-certified on 1 March 2016
		Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Re-certified on 1 March 2016
Tungkal Ulu Mill	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	Tungkal Ulu Estate	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Re-certified on 15 August 2017
		Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Re-certified on 15 August 2017
Muara Bulian Mill	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pelayung District, Batang Hari Regency, Jambi	Muara Bulian Estate	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pelayung District, Batang Hari Regency, Jambi	2011	Re-certified on 28 August 2017
		Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Re-certified on 28 August 2017

Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Progress
Topaz Mill	Petapahan Village, Tapung District, Kampar Regency, Riau	Topaz Estate	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja Mill	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	Taman Raja & Badang Estate	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 February 2015
Segati Mill	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	Segati Estate	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2018	NPP in progress, this unit will be re-audited in 2018 by the same of CB
		Penarikan & Gondai Estate	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2018	
		Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2018	-
		Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2018	-
Tanah Datar Mill	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	Tanah Datar Estate	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 18 May 2015
		Bahilang Estate	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatera		
Aek Nabara Mill	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	Aek Nabara Estate	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 6 March 2015
Teluk Panjie Mill	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Teluk Panjie Estate	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 21 April 2015
		Teluk Panjie Estate of 801 ha.		2020	HGU is still in process.
Peranap Mill	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Peranap Estate	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 January 2015
		Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified on 4 May 2016

Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Progress
Bungo Tebo Mill	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Bungo Tebo Estate	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified on 3 December 2015
		Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified in January 2017
Tanjung Selamat Mill	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2017	Certified on 26 May 2015
		Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2017	Certified on 26 May 2015
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Pulau Maria Estate	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Certified on 7 September 2015
Gunung Melayu II	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Sentral & Batu Anam Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Certified on 8 July 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Negri Lama Utara, Negri Lama Central, Negri Lama Selatan	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	Certified on 6 April 2015
		Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra		
		Aek Kuo of 501 ha	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	2018 Next ASA
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	*3 rd party which is excluded from scope of certification	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 23 December 2015

1.12 Partial Certification Requirements

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
4.2.4	Organizations ¹ that have a majority ¹ holding in and / or management control of more than one autonomous company growing oil palm will be permitted to certify individual management units and/or subsidiary companies only if all the following are complied with:			
1	¹ For groups with complex management structures the following are required: (a) A statement of the ultimate controlling shareholders and directors in the managing agency company/companies. (b) Ditto in respect of each of the operating groups. (c) Application for membership by the top asset owning company/companies. (d) Application for membership by the managing agency company/companies.			
	a. Is the management structure of the group complex? If the answer to question a above is yes, check the following b-e check items b. Is there a statement of the ultimate controlling shareholders and directors in the managing agency company/companies c. Is there a statement of the ultimate controlling shareholders and directors in each operating group d. Is there application for membership by the top asset owning company/companies e. is there application for membership by the managing agency company/companies	List of Operating Company in 2017.	The management structure of the group is not complex. The following is structure sequence : Asian Agri Group → PT. Hari Sawit Jaya	YES
2	RSPO membership a. The parent organization or one of its majority ¹ owned and / or managed subsidiaries are member of RSPO. The requirements (b) to (j) will be applicable, whether the			

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
registered RSPO member is the holding company or one of its subsidiaries;				
	<ol style="list-style-type: none"> 1. Does the parent organisation or one of its majority¹ owned and / or managed subsidiaries is member or RSPO? 2. State organisation who is member of RSPO 3. State RSPO membership number of the above organisation(s) 	<ul style="list-style-type: none"> - List of Operating Company in 2017. - www.rspo.org 	<p>The company is one of managed subsidiaries by PT. Inti Indosawit Subur as RSPO membership. It was also stated in RSPO website (www.rspo.org) that the Inti Indosawit Subur as RSPO membership and have the number of 1-0022-06-000-00.</p>	<p>YES</p>
3	Time bound plan			
<p>b. A challenging time-bound plan for certifying all its relevant entities² is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. The Certification Body will be responsible for reviewing the appropriateness of this plan³, taking into account comments received from stakeholders following the public consultation process. Progress towards this plan will be verified and reported on in subsequent annual surveillance assessments (see Annex 4). Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness.</p>				
	<ol style="list-style-type: none"> 1. Is there a challenging time-bound plan for certifying all its relevant entities² submitted to CB during the first certification audit? 2. Is the time-bound plan containing list of subsidiaries, estates and mills? 3. Are there comments received from stakeholders following the public consultation process relevant to the time-bound plan? 4. Taking into account comments in the point 3 above, are the time-bound plan appropriate/continued to be appropriate? 5. How is the progress towards this plan? 	<ul style="list-style-type: none"> - The updated time-bound plan in February 2016 and revision in November 2017 - Public consultation on 19 December 2017 	<p>There was a challenging TBP for all its relevant entities of the PT. Inti Indosawit Subur. TBP was containing list of subsidiaries (estates and mills). There was no complaint during public consultation. During public consultation, there no comment and issue from stakeholders regarding time-bound plan.</p>	<p>YES</p>

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
<p>c. Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed (as provided for in the guidance on surveillance assessments, Annex 4) for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent).</p>				
	<ol style="list-style-type: none"> 1. Is the any revision to the time-bound plan or to the circumstances of the company? 2. When there is revision as indicated in the point 1 above, has the plan reviewed whether it is still appropriate? 3. Can the organisation demonstrate that the revisions to the time-bound are justified? 4. Is there any newly acquired subsidiary that already legally registered with the local notary of chamber of commerce (or equivalent)? 5. Are the time-bound plans including the above newly acquired subsidiary? 	<p>The updated time-bound plan in February 2016 and revision in November 2017</p>	<p>There was revision of the time-bound plan for the some subsidiaries (estates and mills), date in November 2017. The company has conducted review of time-bound plan. The revision are due to :</p> <ul style="list-style-type: none"> - Several unresolved licenses (HGU and permit location). - For Segati Mill, there is a consersion from rubber plant to palm oil, it was coordinated with RSPO by email related NPP. Until this audit, the company was still conducting internal study related NPP and will be re-audited in 2018 by the same of CB (BSI) 	<p>YES (Minor NCR 2017 – 01) OPEN</p>
<p>d. Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance is raised. Where there is evidence of systematic failure to proceed with implementation of the plan, a major non-compliance is raised.</p>				
	<ol style="list-style-type: none"> 1. Are there isolated lapses in implementation of a time-bound plan? Raise minor non-compliance if found 2. Is there systematic failure to precede implementation of the plan? Raise major non-compliance if found 	<p>The updated time-bound plan in February 2016 and revision in November 2017</p>	<p>There was no the isolated lapses in implementation of a time-bound plan. It was evidenced by TBP progress includes HGU progress and NPP progress. There was HGU and permit location progress in Negri Lama, Teluk Panjie and Topaz Estate, until this audit was processing with government institution. For more detail, please refer to Table 11.</p>	<p>YES</p>
4	<p>Requirements for uncertified management units and/or holdings</p>			
<p>e. No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure (Annex 5).</p>				

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	<p>f. Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p> <p>g. Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p> <p>h. Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p> <p>i. Certification bodies will assess compliance with these rules for partial certification at each and every assessment of any of the management units (see Annex 4). Assessment of compliance with requirements (e) – (h) by the certification body based on self-declarations only by the Company, with no other supporting documentation, will not be acceptable</p>			
	<p>a. Is there any verification compliance for uncertified management units and or holdings of requirements e-f above e.g. through self-assessment (i.e. internal audit)?</p> <p>b. Has the verification covered all requirements of e-f above?</p> <p>c. Based on the result of verification in point 1 and 2 above, please indicate is there any:</p> <p>i. Replacement of primary forest or any area containing HCV or required to maintain or enhance HCV in line with RSPO criterion 7.3?</p> <p>ii. Are there new planting since January 1st 2010 which was not comply with RSPO NPP?</p> <p>iii. Land conflict, which was not being resolved through a mutually agreed process in accordance with RSPO criteria 6.4, 7.5 and 7.6?</p>	<p>- The updated time-bound plan in February 2016 and revision in November 2017</p> <p>- RSPO Internal Audit at Segati Mill and its supply bases, date on 23 –31 October 2017</p> <p>- RSPO Internal Audit at Negri Lama II Mill and its supply bases, date on 31 May – 3 June 2017</p> <p>- RSPO Internal Audit at Teluk Panji Mill and its supply bases, date on 3 – 4 February 2017</p>	<p>Verification compliance for uncertified management units were conducted by Certification Division through RSPO Internal Audit that covered all RSPO Principle and Criteria. Based on internal audit found that the companies:</p> <ul style="list-style-type: none"> • No land conflicts • No labour disputes <p>Several non-conformances of the RSPO internal audit were regulation compliance still in progress with other parties and NPP is also still in progress correction by the company after being revised by RSPO. For more detail, please refer to Table 11.</p> <p>Targeted stakeholder consultation is part of certification audit that carried out by other CB and no need further targeted stakeholder consultation.</p>	<p>YES</p>

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> iv. Labour dispute, which was not being resolved through a mutually agreed process in accordance with RSPO criterion 6.3 v. Legal non-compliance, which are not resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2 d. Are there targeted stakeholder consultation carried out by other CB? e. Considering all the above data is there necessary to conduct further targeted stakeholder consultation or filed inspection? 			
<p>Guidance</p> <p>For requirements (e) – (h), the approach to defining major and minor non-compliance can be applied from the relevant national interpretation. For example, if non-compliance against a ‘major indicator’ in a non-certified holding/management unit is identified, the current certification assessment cannot proceed to a successful conclusion until that is addressed.</p> <p>Failure to address any of the requirements (e)-(h) may lead to certification suspension(s) (consistent with the RSPO Certification Systems document rules on non-compliance).</p> <p>² Relevant entities – including both the business units and parent company(ies)’ commitment to RSPO, membership status and involvement with palm oil for each subsidiary</p> <p>¹ Majority shareholding: the largest shareholding. Where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control.</p> <p>³ in particular, that the time scale is sufficiently challenging, taking into account circumstances around each entity</p>				

1.13 Date of issue of certificate and date of previous assessment

Date of issue of certificate : Originally issued by SGS on 23 December 2015
 Date of previous audit : 20 – 23 December 2016 (1st ASA) and 03 March 2017 (Special Audit)

2.0 AUDIT PROCESS

2.1 Certification body

PT. SAI Global Indonesia

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

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

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

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

2.2 Audit methodology

The 2nd Annual Surveillance Audit was performed on 19 – 21 December 2017. The audit programme

was included in the body of report. Audit was conducted in the mill and its supply base. The audit methodology for collection of objective evidences is site inspection, documentation and record review and interview with staffs, workers, and other stakeholders. Objective evidences from documentation/record review in one area may also be cross checked with other objective evidences in other areas and with the evidence of implementation on site during the audit. Inputs from stakeholders via letter, email, or other communication media were also considered for this certification audit. Particular attention has been paid to previous non-conformities. Area of potential environmental and social risk was concern. For detail of audit plan, can be seen on the page of 196.

2.3 Qualification of the lead auditor and audit team member

Eko Prastio Ramadhan – Lead Auditor and audited Environment, HCV and Partial Certification System

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

Nanang Rusmana – Audit team member and audited Health and Safety Aspects

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

Fahrul Rozi – Audit Team Member and audited BMP (Estate and Mill) and Supply Chain Aspects

Rozi graduated with Bachelor of Agricultural Social Economic from University of Padjadjaran in 2008. He has working experience as Assistant of agronomic section at Sinar Mas Group (2008-2011), as staff of Agronomic Vice President at Bima Palma Group (2011-2014), and as sustainability supervisor at Bima Palma Group (2014-2016). Experiencing on the implementation of sustainable palm oil management system (RSPO and ISPO), environmental management, and issue of social impact, and SMK3 in palm oil companies. He is involved on audit quality management system (ISO 9001:2015) for variety of industry sectors include RSPO and ISPO. He has completed *Ahli K3 Umum* (2010), ISO 14001 (2016), ISO 9001 (2016), RSPO P&C (2016) lead auditor training courses, RSPO SCCS (2016), ISPO (2016) lead auditor training courses.

Jarot Widyatmaka - Audit Team Member and audited Social aspects.

Jarot, graduated with Industrial Engineering, Trisakti University in 1998. He has experience as a consultant and auditor quality management system for several years he had received training Lead

Auditor for ISO 9001 (2000), ISO 14001 (2003), OHSAS 18001 (2010), ISPO (2014) RSPO (2014), while also training for social audits as Lead Auditor SA 8000 (2011) and Lead Auditor SMETA (2010). Over the last 15 years he was involved in the audit of the quality management system (ISO 9001) and social audits for various sectors, among others in his industry, Previous working experience at PT Surveyor Indonesia as a quality management system consultant (1998-2006) and then at PT SGS Indonesia as Lead Auditor for the quality management system (2006-2011) and joined PT SAI Global Indonesia in 2011, in June 2014 he has attended and passed for ISPO auditor training class XII.

2.4 Stakeholder consultation

Stakeholder consultation was performed to internal and external stakeholders. The purpose of this consultation to verify compliance against relevant criteria and indicator related to land status and conflict, environmental, social aspect and HCV.

The performed consultation method through directly interview/discussion. Directly interview include internal (staffs, workers, gender committee, and labour union) and external stakeholders (head of village, public figure, local NGO, government, local NGO, FFB suppliers, etc.). External stakeholders were selected by considering that they have an interest in the organisation activities, directly border with organisation, area which the workers live. This consultation performed in the room through focus group discussion and individual interview. Other than that, discussion with workers also conducted in the field when they were working.

Stakeholder consultation was also performed through sending the letter of response request to external stakeholders, such as International NGO, Social and Labour Agency, Agriculture and Plantation Agency, National Land Agency, etc. Response can be sent by email or letter to Team Leader or SAI Office. Response can be received during audit process and will be considered as input in this audit. The result of stakeholder consultation used to justify fulfilment of some indicators, e.g. criterion 2.2 indicator major 3, minor 1 and minor 2, criterion 2.3 indicator major 1, criterion 6.5 indicator minor 1, criterion 6.6 indicator minor 1, criterion 6.7 indicator minor 1, criterion 6.8 indicator minor 1, criterion 6.9 indicator minor 1, 2 and 3, criterion 6.10 indicator minor 1 and 2, criterion 6.11 indicator minor 1, etc. List of internal and external stakeholders can be seen on the Tabel 13.

The result of these consultations was provided in Appendix D on page 224.

Table 13: List of internal and external stakeholder

STAKEHOLDERS	METHODS OF CONSULTATION
Internal stakeholder (mill & estates)	
Deputy Secretary of SPSI	Individual discussion
Chairman of Gender Committee	Individual discussion
Workers	Group discussion for workers with similar role, otherwise individually interviewed
External Stakeholders (mill & estates)	
Head of Villages, respective people and villagers representatives. - Sidomulyo Village - Sidomulyo 2 Village	Individual discussion
FFB Supplier	Individual discussion

STAKEHOLDERS	METHODS OF CONSULTATION
Social and Labour Agency	Individual discussion
Agriculture and Plantation Agency	Individual discussion
Environment Agency	Individual discussion
National land Agency – Badan Pertanahan Nasional (BPN) Labuhan Batu Regency	An invitation letter to comment was sent
District Police (Polsek Bilah Hilir)	Individual discussion
District Head (Camat Bilah Hilir)	An invitation letter to comment was sent
NGOs: AMAN (Aliansi Masyarakat Adat Nasional), GAPKI, Sawit Watch, WWF, Walhi Sumatera Utara, FFI, FP, Greeneconomics, Greenpeace, TNC, Tropenbos, Yayasan	An invitation letter to comment was sent

2.5 Date of next surveillance visit

The next surveillance audit is 3rd ASA that will be conducted within twelve months of the license expiration dates, but not earlier than eight months after the expiration date.

3.0 AUDIT FINDINGS

3.1 Action taken on previous audits findings

Several non-conformances (Major and Minor) from the previous audits have been followed up by taking corrective actions. Nevertheless, there were recurrence of Major NCRs (indicator 2.1.1; 4.6.5; 4.6.6; and 6.5.2) from previous audit. Also, there were 4 minor NCR recurrence from previous audit (indicator 4.2.2, 4.4.1, 4.7.5 and 5.3.3) so in this audit upgraded into Major NCR.

3.2 Claim and use of certification mark and or logo

There was no use of certification mark and or logo. Claim has been made for the RSPO certified product were PK of 8,891 MT and CPO of 2,603 MT.

Table 13: CSPO delivery and sold Period December 2016 Until November 2017

Month	CPO Delivered				PK Delivered			
	RSPO	ISCC	Non Certified	Total	RSPO	ISCC	Non Certified	Total
Dec-16	-	4,094	-	4,094	711	-	-	725
Jan-17	-	4,002	-	4,145	712	63	-	775
Feb-17	-	3,828	-	3,828	687	-	-	687
Mar-17	-	4,819	-	4,819	962	-	-	962
Apr-17	-	5,147	-	5,147	914	-	-	980
May-17	-	5,494	-	5,494	749	284	-	1,033
Jun-17	-	3,833	-	4,308	982	-	-	982
Jul-17	-	3,825	-	4,986	564	-	-	965
Aug-17	-	4,189	-	5,677	403	-	-	788
Sep-17	2,522	1,249	-	4,956	910	-	-	1,186
Oct-17	81	3,341	-	4,108	561	-	-	805
Nov-17	-	3,865	-	4,824	736	-	-	1,137
Total	2,603	47,686	-	56,386	8,891	347	-	11,025

3.3 Description of audit findings

3.3.1 RSPO Principle and Criteria

PRINCIPLES 1: COMMITMENT TO TRANSPARENCY

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
1.1	<p>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p> <p>Guidance: <i>Growers and millers should have a Standard Operating Procedure (SOP) to respond constructively to stakeholders, including a specific timeframe to respond to requests for information. Growers and millers should respond constructively and promptly to requests for information from stakeholders. The SOP should include information on the officer, who may be contacted by the interested external parties.</i></p> <p><i>Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the response is timely and appropriate.</i></p> <p><i>See Criterion 1.2 for requirements relating to publicly available documentations.</i> <i>See Criterion 6.2 on consultation.</i> <i>See Criterion 4.1 on SOPs.</i></p> <p><i>Definition of relevant stakeholders according to the Regulation of the Minister of Environment No. 17 year 2012 regarding Guidance for Involvement of Communities in the Process of Environmental and Social Impact Assessment (AMDAL) and Environmental Permit are.</i></p> <ul style="list-style-type: none"> • <i>Affected communities are the communities who live within the AMDAL study boundary (social boundary), which will be beneficially or adversely affected by the operations and/or plan of activities;</i> • <i>Environmental concerned communities are communities who are not affected by the operations and/or business plan, however they shall pay attention to the environmental and social issues of the upcoming operations and/or business plan, including the potential environmental and social impacts;</i> • <i>Influenced communities by the decisions of AMDAL process are communities who are located outside and or directly adjacent to the boundary of AMDAL study areas relevant to the impact of operations and/or business plan.</i> <p><i>Relevant stakeholders are also NGOs that have concerns on the environmental and social issues of the upcoming operations and/or business plan, including the potential environmental and social impacts;</i></p>			
1.1.1	<p>List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.</p> <p>Specific Guidance: <i>For 1.1.1: Evidence should be provided by growers and millers that information is received in appropriate form(s) and language(s) by relevant stakeholders. Information will include information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities.</i></p>			
	<p>a. Does the company maintain a list of stakeholders? (E.g. listed by category and stakeholders listed should be site specific)</p> <p>b. What is the frequency of updating the stakeholder list?</p> <p>c. Is there evidence of stakeholder verification?</p>	<p>- Stakeholder list of PT Hari Sawit Jaya, updated on October 2017</p> <p>- SOP AA-GL-5008.1-R1 dated 22 August 2011</p>	<p>The organization documented and maintained stakeholder list on document "Daftar Stakeholder PT Hari Sawit Jaya" updated on October 2017. Stakeholder consists of governance agency, village chief, prominent figure, workers organization and third parties. Data and information will be update by SSL Officer (Public Relations) if there are changes but usually SSL officer review it every year. Information provided to public and stakeholder specified in social</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>d. What type of information is provided? (E.g. Environmental, social and legal)</p> <p>e. What is the frequency and level of access to this information?</p> <p>f. How and where is the information disseminated?</p> <p>g. Who is responsible for providing & updating information?</p> <p>h. Is there an SOP available to describe the process (of information sharing/dissemination)?</p> <p>i. Are stakeholders aware of the type of information available and the procedures for accessing the information?</p>	<ul style="list-style-type: none"> - List information for stakeholder updated 2 February 2016 - Interview with stakeholder and field observation 	<p>communication procedures AA-GL-5008.1-R1 – Communication and consultation procedure</p> <p>The Organization has determined the type of information that is available and accessible to all stakeholders. There are 13 types of information that is available to stakeholders :</p> <ul style="list-style-type: none"> - Number of employees and a list of basic wages of employees (village, sub-district, district Manpower and province, worker, worker union) - NPWP (KPP) - Payment of local taxes/levies (Dispenda) - Document of EIA (BLH District and Province, KLH, NGOs) - Certificate of incorporation and its amendments, areal statement and its production (Disbun District and Province, BPS, BPPT) - Evidence of land tenure (village, subdistrict, Disbun district and province, BPN, NGOs) - Report of HCV identification (Village, BKSDA, BLH District and province, NGOs) - Reports SIA identification (Village, BKSDA, BLH District and province, NGOs) - Report of empowerment (Village, Subdistrict, District, Province, NGOs) - Report of P2K3 (Manpower office district and province) - Document improvement program (Government agencies) - Document RSPO audit report (Village, Subdistrict, District, Province, NGOs) - Document human rights policy (Village, Subdistrict, District, Province, NGOs) <p>All information above can be accessed by interested parties. Provision of information should be known by SSL Officer and approved by the General Manager. If the information is confidential trade must go through the approval of Regional Head Office.</p> <p>The relevant stakeholders received information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities. All information provided in several stakeholders is in accordance with the terms and language used, for</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			example in the form of reports and the contents of the report. Delivery of Information is delivered in <i>Bahasa</i> .	
1.1.2	<p>(M) Records of requests for information and responses to the information requested shall be available.</p> <p>Specific Guidance: For 1.1.2: <i>Records of requests for information and responses are maintained for a period of time determined by the company, taking into account their importance and need.</i></p>			
	<p>a. Does the company have an SOP to ensure constructive response to stakeholders?</p> <p>b. Who is the personnel in charge (PIC)?</p> <p>c. Does the SOP cover the elements under 1.1.1?</p> <p>d. Is there a clear time frame for response to request for information?</p> <p>e. Are records of requests for information and responses maintained?</p> <p>f. Are responses to requests for information timely and appropriate?</p>	<ul style="list-style-type: none"> - SOP AA-GL-5008.1-R1 dated 22 August 2011 - Logbook Communication and Consultation Period 2017 - Record of information request and responses Period 2017 	<p>Organization has established and implemented a mechanism for receiving and providing information in the procedure - SOP <i>Penanganan Permintaan Informasi Stakeholder</i> (Handling of Information Request from Stakeholder) SOP AA-GL-5008.1-R1 dated 22 August 2011 which explain the mechanism of response to requests for information by referring to the list of stakeholders and stakeholder information according to the principles and criteria for sustainable palm oil. The initial response was given no later than 14 days after receipt of the request from stakeholders. Personnel in Charge is KTU and SSL Officer.</p> <p>All information except confidential commercial information or information which has a negative impact on the environment and social can be provided by the organization. Request for information outside of the list of public information should be approval of top management and the provision of information comes with an official receipt.</p> <p>In the procedure also described specific timeframe to respond the requests for information from stakeholder depend on its request. Organizations usually respond directly to requests for information from all interest party/stakeholder.</p> <p>All information requests from stakeholder and their respond were listed and recorded by Mill and Estate on logbook "Record of information request and responses". Most of requests were an invitation to follow the event held by the stakeholders, for example: invitation for memorial of religious holidays, invitation for area meeting from Camat (Head of Subdistrict) and proposal for borrowing</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>heavy machine like excavator, etc. Based on document review, all of them responded in accordance to procedure which is no later than 14 days.</p> <p>Organizations are routinely required to submit reports to the regulatory agencies, such as: Monthly Social Security, Report to the CTF return period PPh21, P2K3 Report (Office of Manpower and Transmigration), and Report of the implementation of the RKL / RPL (Environmental Agency of the district, the province and the Ministry of Environment, Land Application Report (LA). Organization (estate and Mill) monitor all of the information that is communicated to stakeholders routinely.</p>	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	<p>(M) Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> a. Land titles/user rights (Criterion 2.2) b. Occupational health and safety plans (Criterion 4.7) c. Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d. HCV documentation (Criteria 5.2 and 7.3) e. Pollution prevention and reduction plans (Criterion 5.6) f. Details of complaints and grievances (Criterion 6.3) g. Negotiation procedures (Criterion 6.4) h. Continual improvement plans (Criterion 8.1) i. Public summary of certification assessment report j. Human Rights Policy (Criterion 6.13). <p>Guidance: <i>This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Management documents will include monitoring reports. The auditors will comment on the adequacy of each of the documents listed in the public summary of the assessment report. Examples of commercially confidential information include financial data such as costs and income, and details relating to customers and/or suppliers. Data that affects personal privacy should also be confidential. One of legal requirements related to personal privacy is Act No. 14 year 2008 regarding Public Disclosure, clause 17 (h): Ongoing disputes (within or outside of a legal mechanism) can be considered as confidential information where disclosure could result in potential negative outcomes for all parties involved.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><i>On-going dispute (within or outside law mechanism) can be considered as confidential information if disclosure of information potentially causes negative impact to all related parties.</i></p> <p><i>However, affected stakeholders and those seeking resolution to conflict should have access to relevant information.</i></p> <p><i>However, affected stakeholders and parties who are working towards resolutions should have access to relevant information.</i></p> <p><i>Examples of information where disclosure could result in potential negative environmental or social outcomes include information on sites of rare species where disclosure could increase the risk of hunting or capture for trade, or sacred sites which a community wishes to maintain as private.</i></p> <p><i>Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the level of measuring and monitoring of the management plan, and information, is appropriate and made available.</i></p>				
	<p>a. How are the management documents listed in (c) below made publicly available?</p> <p>b. Where are the documents placed?</p> <p>c. Is the information provided adequate? Note: At minimum, an information summary of the document listed below should be made available.</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2) <ul style="list-style-type: none"> - Legal boundaries ,land use, classification, total area, grant title, permit validity , NCR rights, • Occupational health and safety plans (Criterion 4.7); <ul style="list-style-type: none"> - risk assessment and mitigation, emergency response plan, training, accident records • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); <ul style="list-style-type: none"> - main social and environmental impacts and mitigation measures, • HCV documentation (Criteria 5.2 and 7.3); <ul style="list-style-type: none"> - identification on HCV areas, maps, management and monitoring HCV 	<ul style="list-style-type: none"> - List information for stakeholder updated on February 2016 - SOP AA-GL-5008.1-R1 dated 22 August 2011 - Site Permit (Izin Lokasi), - Land Use Title (HGU), - Plantation Operation Permit (IUP), - Environmental and Environment Impact Analysis document (AMDAL), - Environmental management and monitoring report (RKL and RPL implementation reports), - HCV Assessment report, - Social Impact Assessment (SIA) Report, - Corporate Social Responsibility (CSR) - Continuous Improvement Plan 	<p>Organisation documents that is generally available by the organisation. List of management documents are publicly available such as: Site Permit (Izin Lokasi), Land Use Title (HGU), Plantation Operation Permit (IUP), Environmental and Environment Impact Analysis document (AMDAL), environmental management and monitoring report (RKL and RPL implementation reports), HCV Assessment report, Social Impact Assessment (SIA) Report, Occupational Health and Safety Management Plan, Corporate Social Responsibility (CSR) and Continuous Improvement Plan Those documents were accessible and shown during this audit.</p> <p>The documented procedure was established, it's described the process and responsibilities and authorities in regards responding the request on information from the public. The coverage of request on information as stated in the procedure including information on legal documents, environmental documents, social activities documents, occupational health and safety programme documents and continual improvement documents.</p> <p>All monitoring reports publicly available such as environmental management and monitoring report (RKL and RPL implementation reports), reports of P2K3 and etc.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures • Details of complaints and grievances (Criterion 6.3); <ul style="list-style-type: none"> - nature of complaints, parties involved, status of case • Negotiation procedures (Criterion 6.4); <ul style="list-style-type: none"> - SOP, consultative, neutral, inclusiveness, timeframe, responsibility • Continual improvement plans (Criterion 8.1); <ul style="list-style-type: none"> - for all elements under 8.1, • Public summary of certification assessment report; <ul style="list-style-type: none"> - follow RSPO format • Human Rights Policy (Criterion 6.13). <ul style="list-style-type: none"> - policy statement should comply to the requirements of 6.13 <p>d. Do the management documents contain monitoring plans and reports?</p> <p>e. Are all monitoring reports publicly available?</p>			
1.3 ¹	Growers and millers commit to ethical conduct in all business operations and transactions. <i>*1 New Criteria - Growers and millers commit to ethical conduct in all business operations and transactions.</i>			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations. Guidance: <i>All levels of the operations will include contracted third parties (e.g those involved in security). The policy of ethical conduct and integrity should include:</i> <ul style="list-style-type: none"> • A respect for fair conduct of business; 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources; • A proper disclosure of information in accordance with applicable regulations and accepted industry practices. <p>The policy should be set within the framework of the UN Convention Against Corruption, in particular Article 12.</p> <p>Regulations that are related to eradication of corruption are as followings:</p> <ol style="list-style-type: none"> 1. Act No. 7 year 2006 regarding Ratification of United Nations Convention Against Corruption 2. Act No.8 year 2010 regarding Prevention and Eradication of Money Laundry. 3. Act No. 13 year 1999 regarding Eradication of Corruption. 4. Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication <p>Normal business is the business that complies with all existing regulations.</p> <p>This written policy should be communicated to the affected parties.</p>			
	<p>a. Is there a written policy committing to a code of ethical conduct and integrity in all operations and transactions?</p> <p>b. Does the policy include as a minimum:</p> <ul style="list-style-type: none"> • A respect for fair conduct of business? • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources? • A proper disclosure of information in accordance with applicable regulations and accepted industry practices? <p>c. Is the policy documented and communicated to all levels of the workforce and operations, including contracted third parties? How is it communicated?</p> <p>d. Are the documentation and communication done in the appropriate languages?</p> <p>Note to auditor: The workforce should be</p>	<ul style="list-style-type: none"> - Policy Code of Ethic dated 1 December 2014 - Minutes and attendance dissemination of code of ethics policy in PT Hari Sawit Jaya 	<p>Written policy committing to a code of ethical conduct and integrity in all operations and transactions was available in "Company Policy" dated 1 December 2014 and signed by the Managing Director.</p> <p>Ethic policy includes several aspects, such as:</p> <ul style="list-style-type: none"> - Social Responsibility - Wages - Fair conduct of business - Infrastructure and accommodation - Labour union - Child labour - Indiscriminative treatment - Protection against sexual harassment and violence - Protection of reproductive rights - Receipts and provision of gifts, entertainment or assistance in job, corruption and fraud - Relation with supplier - Occupational health and safety, and environment - Employee cooperatives - Human rights 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<i>interviewed to determine level of understanding of policy</i>		The policy was well documented on 01 December 2014 and signed by the Managing Director. The policy has been communicated to all levels of the workforce and operations, including contracted third parties. Dissemination of code of ethics policy has been carried out : <ul style="list-style-type: none"> a. KNC on June 2017 to harvester and on November 2017 to all workers b. KNS on July 2017 to local contractor To all workers on November 017 PND on November 2017 to all workers,	

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.1	<p>There is compliance with all applicable local, national and ratified international laws and regulations.</p> <p>Guidance: <i>Implementing all legal requirements is an essential baseline requirement for all growers and millers whatever their location or size. Relevant legislation includes, but is not limited to:</i></p> <ul style="list-style-type: none"> a. Land use period and right b. Labour c. Agricultural practices (e.g. chemical use) d. Environment (e.g. wildlife, pollution, environmental management and forestry) e. Storage f. Transportation and processing practices. <p><i>It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions, UN Guiding Principles on Business and Human Rights). Furthermore, where countries have provisions to respect customary law, these will be taken into account.</i></p> <p><i>Key international laws and conventions are set out in Annex 1.</i> <i>Legal requirements are existing laws and regulations some of which are set out in Annex 1.</i></p>			
2.1.1	(M) Evidence of compliance with relevant legal requirements shall be available.			
	<p>a. Is the complete list of legal requirements available? (Refer to relevant NIs or LIs for list of legal requirements)</p> <p>b. Does the company have copies of the legal requirements?</p> <p><i>Note to auditor: A due diligence on the company/area or management unit on legal compliance should be conducted prior to field audit. Any non-compliance should be verified during the field audit.</i></p> <p><i>Relevant legislation includes, but is not limited to: regulations governing land tenure and land-use rights, labour, agricultural practices (e.g. chemical use), environment (e.g. wildlife laws, pollution, environmental management and forestry laws),</i></p>	<ul style="list-style-type: none"> • Procedure AA-GL-5001.1-R0 (Compliance to regulations and its change) • Record of regulatory compliance evaluation called "Evaluasi Kepatuhan Hukum PT Hari Sawit Jaya" updated on September 2017 	<p>Relevant legal requirement legal were documented in "Regulations compliance evaluation form. Information on applicable legal and other requirements have been reviewed and summarised. Copies of the legal requirements were shown and maintained properly.</p> <p>Evidence of compliance with applicable local, national and ratified international laws and regulations of Negeri Lama II Mill and Estate have been provided, including:</p> <p>Land tenure and land use right :</p> <ul style="list-style-type: none"> - Location permit, - <i>Izin Usaha Perkebunan</i> (Plantation Business Permit) - Concession (HGU), please see criterion 2.2.1 major for details <p>Labour :</p> <ul style="list-style-type: none"> - SMK3 (OHS) implementation records, - OHS committee (P2K3), 	<p>YES (Major NCR 2017 - 02) CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>storage, transportation and processing practices. It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions and UN Guiding Principles on Business and Human Rights.</p>		<ul style="list-style-type: none"> - freedom of worker union, - labour cooperation, - minimum wage (UMSK), - labour law, - employee social benefit, - BPJS Ketenagakerjaan (worker insurance) for employee, - medical check-up, - clinic operation permit, - Hyperkes certified doctor and paramedic, etc <p>Occupational Health and Safety:</p> <ul style="list-style-type: none"> - Heavy equipment operator/SIO (10 operators) - First aider certified by Dinas NAKERTRANS (3 workers) - HIPERKES certified for paramedics and doctors (5 workers) - Boilers operator for mill (2 workers) - Electrical safety officer (K3 Listrik) officer (2 workers) <p>The permit of equipment utilization were available at each units (estate and mill):</p> <ul style="list-style-type: none"> - Electricity installation approval of ministry of manpower at Negri Lama II Mill, inspection date 25 April 2017. - Steam boiler units, inspection date 14 May 2016 - 3 units of sterilizer at mill, inspection date 25 April 2017 - Pressure vessels, such as: 2 units of compressor capacity 120 litres at Negeri Lama Utara Estate and 160 litres at Aek Kuo Estate, 1 back pressure vessel at mill, motor diesel (genset) 3 units at mill capacity 400 Kw and 320 Kw, inspection date: 25 April 2017. While 2 units at Aek Kuo Estate capacity 136 kva and 32.5 Kva and also 3 units at Negeri Lama Utara Estate capacity each 52 Kva, 135 Kva and 32.5 Kva 1 unit steam turbine capacity 1200 kw, inspection date 25 April 2017. - Lifting equipment: 16 units Excavators capacity 500 Kg at 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>mill and 1 unit excavator at Aek Kuo Estate, inspection date 7 November 2017.</p> <p>Agricultural practise :</p> <ul style="list-style-type: none"> - System of plant cultivation of oil palm plantation, - Use of limited pesticides (<i>paraquat</i>), <p>Environment :</p> <ul style="list-style-type: none"> - Government regulation of the Environment No. 5/2014 - water quality standard, environmental impact analysis, etc. - Government Regulation 101/2014 hazardous waste management, company has manage the waste properly (liquid, air and solid waste management) - Government Regulation No.41/1999 re: Emission Control, Company has conducted air pollution control and emission control periodically in every six month at mill - Periodic environmental parameter monitoring (stationary emission, ambient emission and ambient noise, moving source emission, waste water discharge quality, and ground water quality) - SK MenLHK No 68/2016 about Domestic Waste Water Standards - Permenkes No 32/2017 about <i>standar baku mutu kesehatan lingkungan dan persyaratan kesehatan air untuk keperluan higiene sanitasi, kolam renang, solus per aqua, dan pemandian umum</i> <p>Conservation:</p> <ul style="list-style-type: none"> - President Decree No. 32/1990 regarding Management of protected areas complies by identifying areas comply with HCV in the estate and surrounding area, perform management and monitoring of HCV. - Act No. 5/1990 regarding the conservation of natural resources and ecosystems, comply with managing HCV areas, create HCV management and monitoring plan and 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>performed it well, create procedures regarding HCV protection.</p> <ul style="list-style-type: none"> - IUNC Red List, CITES, HCV Toolkit, UU No. 32/2009, Act No. 41/1999, No. 5/1990, Act No. 9/1985, Act No. 11/1974, Government Regulation No. 7/1999, Government Regulation No. 35/1991, and President Degree No. 32/1990. - SK MenLHK No 130/2017 about Penetapan Peta Fungsi Ekosistem Gambut Nasional - list of protected flora and fauna, - management of protected area and protected flora and fauna <p>Status of compliance with laws and regulations were evaluated, and evaluation of compliance result indicated that compliance status was justified with reference to the objective evidence of compliance.</p>	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.			
	<p>a. Is there a document system which includes the following?</p> <ul style="list-style-type: none"> - Personnel in charge to manage - Set of legal documents - Comprehensive list of international, national, sub-national and provincial laws which details the requirements of specific to the mill and estate operations. - Relevant sections within the law that is identified and linked to activities <p>b. Are the documents available to all levels of management?</p>	<ul style="list-style-type: none"> • SOP AA-GL-5001.1-R0 – Compliance Laws Procedure. 	<p>A documented system which includes written information on legal requirements was maintained. It was documented in SOP AA-GL-5001.1-R0 - Compliance Laws Procedure. The procedure described that identification and evaluation performed against regulation and requirement regarding environment, OHS, plantation, labour, social, etc. the updating of legal regulation performed once a year in January, while evaluation of compliance with legal regulation performed is once per year; personnel in charge to manage the updating and evaluation which is sustainability division together with estate personnel in each section.</p> <p>This document was available to all staff and all level management, the document was store at central office.</p>	YES
2.1.3	A mechanism for ensuring compliance shall be implemented.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Is an internal audit for legal compliance conducted annually and documented?	<ul style="list-style-type: none"> List Of Attendances – Corrective Action ISPO RSPO RSPO Internal Audit April 2017 Check list and corrective action audit internal year 2017. 	<p>Mechanism for ensuring compliance has been implemented and documented in SOP AA-GL-5001.1-R0 – Compliance Laws Procedure. The audit checklist covered the implementation of the all applied regulations. Status of compliance with the applicable environment, OHS, plantation, labour, social laws and regulations were evaluated, and evaluation of compliance result indicated that compliance status was justified with reference to the objective evidence of compliance.</p> <p>Internal audit related to legal compliance has been performed by Sustainability Department. Last internal audit was conducted on 1 September 2017. Report of audit result was sighted and well documented.</p>	YES
2.1.4	<p>A system for tracking any changes in the law shall be available and implemented.</p> <p>Specific Guidance: <i>For 2.1.4: The systems used for tracking any changes in laws and regulations should be appropriate to the scale of the organisation.</i></p>			
	a. Is there a documented methodology (e.g.: personnel in charge (PIC), source of info, frequency of update) for tracking changes and communication of changes to relevant sections of the legislation?	<ul style="list-style-type: none"> Procedure.AA-GL-5001.1-R0 (Compliance to regulations and its change) Procedure (AA-EMS-432-PR) Law regulation and other requirements Procedure (AA-EMS-452-PR) Compliance evaluation List of regulations compliance evaluation form (AA-4320002a-LT) Review period 2017 	<p>The SPO officer in charge was responsible to identified and updated the regulation applicable to the organisation, also to socialize to related functions. Update and reviewed was conducted periodically once within a year. Updating of law and regulations change activities were well documented and update once a year as defined in Procedure AA-GL-5001.1-R0 (Compliance to regulations and its change). Last update was performed in September 2017</p>	YES
2.2	<p>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p> <p>Guidance: <i>The company has SOP for Land Acquisition to ensure that there is no removal of legal, customary or user rights (see 6.4.1 & 6.4.2)</i> <i>Descriptions of those rights are as follows:</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. <i>Legal Right may be in the form of Land Certificates (Ownership Right / Hak Milik, User Right /Hak Guna Usaha), Registration Letter / Surat Keterangan Terdaftar, Letter of Inheritor Right / Surat Keterangan Hak Waris, and or Letter of Girik Right/Surat Keterangan Hak Girik.</i></p> <p>b. <i>Customary Right in the Local Regulation/Perda (based on Constitution Court Decision No. 35/PUU-X/2012 regarding Customary Forest) determined through participatory mapping of customary land by the legitimate customary law community who are recognized by the surrounding customary law community and refers to Regulation of the Minister of Home Affairs (Permendagri) No. 52 year 2014 regarding Guideline of Recognition and Protection of Customary Law Community and Regulation of the State Minister of Agrarian Affairs/Head of National Land Agency (BPN) No. 5 year 1999 regarding Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community.</i></p> <p>c. <i>User Right may be in the form of evidence of land leasing from the legal right holder, and/or official letter from the Village Head based upon testimony of communities or individual where their areas are adjacent to that land.</i></p> <p><i>Customary area is customary land, including soil, water and or waters and natural resources with certain boundaries, owned, utilized and preserved for generations and on sustainable basis to fulfill the needs of their livelihood that was acquired from their ancestor or claimed ownership of communal land or customary forest.</i></p> <p><i>Where there is a conflict on the condition of land use as per land title, growers should show evidence that necessary actions have been taken to resolve the conflict with relevant parties</i></p> <p><i>A mechanism should be in place to resolve any conflict (Criteria 6.3 and 6.4).</i></p> <p><i>Where operations overlap with other rights holders, companies should resolve the issue with the appropriate authorities, consistent with Criteria 6.3 and 6.4.</i></p> <p><i>Historical data of land ownership should be provided by the company for a minimum of one period of ownership/control.</i></p> <p><i>If there is a claim on customary right, this shall be legally demonstrated.</i></p>			
2.2.1	<p>(M) Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>Specific Guidance: <i>For 2.2.1: The documents required to demonstrate legal ownership, lease or control and use of land shall include those related to getting the land permit or transfer of land right and up to the operational right.</i></p>			
	<p>a. Are there documents showing legal ownership or lease of the land available? (e.g. land titles, lease documents)</p> <p>b. Are there documents showing history of land tenure available? (e.g. legal documents showing land status change, SIA and EIA reports, HCV assessment reports)</p> <p>c. Are there documents showing the actual legal use of the land available?</p>	<ul style="list-style-type: none"> • SK HGU certificate no. 01 and Keputusan Menteri Dalam Negeri no. 02/HGU/1988, dated 9 February 1988, covering: 11,777.08 Ha. • SK HGU certificate no.2, 1997 and Decree of the Minister of Agrarian Affairs / Head of National Land Agency, dated 27 January 1997, 	<p>The total area coverage for all land titles (HGU) were resumed 14,053.74 Ha, as details: 11,777.08 Ha For HSJ Negeri Lama (+) 2,087.91 ha for Aek Kuo (+) 188.75 Ha for extension.</p> <p>The completes legal documents showing history of land tenure includes the actual legal use were available as below:</p> <ul style="list-style-type: none"> • Land title HGU; certificate no. 01 and Keputusan Menteri Dalam Negeri no. 02/HGU/1988, dated 9 February 1988, covering: 11,777.08 Ha. 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>d. Are the documents complete?</p>	<p>no.12/HGU/BPN/97; covering 2,087.91 ha.</p> <ul style="list-style-type: none"> SK HGU certificate no.3, and SK BPN Sumatera Utara No.3/HGU/BPN.12/XI/2015 dated 8 December 2015 regarding extension land titles issues for PT Hari Sawit Jaya for area coverage 188.75 Ha 	<ul style="list-style-type: none"> Land title HGU; certificate no.2 year 1997, letter of measurement no. 2348/1997, and Special Situation Map no. 57/12/IV/1996, covering: 2,087.91 Ha. Land titles HGU Extension No.02-12-00-00-2-00074 issued on 29 February 2016, letter of measurement dated 12 February 2016 No.516/Labuhan-batu/2016, and SK BPN Sumatera Utara No.3/HGU/BPN.12/XI/2015 dated 8 December 2015 regarding extension land titles issues for PT Hari Sawit Jaya for area coverage 188.75 Ha IUP-B (Izin usaha perkebunan Budidaya) No. 180/293/Huk/2014 dated 3rd December 2014 from Labuhan Batu Regent for coverage area extension 190.96 Ha Plantation Operation Permit SPUP (Surat Pendaftaran Usaha Perkebunan) No.HK.350/410/DJ.Bun.5/V/2001 dated 28th May 2001, capacity 45 ton FFB/hr. area wide 11.777, 08 Ha Site Permit/Izin Lokasi from Labuhan Batu Regent No.503.593/259/ptnh/2013 dated 03rd September 2013 for area usage ± 190.96 Ha at Desa Sidomulyo village, Bilah Hilir District, Labuhan Batu Regent, North Sumatera Province Site Permit (Izin Lokasi) issued as indicated in Decree of the Governor of North Sumatera #593/9/K/BKPM/Tahun 1987 dated 4th May 1987, covering an area of 11,000 hectares for village of Selat Besar, Tanjung Halaban, Sei Tampang and Village of Kuala Bangka, Subdistrict Kuala Hilir Approval letter investor (Surat persetujuan tetap penanaman modal Dalam Negri)No.145/I/PMDN/1980 Business extension Izin usaha perluasan No.9/1/IU/II/PMDN/Industri/2011 dated 15 Mar 2011. IUT 66040 in toi 79540 ton CPO Registered company / Tanda Daftar perusahaan (TDP) No.020610100219 dated 17th June 2014 valid for 5 years <p>The organisation has already followed up the previous audit findings regarding plantation area outside the HGU/land title certificates, the</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			additional land title/HGU as listed, covering area 188.75 Ha. Moreover there are also available the "Izin Lokasi" and IUP-B for coverage area 190.96 Ha.	
2.2.2	<p>Legal boundaries are demonstrated clearly and maintained.</p> <p>Specific Guidance: <i>For 2.2.2: Grower should cease operations on land planted beyond the legally determined area and there should be specific plans in place to address such issues for associated smallholders.</i></p>			
	<p>a. Is there a legal map showing location of boundary markers?</p> <p>b. Is there physical presence of boundary markers?</p> <p>c. Is there an SOP for boundary demarcation and maintenance?</p> <p><i>Note to auditor: Ground verification of boundary markers using GPS should be conducted. Priority should be on boundaries with other estates, community areas, protected area and rivers</i></p> <p><u>In the case of Associated Smallholders:</u></p> <p>d. Are there documents showing that the boundaries of associated smallholders have been recorded and verified by the mill?</p> <p>e. In case of boundary breach, is there proof of a mitigation plan being implemented?</p>	<ul style="list-style-type: none"> Situation Map / HGU map Site visit observation on KNU and KAK Estate Working instruction (NLG-WI-001/Rev.0/01-12-15) Monitoring and Maintenance of boundary markers Laporan Pemeriksaan dan Perawatan Patok Batas (Report of Pegs monitoring and maintenance, dated 10 May 2016. 	<p>Area has been measured by government BPN and recorded on Situation Map / HGU map. Documented working instruction (NLG-WI-001/Rev.0/01-12-15) regarding the monitoring and maintenance of boundary markers was established. Within the procedure was defined that maintenance conducted twice within a year. Legal boundaries marker were sighted during audit visit and maintained along the perimeters of estate lands which were mapped with Global Positioning System (GPS). Field observation was conducted to pegs number as below:</p> <p>Nagri Lama Selatan (KNS) Estate</p> <ul style="list-style-type: none"> Peg no. 4 with coordinates N: 02° 20' 25,1", E: 100° 02' 06,5" at Block H11k, bordering with field of Sidomulyo Village community. Peg no. 8 with coordinates N: 02° 19' 09,8", E: 100° 00' 05,9" 02° 20' 25,1" at Block H11r, bordering with field of Sidomulyo Village community. <p>Nagri Lama Central (KNC) Estate</p> <ul style="list-style-type: none"> Peg no. 8 with coordinates N: 02° 22' 04,2", E: 099° 58' 45,4" at Block F12o, bordering with PT Merbau Jaya. Peg no. 9 with coordinates N: 02° 22' 03,3", E: 099° 59' 02,4" at Block F12o, bordering with PT Merbau Jaya. 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.2.3	In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.			
	<p>a. Are there, or have there been any land disputes?</p> <p><i>Note to auditor: Due diligence should be conducted on the management to provide evidence that there has been no historical or current land dispute</i></p> <p>b. If there are or have been disputes, are there:</p> <ul style="list-style-type: none"> - Documents to proof legal acquisition? - Records of FPIC process? <p>c. If there has been acquisition involving compensation, are there:</p> <ul style="list-style-type: none"> - Records that Fair compensation has been provided and accepted by parties involved? - Records that all affected parties are consulted and represented? - Documents of negotiations/discussion available? <p><i>Note to auditor: There should be direct verification of above with the affected parties.</i></p>	<ul style="list-style-type: none"> • Public consultation with stakeholders on 19 December 2017 • SOP: Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1. 	<p>No complaints associated with land disputes between the company and the surrounding community. This was also confirmed during the public consultation with stakeholders on 19 December 2017 at KNS.</p> <p>PT. Hari Sawit Jaya has established a mechanism for resolution of conflicts and disputes through SOP for Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1.</p> <p>This procedure mentioned how the company solves the problem if any conflict occurred, both internal and external conflicts. This procedure also mentioned if the problem cannot be resolved by negotiation, the company will take legal action involving the related institution.</p>	N/A
2.2.4	(M) There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.			
	<p>a. Does the company have cases of significant land conflict? (i.e. preventing the company from operating normally)</p> <p>b. If the company has cases of conflict, are records of the following available?</p> <ul style="list-style-type: none"> - Status of conflict 	<ul style="list-style-type: none"> • Public consultation with stakeholders on 19 December 2017 • SOP: Social Conflict and Land Dispute Resolution has been 	<p>No complaints associated with land disputes between the company and the surrounding community. This was also confirmed during the public consultation with stakeholders on 19 December 2017 at KNS.</p> <p>PT. Hari Sawit Jaya has established a mechanism for resolution of conflicts and disputes through SOP for Social Conflict and Land</p>	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> - SOP/ mechanism for conflict resolution - Implementation of SOP/mechanism - Acceptance of the procedures by all parties - Records of conflict resolution 	described in AA-GL-0052.1-R1.	<p>Dispute Resolution has been described in AA-GL-0052.1-R1.</p> <p>This procedure mentioned how the company solves the problem if any conflict occurred, both internal and external conflicts. This procedure also mentioned if the problem cannot be resolved by negotiation, the company will take legal action involving the related institution.</p>	
2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.			
	<p>a. Is there an SOP for participatory mapping of disputed area?</p> <p>b. Is a dispute map available?</p> <p>c. Is there documented evidence of involvement and acceptance by the affected parties?</p> <p><i>Note to auditor: Actual ground verification showing the accuracy of the dispute map should be conducted</i></p>	<ul style="list-style-type: none"> • Public consultation with stakeholders on 19 December 2017 • SOP: Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1. 	<p>No complaints associated with land disputes between the company and the surrounding community. This was also confirmed during the public consultation with stakeholders on 19 December 2017 at KNS.</p> <p>PT. Hari Sawit Jaya has established a mechanism for resolution of conflicts and disputes through SOP for Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1.</p> <p>This procedure mentioned how the company solves the problem if any conflict occurred, both internal and external conflicts. This procedure also mentioned if the problem cannot be resolved by negotiation, the company will take legal action involving the related institution.</p>	N/A
2.2.6	<p>(M) To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Specific Guidance: For 2.2.6: The company policy should require the use only of legally recognized private security personnel in their operations and prohibit extra-judicial interference and intimidation by the security personnel as mentioned above (see Criterion 6.13).</p>			
	<p>a. Does the company have a policy to circumvent instigated violence to maintain peace and order in current and planned operations?</p> <p>b. Is there any evidence of:</p>	<ul style="list-style-type: none"> • Company policy. • Public consultation with stakeholders on 19 December 2017 	<p>Company have a policy to circumvent instigated violence to maintain peace and order in current and planned operations. It documented in the Company Policy dated 1 December 2014 and mentioned in the item no 8 and stated circumvent instigated violence to maintain peace</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> - The use of confrontation and intimidation by the company to maintain peace and order? - Use of para-militaries and mercenaries in the plantation? 		<p>and order in current and planned.</p> <p>From the results of the public consultation with stakeholder on 19 December 2017 also confirmed that no act of violence and militaristic ways adopted by the company in solving problems with public / stakeholders.</p>	
2.3	<p>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p> <p>Guidance: <i>All indicators are applied to all oil palm plantations developed after November 2005, with exception to plantations developed prior to November 2005 that may not have records dating back to the time of decision making, in particular for compliance with Indicators 2.3.1 and 2.3.2.</i></p> <p><i>Where there are legal or customary rights over land, the grower should demonstrate that these rights are understood and are not being threatened or reduced. This Criterion should be considered in conjunction with Criteria 6.4, 7.5 and 7.6. Where customary rights areas are unclear these should be established through participatory mapping exercises involving affected parties (including neighbouring communities and local authorities).</i></p> <p><i>This Criterion allows for sales and negotiated agreements to compensate other users for lost benefits and/or relinquished rights. Negotiated agreements should be non-coercive and entered into voluntarily, carried out prior to new investments or operations, and based on an open sharing of all relevant information. The representation of communities should be transparent and in open communication with other community members. Adequate time should be given for customary decision making and iterative negotiations allowed for, where requested. Negotiated agreements should be binding on all parties and enforceable in the courts. Establishing certainty in land negotiations is of long-term benefit for all parties.</i></p> <p><i>Growers and millers should refer to the RSPO approved FPIC guidance (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i></p> <p><i>Companies should be especially careful where they are offered lands acquired from the State by its invoking the national interest (also known as 'eminent domain').</i></p>			
2.3.1	<p>(M) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p>			
	<ul style="list-style-type: none"> a. Does the company have an SOP on FPIC? b. Is there evidence that the identification of legal, customary or user rights has been done through FPIC process? c. Is there evidence that the FPIC process has been implemented in accordance to the company SOP? Where is this evidence 	<ul style="list-style-type: none"> • SOP <i>Penanganan Konflik Lahan</i> (Conflict Management and Handling) AA-GL-5003.1-R2 dated 5 May 2015. • Areal Statement of PT Hari Sawit Jaya • Public consultation with stakeholders on 19 December 	<p>Company has established SOP <i>Penanganan Konflik Lahan</i> (Conflict Management and Handling) AA-GL-5003.1-R2 dated 5 May 2015 which stated the mechanism of FPIC.</p> <p>However FPIC process was not applicable due to all land in inside the concession area has been developed in period 1993 - 2003 (based on areal statement). Based on Social Impact Assessment, HCV Assessment and public consultation there were no customary rights in the land.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>recorded? (E.g.: Documents, Minutes of meeting, Records, Agreements, Maps, etc.)</p> <p>d. Is there a map of the extent of legal, customary or user rights? Is this map of appropriate scale (1: 10,000)?</p> <p>e. Was the map produced through participatory mapping with reference to SIA and HCV assessment?</p> <p>f. Does the map have a title, legend, source, scale and projections/georeference?</p> <p>g. Are the maps accepted by the relevant communities?</p>	<p>2017</p>		
<p>2.3.2</p>	<p>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <p>a. Evidence of consultation</p> <p>b. Statement of transfer of rights</p> <p>c. Evidence of compensation</p> <p>See specific guidance 2.3.2</p> <p>Specific Guidance: For 2.3.2 : <i>Copies of negotiated agreements shall include at minimum:</i></p> <p>a. <i>A plan that should be developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</i></p> <p>b. <i>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;</i></p> <p>c. <i>Evidence that the company has ensured that affected communities have understood and accepted the legal, economic, environmental and social implications for permitting operations on their land, including the implications for the legal status of their land at the expiry of the company's title or concession. The company shall inform the legal implication based upon, but not limited to, Act No. 50 year 1960 and Government Regulation No. 40 year 1996 regarding Land-Use Right (HGU), Building-Use Right (HGB), and User Right, where the land will be owned by the state if HGU right is expired, not be extended and or updated.</i></p> <p>d. <i>Evidence that the company has informed the plan for partnership program.</i></p>			
	<p>a. Are copies of negotiated agreements with affected parties available?</p>	<ul style="list-style-type: none"> SOP Penanganan Konflik Lahan (Conflict Management and Handling) AA-GL-5003.1- 	<p>Organizations have established procedures SOP <i>Penanganan Konflik Lahan</i> (Conflict Management and Handling) AA-GL-5003.1-R2 dated 5 May 2015. Describes the mechanism of land conflict resolution mechanisms between companies and land owners. The</p>	<p>N/A</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Is there evidence that the agreement is prepared through proper FPIC process?</p> <p>c. Does the agreement contain the following:</p> <ul style="list-style-type: none"> - An action plan developed through consultation with affected parties, is inclusive and evidence that members of affected parties are well informed and involved in the decision making process - Evidence of options to give or withhold consent for development - Evidence that members of the affected communities understand and accept the implication involved in permitting/rejecting oil palm development on their land (E.g.: legal status, social, environmental, economic) - Evidence that the negotiated agreement was entered voluntarily without coercion by all parties - Evidence that adequate time was given for customary decision making and iterative negotiations - Clause which states that the negotiated agreement is legally binding 	<p>R2 dated 5 May 2015.</p> <ul style="list-style-type: none"> • Areal Statement of PT Hari Sawit Jaya • Public consultation with stakeholders on 19 December 2017 	<p>land cleared for oil palm plantations should ensure not be a problem and there is no dispute over land ownership. Procedure was presented to the head of the village around the plantation.</p> <p>Procedure for FPIC process was available, and during public consultation with Villages Heads, it was confirmed that the procedure was made in consultation and discussion with them. The procedure was consulted with surrounding communities around the area of company.</p> <p>There are no customary or user right in the plantation. It has been verified during group discussion with villages head, community leader and young leader around estate.</p> <p>The results of the consultation can be seen that the legal implications, economic, and social environment so that the use of land for plantation development has been understood and accepted by the affected communities, including the implications for the legal status of their land, concessions or compensation for their land.</p>	
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.			
	<p>a. Is there evidence that all the information (maps, agreement, records, impact assessment, benefit sharing and legal arrangements) is available in appropriate forms and languages, understood and accessible to affected parties?</p> <p><i>Note to auditor: this should be cross checked to a sample of the affected parties</i></p>	<ul style="list-style-type: none"> - Interview with local governance and stakeholder on 19 December 2017 	<p>Before performing land clearing, the company ensures that all of lands that will be cultivated have a clear status. The company has a land map according to the location permit given by the government. If there was land that become around community ownership within the area of location permit, companies will freeze the land with compensation as agreed both parties.</p> <p>There is no element of coercion and violence that performed by companies. This was also confirmed when the public consultation on 19 December 2017 with community leaders, prominent figure and local governance.</p>	N/A

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Planted areas of the Estate are wholly on Government land, leased under HGU. Maps have been developed for each estate indicating Legal demarcation and planted areas.</p> <p>Currently organizations have established procedures SOP SOP <i>Penanganan Konflik Lahan</i> (Conflict Management and Handling) AA-GL-5003.1-R2 dated 5 May 2015. Describes the mechanism of land conflict resolution mechanisms between companies and land owners. The land cleared for oil palm plantations should ensure not be a problem and there is no dispute over land ownership. Procedure was presented to the head of the village around the plantation</p>	
2.3.4	<p>(M) Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Specific Guidance: For 2.3.4: Evidence of proxy letter from the community group, individual and/or company to the institution which represents community at the negotiation process, shall be demonstrated.</p>			
	<p>a. Who is the representative of the community in the negotiation process?</p> <p>b. Is the representative accepted by the community?</p> <p>c. Is the record of appointment to represent the community available and shared with other parties?</p>	<ul style="list-style-type: none"> • Interview with local governance and stakeholder on 19 December 2017 • HCV and SIA Assessment 	<p>Communities are represented through institutions or representatives of their own choosing. It was confirmed that Village communities have delegated their representatives to the Village Head. Village Head are selected through local election and accepted by the community.</p> <p>FPIC process was not applicable due to all land in inside the concession area has been developed in period 1993 - 2003. Based on Social Impact Assessment, HCV Assessment and public consultation there were no customary rights in the land.</p>	N/A

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
3.1	<p>There is an implemented management plan that aims to achieve long-term economic and financial viability.</p> <p>Guidance: <i>Whilst it is recognised that long-term profitability is also affected by factors outside their direct control, top management should be able to demonstrate attention to economic and financial viability through long-term management planning. There should be longer term planning for plantations on peat, particularly in regards to subsidence and flooding issues (see Indicator 4.3.5).</i></p> <p><i>Consideration of smallholders should be inherent in all management planning where applicable (see also Criteria 6.10 and 6.11). For scheme smallholders, the company should refer to RSPO Guidance On Scheme Smallholders, July 2009 or endorsed final revision.</i></p> <p><i>Growers should have a system to improve practices in line with new information and techniques. For smallholder schemes, the scheme management should be expected to provide their members with information on significant improvements.</i></p> <p><i>This Criterion is not applicable to independent smallholders (refer to RSPO Guidance for Independent Smallholders under Group Certification, June 2010)</i></p>			
3.1.1	<p>(M) A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</p> <p>Specific Guidance: <i>For 3.1.1: The business or management plan should contain:</i></p> <ul style="list-style-type: none"> • <i>Attention to quality of planting materials;</i> • <i>Crop projection = Fresh Fruit Bunches (FFB) yield trends;</i> • <i>Mill extraction rates = Oil Extraction Rate (OER) trends;</i> • <i>Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends;</i> • <i>Forecast prices;</i> • <i>Financial indicators.</i> <p><i>Suggested calculation: trends in 3-year running mean over the last decade (FFB trends may need to allow for low yield during major replanting programmes).</i></p>			
	<p>a. Does the company have a documented business or management plan with a minimum planning period of 3 years?</p> <p>b. Does it include the following:</p> <ul style="list-style-type: none"> - Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps. Maps should have 	<ul style="list-style-type: none"> • PT. Hari Sawit Jaya – Negri Lama II Projection year 2017 – 2021 • PT. Hari Sawit Jaya – Negri Lama Selatan, Negri Lama Central, Negri Lama Utara and Aek Kuo Estate 	<p>Management plan established for period 2017 - 2021 has been used to achieve economic viability and long-term financial. The plan was approved by the top management. The Management Plan has include:</p> <ul style="list-style-type: none"> - Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps. Maps does have title, legend, source, scale and projections/georeferenced - Plan for management of scheme smallholders (where appropriate) - Quality of planting materials - Crop projection = Fresh Fruit Bunches (FFB) yield trends 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>title, legend, source, scale and projections/georeferenced</p> <ul style="list-style-type: none"> - Plan for management of scheme smallholders (where appropriate) - Quality of planting materials - Crop projection = Fresh Fruit Bunches (FFB) yield trends - Mill extraction rates = Oil Extraction Rate (OER) trends - Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends - Forecast prices - Financial indicators – profitability forecast (income vs cost) - Projected expansion (area, mill capacity, infrastructure, social amenities) - General strategy and allocation for environmental and social management (refer to P5, P6 and P8) <p>c. Is this management document subjected to an annual review?</p> <p>d. For plantations on peat, is there a long term viability plan – e.g. flooding, drainability assessments and subsidence issues? (see 4.3.5)</p> <p>e. Does the grower have a system to improve practices in line with new information and techniques?</p> <ul style="list-style-type: none"> - Has the personnel in charge (PIC) been identified? - How is the information updated? 	<p>Operation Projection year 2017 – 2021</p>	<ul style="list-style-type: none"> - Mill extraction rates = Oil Extraction Rate (OER) trends - Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends - Forecast prices - Financial indicators – profitability forecast (income vs cost) - Projected expansion (area, mill capacity, infrastructure, social amenities) - General strategy and allocation for environmental and social management (refer to P5, P6 and P8) <p>The parameters listed in the management plan that includes revenue and earnings, projected crop production (FFB yield trend), the extraction rate of CPO and PK (Production forecast up to 2021), harvesting, processing FFB and CPO. The achievement of the management plan is reviewed every month in the Estate Unit Report (LUK) and Mill Unit Report (LUP) according to the current month. Reviewing of LUK and LUP was conducted monthly. Planting material are 70% Topaz, 10% Socfin, 10% Dami Mas and 10% Lonsum.</p> <p>For plantations on peat, there is a long term viability plan – e.g. flooding and subsidence issues. Water canal and water gate has been established, subsidence monitoring and drainability assessment has been performed February 2017.</p> <p>The organisation has a system to improve practices in line with new information and techniques through continual improvement. PIC for estate is each Estate Manger, and PIC for Mill is Mill Manager. New information and new techniques are update through regular management review meeting. All staffs can propose continual improvement. Continual improvement was communicated to all unit managements.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																																																																																																													
	<ul style="list-style-type: none"> - Is there a documented SOP which requires monitoring and updating information to improve practices? - Is new information communicated to workers and scheme smallholders (where appropriate)? How is it communicated? 																																																																																																																
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.																																																																																																																
	<ul style="list-style-type: none"> a. Is there an annual replanting programme projected for a minimum of five years? b. Has it been documented? c. Is the progress of implementation documented? d. How does the programme take into consideration fragile soils such as peat? Is there a longer projection period (see C4.3)? e. Is there evidence of a yearly review of the replanting programme? 	<ul style="list-style-type: none"> • Replanting program of PT. Hari Sawit Jaya • LUK (Estate Unit Report) 	<p>Projected annual replanting programme was described in the “Replanting Program of PT. Hari Sawit Jaya”. Detail Annual Replanting Programme for 2015 – 2023 has been documented. The progress of implementation (realisation) has been documented in monthly LUK (Estate Unit Report).</p> <table border="1" data-bbox="1043 751 1839 1099"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="5">Program (Ha)</th> <th colspan="5">Realisation (Ha)</th> </tr> <tr> <th>KNS</th> <th>KNC</th> <th>KNU</th> <th>KAK</th> <th>Total</th> <th>KNS</th> <th>KNC</th> <th>KNU</th> <th>KAK</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>1116</td> <td>822</td> <td>0</td> <td>0</td> <td>1938</td> <td>1116</td> <td>822</td> <td>0</td> <td>0</td> <td>1938</td> </tr> <tr> <td>2011</td> <td>1465</td> <td>625</td> <td>552</td> <td>0</td> <td>2642</td> <td>1465</td> <td>625</td> <td>552</td> <td>0</td> <td>2642</td> </tr> <tr> <td>2012</td> <td>743</td> <td>1689</td> <td>214</td> <td>0</td> <td>2646</td> <td>743</td> <td>1689</td> <td>214</td> <td>0</td> <td>2646</td> </tr> <tr> <td>2013</td> <td>1057</td> <td>0</td> <td>452</td> <td>50</td> <td>1559</td> <td>1057</td> <td>0</td> <td>452</td> <td>50</td> <td>1559</td> </tr> <tr> <td>2014</td> <td>0</td> <td>0</td> <td>838</td> <td>547</td> <td>1385</td> <td>0</td> <td>0</td> <td>838</td> <td>547</td> <td>1385</td> </tr> <tr> <td>2015</td> <td>99</td> <td></td> <td>691</td> <td>431</td> <td>1221</td> <td>99</td> <td>0</td> <td>691</td> <td>431</td> <td>1221</td> </tr> <tr> <td>2016</td> <td>0</td> <td>0</td> <td>669</td> <td>565</td> <td>1234</td> <td>0</td> <td>0</td> <td>669</td> <td>565</td> <td>1234</td> </tr> <tr> <td>2017</td> <td>0</td> <td>0</td> <td>480</td> <td>132</td> <td>612</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Fragile soils such as peat have taken into consideration on the replanting programme of PT. Hari Sawit Jaya. Longer projection period is applied. The replanting program is reviewed annually in regular management review meeting.</p>	Year	Program (Ha)					Realisation (Ha)					KNS	KNC	KNU	KAK	Total	KNS	KNC	KNU	KAK	Total	2010	1116	822	0	0	1938	1116	822	0	0	1938	2011	1465	625	552	0	2642	1465	625	552	0	2642	2012	743	1689	214	0	2646	743	1689	214	0	2646	2013	1057	0	452	50	1559	1057	0	452	50	1559	2014	0	0	838	547	1385	0	0	838	547	1385	2015	99		691	431	1221	99	0	691	431	1221	2016	0	0	669	565	1234	0	0	669	565	1234	2017	0	0	480	132	612	0	0	0	0	0	YES
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2017	0	0	480	132	612	0	0	0	0	0																																																																																																							

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.1	<p>Operating procedures are appropriately documented, consistently implemented and monitored.</p> <p>Specific Guidance: For 4.1.1 and 4.1.4: SOPs and documentations for mills should include relevant supply chain requirements (see RSPO Supply Chain Certification Standard, Nov 2011). Mechanisms to check implementations could include documentation management systems and internal control procedures. These procedures refer to the Best Management Practices for Oil Palm in Indonesia, such as Technical Guideline for Oil Palm Development, Directorate General of Estate Crops, Ministry of Agriculture, 2006.</p>			
4.1.1	(M) Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.			
	<p>a. Have the SOPs for mills and plantation been documented?</p> <p>b. Does the SOP cover key processes, harvesting, transportation, manuring, IPM, GAP, Supply Chain requirements for the mill, etc.?</p> <p>c. Is a copy of the SOP available on site and is it documented in an appropriate language?</p> <p>d. Is there evidence that SOPs are implemented and understood by workers?</p> <p>e. Are the SOPs appropriate and adequately cover all estate and mill processes and activities?</p> <p>f. How are the SOPs made available at the point of use?</p>	<ul style="list-style-type: none"> • Agriculture Policy Manual (APM) • Mill Policy Manual (MPM) • Records of APM and MPM dissemination dated 02-September-2015 • Laporan Unit Kebun (Estate Operation Report) November 2017 • Mill operation summary (MOS) period November 2017 	<p>The documented Standard Operating Procedures (SOP) for Estate was evident:</p> <ul style="list-style-type: none"> • AA-APM-OP-1100.01-R1 Nursery • AA-APM-OP-1100.02-R1 Land Preparation • AA-APM-OP-1100.03-R1 Creation and Maintenance of Road • AA-APM-OP-1100.04-R1 Creation and Maintenance Trenches • AA-APM-OP-1100.05-R1 Soil and Water Conservation • AA-APM-OP-1100.06-R1 Planting Leguminous Cover Crop • AA-APM-OP-1100.07-R1 Oil Palm Planting • AA-APM-OP-1100.09-R1 Manuring • SOPs for IPM: <ul style="list-style-type: none"> ○ AA-APM-OP-1100.10-R1 Pest & Diseases Control ○ AA-APM-OP-1100.08-R1 Weeding Control ○ AA-APM-OP-1100.14-R1 Census and Identification Plant • AA-APM-OP-1100.11-R1 Management Pesticides • AA-APM-OP-1100.12-R1 Castration • AA-APM-OP-1100.13-R1 Pruning • AA-APM-OP-1100.15-R1 Census of Production • AA-APM-OP-1100.16-R1 Consolidation • AA-APM-OP-1100.17-R0 Water Management • AA-APM-OP-1100.18-R1 FFB Harvesting • AA-APM-OP-1100.19-R1 Transportation Management 	<p>YES</p>

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			SOPs are implemented and understood by workers.	
4.1.2	Checking or monitoring of operations procedures is conducted at least once a year.			
	<p>a. Is there a master list of all SOPs?</p> <p>b. How does the company keep track of revisions?</p> <p>c. Is there mechanism for:</p> <ul style="list-style-type: none"> - Translation of SOP into work instructions in appropriate languages? - Records of training for all levels? - Internal control (e.g. audit and review, field inspection) procedure in place to monitor consistent implementation of SOPs? - Trained and competent personnel assigned to carry out internal control activities? - Implementation audits to be carried out regularly covering implementation of all the SOPs? - Procedure to address non-compliance and corrective action for continuous improvement? 	<ul style="list-style-type: none"> • Agriculture Policy Manual (APM) • Mill Policy Manual (MPM) • VA (Visit Agronomy) Report KNC for visit date 30 January to 3 February 2017. • VA (Visit Agronomy) Report KNS for visit date 21 to 25 May 2017. • VE (Visit Engineering) Report. dated 14 – 15 December 2017 	<p>The master list of mill documents (include procedures and work instruction) were compiled within 1 bundled documents named “APM” (Agriculture Policy Manual) for Estate and “MPM” (Mill Policy Manual) for Mill. The updated procedures were received from head office sustainable department sent to all mill related functions. The APM and MPM Documents were available on Bahasa Indonesia language and disseminated by head office sustainable department, records of dissemination was evident dated 02-September-2015.</p> <p>The internal control for plantation (Visit Agronomy) was conducted by experienced Agronomy Consultant, regarding all operation process in agronomy, last visit conducted on 30 January to 3 February 2017 in KNC and 21 to 25 May 2017 in KNS. Internal control for Mill resulted in Visit Engineering Report regarding CPO inter-laboratory crosscheck using statistical method to compare the quality of CPO for each mill, records was sighted that the result shown there is no big issues in PND (Negri Lama 2 Mill) and its supply bases. The company has keep track of revisions.</p> <p>The documented mechanism has include:</p> <ul style="list-style-type: none"> - Translation of SOP into work instructions in appropriate languages. - Records of training for all levels. - Internal control (e.g. audit and review, field inspection) procedure in place to monitor consistent implementation of SOPs. - Trained and competent personnel assigned to carry out internal control activities. - Implementation audits to be carried out regularly covering implementation of all the SOPs. - Procedure to address non-compliance and corrective action for continuous improvement. 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.1.3	Records of monitoring and any follow-up actions shall be available.			
	<p>a. Have the records been maintained on the following?</p> <ul style="list-style-type: none"> - Measurements or results of internal control and monitoring activities (refer 4.1.2) - Records of corrective actions and improvement undertaken 	<ul style="list-style-type: none"> • VE (Visit Engineering) Report. 14 – 15 December 2017 • R&D Pest and Disease Visit Report, 20 – 22 July 2017 • VA (Visit Agronomy) Report KNC for visit date 30 January to 3 February 2017. • VA (Visit Agronomy) Report KNS for visit date 21 to 25 May 2017 • FFB Quality Monitoring Form - 	<p>In Estates, Head of Assistant and Afdeling Staf inspected and monitored the activities at the site on a regular basis. The result of internal control to monitoring activities was available and reviewed, such as monitoring of FFB Quality and Harvest Area.</p> <p>R&D Pest and Disease Visit was conducted by R&D officer, dated on 20 – 22 July 2017. Monitoring for action plan progress form Visit Agronomy Report, dated on 30 January to 3 February 2017 for KNC and 21 to 25 May 2017 for KNS, its Action status of 100% closed for under pruning, midrib on circle, and attacking of Tirathaba low. Records of corrective action and improvement from internal audit were available in the report of Visit Agronomy Report (Appendix 2 Action Plan includes issues and action).</p> <p>For Mill, the organisation conducted monitoring and checking for all applicable procedures, mill operation performance activities through periodic visit of corporate engineering called VE (Visit Engineering), The Report sighted; dated 14 – 15 December 2017 was sighted includes Mill key performance, assessment overall mill operations, process efficiency, plant maintenance, management supervision, manpower statement, production cost, EHS management system and sustainability. The corrective action plans was established and followed up by mill, the records was also evident.</p> <p>Non-conformance : There are inappropriate operational activities</p> <p>Objective evidence : KNC</p> <ul style="list-style-type: none"> a. Calibration of fertilizer dosage in 2017 for each division has not been demonstrated yet. b. Spray tools calibration in 2017 can't be shown during audit <p>Mill</p> <ul style="list-style-type: none"> a. The temperature gauge for the press machine and digester 	<p>YES (Minor NCR 2017 – 03)</p> <p>OPEN</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			number 3 is damaged	
4.1.4	(M) Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and out-grower) shall be available.			
	<p>a. Is there an SOP for third-party FFB sourcing?</p> <p>b. Is there a list of approved third-party FFB suppliers?</p> <p>c. Is there proof of observed implementation of SOP?</p> <p>d. Is there daily and summary records of volume and origins of third-party FFB received?</p> <p>e. Have these records been verified against the available document?</p>	<ul style="list-style-type: none"> • AA-MPM-OP-1400-02.R1 (Procedure of Receiving Station) • AA-MPM-OP-1400.17-R3 (Procedure of Traceability) • AA-MPM-OP-1400.18-R3 (Procedure of Mass Balance) • Mechanism of third party FFB receiving. • Mechanism of FFB pricing 	<p>Standard Operating Procedures for third party FFB sourcing were available. The receiving station split FFB from internal and external sources (third party). Mechanism of third party FFB receiving described the process from proposal from supplier, approval as FFB supplier, FFB pricing, FFB receiving in Mill and payment of FFB.</p> <p>Record of TBS received from external sources was stated on Recapitulation of FFB Received Report. There were a list of approved third-party FFB suppliers, such as :</p> <ul style="list-style-type: none"> - ESTERIA M QQ - SUMIYATIK-AB - Mukhtar Pinem, - KPKS Wahyu Agung - Edy Ahmad - Sitolong Nadangol <p>There were evidence of SOP implementation such as: FFB grading process 100% in accordance with grading criteria which has been agreed in DO, price of FFB was agree in DO based Memorandum from Regional Office Medan, payment carry out after FFB received and invoice receive by finance. Payment was performed daily. Third party FFB price affected by CPO and PK price, transport, OER, KER, processing cost and others.</p> <p>For example payment recapitulation dated 2 December 2017 IDR 383,525,011 for FFB nett 260.305 MT. Payment has been transfer to an account number in BRI. It was observed that the payment and price was met with DO and procedure. Organization only received legal FFB; There was statement letter from each FFB supplier that:</p> <ul style="list-style-type: none"> - FFB supplied to PT. HSJ, Negri Lama 2 Mill was not came from forest area or prohibited area by law and regulation. - FFB supplied to PT. HSJ, Negri Lama 2 Mill was not came from peat area. 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> - Not performed burning for land clearing in new planting or replanting - Not employed children under 18 years old. <p>Negri Lama 2 Mill records the origins of all third-party sourced Fresh Fruit Bunches. FFB tonnage delivery from the third party was well documented daily (Laporan Harian Pabrik) and monthly (Mill Operation Summary).</p> <p>All records have been verified and it was compliance with available procedure.</p>	
4.2	<p>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p> <p>Guidance: <i>Long-term fertility depends on maintaining the structure, organic matter content, nutrient status and microbiological health of the soil. Growers should ensure that they follow the best practices. Nutrient efficiency should take account of the age of plantations and soil conditions.</i></p> <p><i>The nutrient recycling strategy should include any use of biomass for by-products or energy production.</i></p> <p><i>One of the guidance may be used as a reference to the Technical Guideline for Oil Palm Development, Directorate General of Estate Crops, Ministry of Agriculture (2006)</i></p>			
4.2.1	(M) A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available			
	<ul style="list-style-type: none"> a. Are there SOPs for Good Agricultural Practices in managing soil fertility? b. Is there evidence that the SOPs have been implemented and monitored? 	<ul style="list-style-type: none"> • Agriculture Policy Manual No. AA-APM-OP-1100.09-R3 • Work Instruction of Leaf Sampling in Field • Field observation on KNS Afdeling II and KNC Afdeling III 	<p>Procedure for Good Agricultural Practices in managing soil fertility was documented in Manuring Procedure No. AA-APM-OP-1100.09-R3 that the first principle of fertilizer application was each the palm oil stand shall receive a type of fertilizer in accordance with recommendation dosage form R&D. Fertilizer programme and realisation are recorded as mentioned in indicator 4.2.2.</p> <p>The company has also Work Instruction for Leaf Sampling in Field, Rev 00, January 2016. It has been implemented and monitored in the fertilizer recommendation based on annual leaf sampling unit (LSU). LSU was analysed by Nusa Pusaka Kencana Laboratorium for Fertilizer Recommendation 2017, PT. Hari Sawit Jaya.</p> <p>Based on field observation shows that plants are in good condition.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																													
			The application was according to documented SOP and WI. The fertiliser dosage was in accordance with manuring recommendation based on Manuring recommendation and application report 2017, and manuring technique was in line with the procedure.																														
4.2.2	Records of fertilizer inputs shall be available.																																
	<p>a. Is records of fertiliser inputs maintained?</p> <p>b. Is there records to proof that the fertiliser program is linked to the agronomic report?</p> <p>c. Is there records of fertilizer usage per tonne of FFB production (>in Summary Table, specific types of fertilizers)?</p>	<ul style="list-style-type: none"> Manuring recommendation and application report 2017 	<p>Record of manuring recommendation and realisation in 2017 can't be shows. This was a recurrence from previous audit so it will upgraded into Major NCR.</p> <p>Negeri Lama Selatan Estate</p> <table border="1" data-bbox="1196 635 1805 1220"> <thead> <tr> <th rowspan="2">Type of Fertilizer</th> <th colspan="2">Fertilizer usage</th> </tr> <tr> <th>Total usage (kg)</th> <th>Budget (kg)</th> </tr> </thead> <tbody> <tr> <td>ZA</td> <td>1,967,990</td> <td>1,991,532</td> </tr> <tr> <td>RP</td> <td>799,903</td> <td>804,590</td> </tr> <tr> <td>MOP</td> <td>2,616,621</td> <td>2,565,876</td> </tr> <tr> <td>DOLOMITE</td> <td>727,254</td> <td>751,456</td> </tr> <tr> <td>HGFB</td> <td>137,690</td> <td>140,640</td> </tr> <tr> <td>Cu-EDTA</td> <td>1,527</td> <td>28,128</td> </tr> <tr> <td>Zn-EDTA</td> <td>-</td> <td>26,643</td> </tr> <tr> <td>TOTAL</td> <td>6,250,985</td> <td>6,308,865</td> </tr> </tbody> </table>	Type of Fertilizer	Fertilizer usage		Total usage (kg)	Budget (kg)	ZA	1,967,990	1,991,532	RP	799,903	804,590	MOP	2,616,621	2,565,876	DOLOMITE	727,254	751,456	HGFB	137,690	140,640	Cu-EDTA	1,527	28,128	Zn-EDTA	-	26,643	TOTAL	6,250,985	6,308,865	<p>YES (Major NCR 2017 – 04) CLOSED</p>
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4.2.3	Records of periodical leaf, soil and visual analysis shall be available																																	
	<p>a. Is there SOPs for tissue and soil sampling?</p> <p>b. Is there evidence of implementation of the SOPs, including availability of records?</p> <p>c. Is there records of tissue and soil analysis?</p> <p>d. Is the results of the study incorporated into the fertilizer program?</p>	<ul style="list-style-type: none"> • Work Instruction of Leaf Sample Taking, January 2016. • Work Instruction of Soil Sample Taking, dated 14 January 2016 • Leaf Analysis Report, issued 06 June 2016 	<p>The company has Work Instruction for Leaf Sampling in Field, Rev 00, January 2016. It has been implemented and monitored in the fertilizer recommendation based on annual leaf sampling unit (LSU). The SOP for soil sampling unit was available in the Work Instruction of Soil Profile Sampling Taking, R&D AA IK about Soil Profile, Rev: 00, 14 January 2016. Leaf and Soil sample are analysed by PT. Nusa Pusaka Kencana Laboratorium for Fertilizer Recommendation.</p> <p>Implementation of leaf sampling analysis result was recorded in leaf Analysis Report, e.g dated 06 June 2016, Ref no. 88/INT/R&D/JUL/L/16 with number of sample 272 samples for KNS.</p> <p>Implementation of soil sampling analysis result was recorded in soil sampling report issued by R&D Asian Agri Group. It was</p>	<p>YES (Minor NCR 2017 – 05)</p> <p>OPEN</p>																														

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			<p>demonstrated of reporting by R&D dated on 3 February 2011 at Block B94f/1994, B94j/1994, B97c/1997 Afdeling 2, C03I/2003 Afdeling 3, KAK explained of profile soil analysis data such as physiography, topography, humidity, temperature, drainage, etc. Whilst for KNU was conducted on 16 December 2010, Div of 3, at block of I-97-f/1997, J-39-q/1993, H-91-k/1991, G-91-r/1991, G-91-w/1991, G-91-z.</p> <p>Records of soil analysis was available and the result of study incorporated into the fertilizer program each 6 (six) years. Soil analysis was used within agronomy and R&D program (fertilizer program).</p> <p>LSU 2017 is conducted in accordance with the memorandum number 15/RD/KNC/DES/2017 dated December 4, 2017 that the soil profile update at KNC and KNS is scheduled on 12 - 15 December 2017</p>	
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting			
	<p>a. Is there a nutrient recycling strategy in place?</p> <p>b. Does the strategy include the following?</p> <ul style="list-style-type: none"> • Clear objectives and time-bound targets • Inventory of <ul style="list-style-type: none"> - EFB - POME - Fibre - Boiler ash - Kernel shell - Palm residues from replanting • Biomass recycling program • Implementation and monitoring records <p><i>Note to auditor: Ground verification required</i></p>	<ul style="list-style-type: none"> • Agriculture Policy Manual No. AA-APM-OP-1100.09-R3 • Recapitulation of fertilizer for mature • Record of Inventory from palm oil process in 2017 	<p>There was a nutrient recycling strategy at KNS and KNC include bunch / boiler ash from burning EFB in Boiler and SOP was available in the Agriculture Policy Manual – Manuring, No. AA-APM-OP-1100.09-R3 that bunch ash was only recommended of dosage to mature palm oil by R&D. The target time-bound was explained in the Recapitulation of fertilizer for mature. Boiler ash management was carried out the application for ground at estate area as organic fertilizer. Record of monitoring was available in recapitulation evaluation of fertilizer. It was observed that Boiler Ash application is comply with best agriculture practices. Based on field observation at KNS and KNC, there is no application of EFB or POME in the plantation because most of the area is peat.</p> <p>Inventory from palm oil process in 2017, as follows :</p> <ul style="list-style-type: none"> - Boiler ash 18,698 kg (as organic fertilizer) - Shell 4,687 kg, meanwhile for kernel sold as RSPO PK Certified and in ISCC scheme 	YES

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4.3	<p>Practices minimise and control erosion and degradation of soils.</p> <p>Guidance: <i>Techniques that minimize soil erosion are well known and should be adopted, where appropriate. These should include practices such as ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting.</i></p>																																													
4.3.1	(M) Maps of any fragile soils shall be available.																																													
	<p>a. Is there soil maps showing presence of fragile soils and problem soils (refer to 4.3.6)?</p> <p>b. Are maps georeferenced and of appropriate scale (1:50,000)?</p>	<ul style="list-style-type: none"> Map of Soil and Land Suitability 	<p>Soil map and land suitability was available in scale 1: 20,000, projection system: Universal Transverse Mercator, Datum: WGS 84, Zone: 47 M, Central Meridien: E 99°. Soil classification are as follows:</p> <p>KNU</p> <table border="1" data-bbox="1173 746 1816 975"> <thead> <tr> <th>Soil Classification</th> <th>Topography (%)</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>Typic Endoaquepts</td> <td>0 - 3</td> <td>107</td> </tr> <tr> <td>Histic Humaquepts</td> <td>0 - 3</td> <td>308</td> </tr> <tr> <td>Typic Haplosaprists (peat < 3 m)</td> <td>0 - 3</td> <td>774</td> </tr> <tr> <td>Typic Haplosaprists (peat 1 - 3 m)</td> <td>0 - 3</td> <td>1,561</td> </tr> <tr> <td>Typic Haplosaprists (peat > 3 m)</td> <td>0 - 3</td> <td>1,280</td> </tr> </tbody> </table> <p>KAK</p> <table border="1" data-bbox="1173 1034 1816 1262"> <thead> <tr> <th>Soil Classification</th> <th>Topography (%)</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>Typic Endoaquepts</td> <td>0 - 3</td> <td>842</td> </tr> <tr> <td>Histic Humaquepts</td> <td>0 - 3</td> <td>291</td> </tr> <tr> <td>Typic Haplosaprists (peat < 3 m)</td> <td>0 - 3</td> <td>373</td> </tr> <tr> <td>Typic Haplosaprists (peat 1 - 3 m)</td> <td>0 - 3</td> <td>583</td> </tr> <tr> <td>Typic Haplosaprists (peat > 3 m)</td> <td>0 - 3</td> <td>557</td> </tr> </tbody> </table> <p>KNS</p> <table border="1" data-bbox="1173 1321 1816 1417"> <thead> <tr> <th>Soil Classification</th> <th>Topography (%)</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>Typic Endoaquepts</td> <td>0 - 3</td> <td>401</td> </tr> </tbody> </table>	Soil Classification	Topography (%)	Ha	Typic Endoaquepts	0 - 3	107	Histic Humaquepts	0 - 3	308	Typic Haplosaprists (peat < 3 m)	0 - 3	774	Typic Haplosaprists (peat 1 - 3 m)	0 - 3	1,561	Typic Haplosaprists (peat > 3 m)	0 - 3	1,280	Soil Classification	Topography (%)	Ha	Typic Endoaquepts	0 - 3	842	Histic Humaquepts	0 - 3	291	Typic Haplosaprists (peat < 3 m)	0 - 3	373	Typic Haplosaprists (peat 1 - 3 m)	0 - 3	583	Typic Haplosaprists (peat > 3 m)	0 - 3	557	Soil Classification	Topography (%)	Ha	Typic Endoaquepts	0 - 3	401	<p>YES</p>
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	<p>Planting on peat (including thickness > 3 m) conducted in year 2006, 2010, and 2011, at that time; there was no prohibition of planting on peat yet. Moratorium on planting on peat (Presidential Decree No. 10/2011) newly published on May 20th, 2011.</p>																							
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>Specific Guidance: <i>For 4.3.2: Management strategy on areas planted with steep slope may refer to the Technical Guidance for Oil Palm Development, Directorate General of Estate Crops, Agriculture Ministry (2006). Area with slope of >40% shall be avoided</i></p>																							
	<p>a. Is there a management strategy in place for plantings on slopes?</p> <p>b. Does the management strategy include the following?</p> <ul style="list-style-type: none"> - Identification of steep areas not suitable for planting - Policy of planting on slopes - SOPs to minimise soil erosion based on local soil and climate conditions, e.g. ground cover management, biomass 	<ul style="list-style-type: none"> • Agriculture Policy Manual No. AA-APM-OP-1100.05-R2 	<p>SOP of planting on slopes was available in AA-APM-OP-1100.05-R2 and SOP to minimise soil erosion based on local soil and climate conditions was available in AA-APM-OP-1100.05-R2.</p> <p>The organisation has management strategy for planting on slopes above certain limit such as terracing, as referred to company's SOP and work instructions. The Work instruction described preparation for planting including planting on slopes area has been developed by organisation:</p> <ul style="list-style-type: none"> - Flat undulating 0° – 5° 			YES																		

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	recycling, terracing, and natural regeneration or restoration instead of replanting c. Is there proof of records of field inspection on SOP implementation?		<ul style="list-style-type: none"> - Rolling 6° - 12° - Hilly 13° - 20° - Steep >20° Practices to control and minimize erosion have been applied by : <ul style="list-style-type: none"> - Terracing - Making the catchment where runoff water, called: "Tapak Kuda". - Making the catchment where runoff water, called "Rorak". - Planting legume cover crop. There was proof records of field inspection on SOP. For planting on slope performed with 0° – 5° or flat undulating and its compatible with SOP										
4.3.3	A road maintenance programme shall be in place.												
	a. Is there a road maintenance programme in place with supporting budget and resources? b. Is there road maintenance records?	<ul style="list-style-type: none"> • Road maintenance program in 2017 	PT. HSJ has a road maintenance program in place with supporting budget and resources in Planning and Realization for Manual and Mechanical Maintenance, as follows : Road Hardening - 2017 <table border="1" data-bbox="1173 954 1675 1066"> <thead> <tr> <th>Estate</th> <th>Plan (m)</th> <th>Realisation (m)</th> </tr> </thead> <tbody> <tr> <td>KNS</td> <td>1.118.892</td> <td>1.065.310</td> </tr> <tr> <td>KNC</td> <td>780.720</td> <td>797.306</td> </tr> </tbody> </table>	Estate	Plan (m)	Realisation (m)	KNS	1.118.892	1.065.310	KNC	780.720	797.306	YES
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KNC	780.720	797.306											
4.3.4	(M) Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Specific Guidance: For 4.3.4: For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains as per the Manual Best Management Practices for existing oil palm cultivation on peat, June 2012 or as per existing regulation if equal or shallower measured through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4). Regulations regarding water table on peat may refer, but not limited, to: 1. Government Regulation No. 71 year 2014 regarding Protection and Management of Peat Ecosystem 2. Regulation of Minister of Agriculture No. 14 year 2009 regarding Guideline of Oil Palm Cultivation on Peat 3. Regulation of Minister of Agriculture No. 11 year 2015 regarding Guideline of Indonesia Sustainable Palm Oil Plantation (ISPO)												

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an SOP to provide guidance on subsidence management?</p> <p>b. Does the SOP make reference to the RSPO BMPs on peat?</p> <p>c. How is subsidence being monitored?</p> <p>d. Are there records of subsidence monitoring?</p> <p>e. How is subsidence being minimised?</p> <p>f. Is there a water management programme and evidence of implementation? <i>For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).</i></p> <p>g. Is there a ground cover management programme and is there evidence of implementation?</p>	<ul style="list-style-type: none"> • Agriculture Policy Manual No. AA-SOP-OP-1100.17-R1 • Peat Subsidence Monitoring, period January and July 2017 • Water Level Monitoring Data 	<p>PT. HSJ has procedure to provide guidance on subsidence management in Water Management No. AA-SOP-OP-1100.17-R1 about Water Management. Subsidence pipe position based on peat depth and topography have been determined by R&D Department was between of stand in row free from weed and midrib pile to reach the substratum (mineral soil). Measuring was half-yearly conducted and Water height monitoring was weekly with optimum size of 50-70 cm. Control of drainage or water management, especially in the area of peat, used tools such as Stick-scale monitoring, and sluices (water gate) or drain block so as to maintain the ground water level. Its SOP reference to the RSPO PC, HCV, ISPO, and HCS.</p> <p>The subsidence was half-yearly monitored in Recapitulation of Peat Subsidence Monitoring. The last monitoring record on 2017. Result demonstrated that there was some subsidence in several Block, for example, monitoring of peat soil for page no 4 Block D11r during 2017 decreased 1.8 cm peat subsidency, and page no 1 Block E10g during 2017 decreased 2,4 cm peat subsidency.</p> <p>Water management programme has been implemented by PT. HSJ, among others by constructing water gate that equipped with water pump, water table monitoring, and piezometer. Base on field observation on Afdeling 2 KNS.</p> <p>PT. HSJ has ground cover management programme, such as planting legume cover crop. Field observation has been conducted at Block H06e KNS Estate. it was evident that ground cover management programme has been implemented.</p>	<p>YES (Major NCR 2017 – 06)</p> <p>CLOSED</p>
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>Specific Guidance: <i>For 4.3.5: Where drainability assessments have identified areas unsuitable for oil palm replanting, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of serious flooding and/or salt water intrusion within two crop cycles, growers and planters should consider ceasing replanting and</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>implementing rehabilitation.</i></p> <p><i>Plantations on peat should be managed at least to the standard set out in the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', June 2012 (especially water management, fire avoidance, fertilizer use, subsidence and ground surface management).</i></p>			
	<p>a. Was a drainability assessment conducted before replanting on peat?</p> <p>b. Was a flood risk map provided as a result of the drainability assessment?</p> <p>c. If the drainability assessment shows that an area is unsuitable for replanting, are there alternative plans in place for rehabilitation and alternative use in accordance to the RSPO BMPs?</p>	<ul style="list-style-type: none"> • AA-APM-OP-1100.20-R4 Agriculture Policy Manual Replanting 	<p>SOP for Drainability assessment was available in SOP of Replanting Agriculture Policy Manual No. AA-APM-OP-1100.20-R4. That mentioned before replanting, estate management and operation conducted the stages of land clearing that apply of method zero burning and drainability assessment. This assessment to identify and keep off the planting in non-productive area and has a high potential for flooding. Other than that, this assessment was used to measure that peat area can be distributed using gravity.</p>	<p>YES</p>
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p>			
	<p>a. Is there a management strategy in place for other fragile and problem soils?</p> <p>b. Does the management strategy include SOPs for the management of other fragile and problem soils?</p> <p>c. Is inspection and implementation records available?</p>	<ul style="list-style-type: none"> • Agriculture Policy Manual No. AA-APM-OP-1100.05-R1 • Subsidence and Water Management monitoring • Soil map and land suitability, 2011 	<p>Management strategy for soil problem was available in Environment Impact Assessment (EIA), Study of palm oil plantation and process at PT. Hari Sawit Jaya, Labuan Batu Regency, North Sumatera Province. There is no other type of fragile and problem soil in PT. Hari Sawit Jaya.</p>	<p>Yes</p>
4.4	<p>Practices maintain the quality and availability of surface and ground water.</p>			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>Specific Guidance: <i>For 4.4.1: The water management plan will:</i></p> <p>a. <i>Take account of the efficiency of use and renewability of sources;</i></p> <p>b. <i>Ensure that the use and management of water by the operation does not result in adverse impacts on other users within the catchment area, including local communities and customary water users;</i></p> <p>c. <i>Aim to ensure local communities, workers and their families have access to adequate, clean water for drinking, bathing, cleaning and latrine purposes;</i></p> <p>d. <i>Avoid contamination of surface and ground water through run-off of soil, nutrients or chemicals, or as a result of inadequate disposal of waste including Palm Oil Mill Effluent (POME).</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there a water management plan in place for mill and plantation with identified actions?</p> <p>b. Does the plan include the following?</p> <ul style="list-style-type: none"> • Identification of water sources • Efficient use of water • Renewability of water source • Impacts on catchment area and local stakeholders • Access of clean drinking water all year round for stakeholders • Avoidance of surface and ground water contamination <p>c. Have the identified actions in the plan been implemented?</p>	<ul style="list-style-type: none"> • Permit of Surface Water Usage from <i>Keputusan Kepala Badan Pelayanan Perizinan Terpadu Propinsi Sumatera Utara</i> Nomor: No. 610/479/BPPTSU/2/XII.II/X/2016 dated 19 Oktober 2016, debit maximum allowed is 6 L/second • Permit of Ground Water Usage from Governor of North Sumatra No : 546.2/533/DPMPPTSP/6/XI.3 b/VII/2017 dated 21 July 2017 for MCK purposes valid for 3 years • Permit of Ground Water Usage from Governor of North Sumatra No : 546.2/532/DPMPPTSP/6/XI.3 b/VII/2017 dated 21 July 2017 for workers and office purposes valid for 3 years • LUP (<i>Laporan Unit Pabrik</i>) • Water analysis measurement for period 2017 by <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i> • Records of water consumption period December 2016 – November 2017 • Water management 	<p>The main source of water for Mill activity is surface water – Bilah River. Permit of water abstraction from surface water has been obtained on 19 Oktober 2016 and valid through 3 years. Flow meters were installed to monitor water usage. The volume of water usage is monitored monthly both for process and domestic usage. Water consumption data December 2016 – November 2017 was sighted.</p> <p>Surface water quality is monitored every six months. Surface water quality was analysed both for upstream and downstream. Monitoring result of surface water quality was reviewed for 2nd semester 2016 and 1st semester 2017 against PP #82/2001 class II.</p> <p>Kebun Negeri Lama Central have a permit for ground waters usage such as :</p> <ul style="list-style-type: none"> • Permit of Ground Water Usage from Governor of North Sumatra No : 546.2/533/DPMPPTSP/6/XI.3b/VII/2017 dated 21 July 2017 for MCK purposes valid for 3 years. Maximal debit allowed is 6.6 liter/second. • Permit of Ground Water Usage from Governor of North Sumatra No : 546.2/532/DPMPPTSP/6/XI.3b/VII/2017 dated 21 July 2017 for workers and office purposes valid for 3 years. Maximal debit allowed is 6.6 liter/second <p>Analysis for ground water results not yet received by the company. On November 2017, the company have send ground water samples to be analysed by <i>Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan</i>.</p> <p>Water management plan include water source and distribution identification, volume of water utilization, parameter/standards of water utilization, identify the impacts include water effluents/wastes and also the method to reduce and control.</p> <p>The monitoring of water volume utilization for process was conducted, records was also sighted that YTD November 2017 achieved 319,859 m³ in volume that above the year period 2016 are 254,624 m³ due to exceed in FFB been processed. But if calculate</p>	<p>YES (Major NCR 2017 – 07) CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)												
		programme 2017	<p>per M3/ton FFB, it was noted that mill water use per tonne of FFB period December 2016 to November 2017 was below compared to 2016 (December 2015 – November 2016).</p> <table border="1" data-bbox="1173 448 1816 639"> <thead> <tr> <th>Year</th> <th>FFB Process (MT)</th> <th>Water Consumption (m³)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>162,044</td> <td>214,942</td> </tr> <tr> <td>2016 (November)</td> <td>196,175</td> <td>254,624</td> </tr> <tr> <td>2017 (November)</td> <td>248,232</td> <td>319,859</td> </tr> </tbody> </table> <p>The organisation has established a program to reduce water consumption, such as: repair the boiler steam outlet pipelines toward turbines by installed joint expansion to replace the elbow in order to reduce losses; to recycle the vacuum drier water discharge into kernel processes operation; steam optimization by setting the boiler main valve; recycle the sterilizer condensates for solution oil phase decanter and water dilution press in order to minimize water usage.</p> <p>This NCR was recurrence from last surveillance audit so it become a Major NCR.</p>	Year	FFB Process (MT)	Water Consumption (m ³)	2015	162,044	214,942	2016 (November)	196,175	254,624	2017 (November)	248,232	319,859	
Year	FFB Process (MT)	Water Consumption (m ³)														
2015	162,044	214,942														
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2017 (November)	248,232	319,859														
4.4.2	<p>(M) Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>Specific Guidance: For 4.4.2: Refer to the 'RSPO Manual On Best Management Practices (BMP) for management and rehabilitation of natural vegetation associated with oil palm cultivation on peat', July 2012.</p> <p><i>Growers and millers should address the effects of their use of water and the effects of their activities on local water resources.</i></p>															
	<p>a. Is there a map identifying water courses and wetlands?</p> <p>b. Are the water courses and wetlands protected?</p>	<ul style="list-style-type: none"> • HCV assessment report • AA-APM-OP-1100.05-R1-Soil and Water Conservation • Field observation 	<p>Based on HCV assessment and field observation in KNS and KNC estate, it was observed that there was no water area (river, swamp, and reservoir) as water provider and manage the hydrology and protection area, but PT. HSJ have the land cover was peat land, so</p>	YES												

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. Are the riparian and buffer zones maintained and restored in existing plantation and replanting areas?</p> <p>d. Is there SOP for riparian and buffer zone protection?</p> <p>e. Has the SOP been implemented?</p>		<p>that conducted the water management to protect of area from fire and flood.</p> <p>Nevertheless, organization has been establish the procedure for riparian and buffer zone protection which documented in AA-APM-OP-1100.05-R1-Soil and Water Conservation. The organisation has a procedure that prohibits the application of agrochemicals on the riparian area: Environmental Field Procedure on the Restoration of Riparian and Areas surrounding Lakes/Reservoirs and Springs (AA-KL-12-EFP), issued on August 1st 2010.</p>	
4.4.3	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6)</p> <p>Specific Guidances: For 4.4.3 : The references and standard may refer, but not limited to:</p> <p>a. Decree of the Minister of Environment No. 51 year 1995 regarding Industrial Effluent Quality</p> <p>b. Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance Assessment Effluent Usage from Industry to Soil in Palm Oil Plantation.</p> <p>c. Regulation of the Minister of Environment No. 12 year 2006 regarding Requirements and Mechanism of Legal Permit to Discharge Effluent to the Sea.</p> <p>National regulations relate to riparian strip are, such as:</p> <ol style="list-style-type: none"> 1. Government Regulation No. 38 year 2011 regarding River. 2. Government Regulation No. 37 year 2012 regarding Management of Riparian Strip. 3. Government Regulation No. 26 year 2008 regarding National Landscape, clause 56 (2) riparian strip outside settlement area is divided with following criteria: <ul style="list-style-type: none"> - Riparian strip of at least 5 meter width from the outer dike along the river bank with dike - Riparian strip of at least 100 meter from river side along main river bank without dike outside settlement area, - Riparian strip of at least 50 meter from river side along sub-main river bank without dike outside settlement area 4. Presidential Decree No. 32 year 1990 clause 16, regarding Criteria of Riparian Strip: <ol style="list-style-type: none"> a. At least 100 meter from outer main river and 50 meter from sub-main river, which is located outside settlement area. b. For river in settlement area, the riparian strip should be appropriate to build inspection path between 10 to 15 meters width. 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)
			Outside Settlement		Inside Settlement		
			Criteria	Minimum Riparian	Criteria	Minimum Riparian	Article
1	River with dike (measured from outer dike side)		-	5 m	-	3 m	Article 6
2	River without dike (measured from river edge)		Main River (river cross-sectional area > 500 km²)	100 m	Depth: > 20 m	30 m	Article 7 & 8
			Sub-main River (river cross-sectional area < 500 km²)	50 m	Depth: 0 m to 3 m	10 m	Article 7 & 8
3	Lake/dam (measured from highest water tide to land)		-	50 m	-	50 m	Article 10
4	Spring (around Spring)		-	200 m	-	200 m	Article 10
5	River that influenced by tidal (from river edge)		-	100 m	-	100 m	Article 10
5. Regulation of the Minister of Public Work No. 63 year 1993 regarding Riparian Strip, River Usage Area, River Authorization Area, Criteria of Riparian Strip Line.							
4.4.4	<p>a. Is the mill effluent treatment process in place?</p> <p>b. Is there a process in place for checking and monitoring water discharge quality, particularly BOD?</p> <p>c. Is the water discharge quality in compliance with national regulations?</p> <p>d. Does the mill have a license for treatment, discharge or land application of mill effluent, and is the mill in compliant with the requirements of the license?</p>	<ul style="list-style-type: none"> Report of analysis mill effluent period January – November 2017 Permit of waste water discharge from Bupati Labuhan Batu Nomor: 503.660/277/BLH/WAS/2013 on 19 September 2013 Monitoring of flowrate and pH inlet and outlet 	<p>Mill waste water (POME) was processed through a series of waste water treatment ponds. POME is monitored monthly as required by permit of waste water discharge (IPLC) on 19th of September 2013. The permit was valid through 5 years. POME discharge into river after treatment.</p> <p>The result of POME monitoring was reviewed including measurement of BOD for period January – November 2017. The Ministry of Environment Decree Permen 05/2014 required that BOD of POME discharged is less than 100 mg/litre. The result of POME quality during this period was under 100 mg/litre</p>	YES			
4.4.4 Monitoring of mill water use per ton of FFB shall be recorded							

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)								
	<p>a. Are there procedures to measure mill water usage, and are the procedures implemented?</p> <p>b. Are there records of mill water use per tonne of Fresh Fruit Bunches (FFB)?</p>	<p>Mill operation summary 2016 and 2017</p>	<p>Mill water use per tonne of FFB is monitored monthly. Result of monitoring of mill water use per tonne of FFB was sighted for 2016 and period January to November 2017.</p> <table border="1" data-bbox="1171 416 1816 619"> <thead> <tr> <th data-bbox="1171 416 1305 488">Item</th> <th data-bbox="1305 416 1480 488">2015 (m³/ton FFB)</th> <th data-bbox="1480 416 1646 488">2016 (m³/ton FFB)</th> <th data-bbox="1646 416 1816 488">2017 (m³/ton FFB)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1171 488 1305 619">mill water use per tonne of FFB</td> <td data-bbox="1305 488 1480 619">1.19</td> <td data-bbox="1480 488 1646 619">1.29</td> <td data-bbox="1646 488 1816 619">1.28</td> </tr> </tbody> </table> <p>It was noted that mill water use per tonne of FFB period December 2016 to November 2017 was below compared to 2016 (December 2015 – November 2016).</p> <p>The organisation has a program to reduce water consumption, such as:</p> <ul style="list-style-type: none"> - repair the boiler steam outlet pipelines toward turbines by installed joint expansion to replace the elbow in order to reduce losses; - to recycle the vacuum drier water discharge into kernel processes operation; - steam optimization by setting the boiler main valve; - Recycle the sterilizer condensates for solution oil phase decanter and water dilution press in order to minimize water usage. 	Item	2015 (m ³ /ton FFB)	2016 (m ³ /ton FFB)	2017 (m ³ /ton FFB)	mill water use per tonne of FFB	1.19	1.29	1.28	<p>YES</p>
Item	2015 (m ³ /ton FFB)	2016 (m ³ /ton FFB)	2017 (m ³ /ton FFB)									
mill water use per tonne of FFB	1.19	1.29	1.28									
<p>4.5</p>	<p>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p> <p>Guidance: <i>Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical and physical methods to minimise the use of chemicals. Native species should be used in biological control where possible. Regulations to be referred are such as:</i></p> <p>a. <i>Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</i> b. <i>Technical Guidance for the Development of Oil Palm Plantation, Directorate General of Estate Crops, Ministry of Agriculture (2006)</i></p>											
<p>4.5.1</p>	<p>(M) Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.</p>											
	<p>a. Is there a documented IPM plan?</p>	<ul style="list-style-type: none"> • IPM Plan • <i>Tyto alba</i> monitoring 	<p>Document of IPM Plan was available at PT. HSJ. Stages of IPM program were :</p>	<p>YES</p>								

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																																																													
	<p>b. Does the IPM plan include the following?</p> <ul style="list-style-type: none"> • Identification of potential pests and thresholds • What are the techniques used (cultural, biological, mechanical and physical methods)? • What are the native species used as part of the biological control method? • Does it help in reducing the use of chemicals over a period of time? • Prophylactic use of pesticides • Minimization of pesticide use • Review on the plans to suit the present condition such as replanting? <p>c. Is there an SOP to implement the plan and monitor its effectiveness?</p> <p>d. Is there records of pest occurrence and control?</p>	<ul style="list-style-type: none"> • Planning and realization for Beneficial plant • Record of rate census • Record of caterpillars census 	<p>- Visual observation (visual plant e.g. leaves or broken stems and fruit rot)</p> <p>- Conducting a census (to determine the distribution and level of attack)</p> <p>- Control (manual, biological or chemical).</p> <p>- Census of evaluation (to see the effect of control).</p> <p>IPM program covered census of caterpillars, termites and rodents and upkeep of beneficial plant.</p> <p>Biological control used <i>Tyto alba</i> and Beneficial plant (<i>Cassia tora</i>). Other than that, protect the predator species, such as Kobra hitam (<i>Naja sumatrana</i>), Elang tikus (<i>Elanus caeruleus</i>), ect, so that can reduce the use of chemical. The last monitoring (census) of <i>Tyto alba</i> :</p> <p>Tyto Alba Cencus KNS</p> <table border="1" data-bbox="1227 778 1805 1007"> <thead> <tr> <th rowspan="2">Afdeling</th> <th rowspan="2">Cages</th> <th colspan="3">Total of Tyto Alba</th> </tr> <tr> <th>Grown</th> <th>Puppies</th> <th>Egg</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>39</td> <td>24</td> <td>10</td> <td>4</td> </tr> <tr> <td>II</td> <td>37</td> <td>35</td> <td>1</td> <td>4</td> </tr> <tr> <td>III</td> <td>37</td> <td>29</td> <td>2</td> <td>9</td> </tr> <tr> <td>IV</td> <td>40</td> <td>19</td> <td>10</td> <td>14</td> </tr> <tr> <td>V</td> <td>40</td> <td>39</td> <td>5</td> <td>1</td> </tr> </tbody> </table> <p>Tyto Alba Cencus KNC</p> <table border="1" data-bbox="1227 1066 1805 1262"> <thead> <tr> <th rowspan="2">Afdeling</th> <th rowspan="2">Cages</th> <th colspan="3">Total of Tyto Alba</th> </tr> <tr> <th>Grown</th> <th>Puppies</th> <th>Egg</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>33</td> <td>8</td> <td>4</td> <td></td> </tr> <tr> <td>II</td> <td>39</td> <td>12</td> <td></td> <td>4</td> </tr> <tr> <td>III</td> <td>24</td> <td>6</td> <td></td> <td></td> </tr> <tr> <td>IV</td> <td>39</td> <td>5</td> <td>3</td> <td>3</td> </tr> </tbody> </table> <p>Rat census was conducted every 2 months coincide with the census palm leaf-eating caterpillars. The last rat census in KNS and KNC in November 2017 resulted that attacking level was < 5%, which is under the threshold.</p>	Afdeling	Cages	Total of Tyto Alba			Grown	Puppies	Egg	I	39	24	10	4	II	37	35	1	4	III	37	29	2	9	IV	40	19	10	14	V	40	39	5	1	Afdeling	Cages	Total of Tyto Alba			Grown	Puppies	Egg	I	33	8	4		II	39	12		4	III	24	6			IV	39	5	3	3	
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4.5.2	Training records of Integrated Pest Management (IPM) shall be available.			
	a. Is there records of training provided to those involved in the implementation of IPM?	<ul style="list-style-type: none"> • Training record 	Records of training provided to those involved in the implementation of IPM were available at PT. HSJ. Training was held annually to untrained personnel. The last training was conducted on 25 June 2016 by R&D for Agronomy Staff and Foreman in Clinic IPM and Pest and Disease Training. List of participant attendance was sighted. Training material covered IPM technique and implementation.	YES
4.6	<p>Pesticides are used in ways that do not endanger health or the environment.</p> <p>Guidance: <i>The RSPO has identified some examples of alternatives to pesticide use, which include those listed in the 'Research project on Integrated Weed Management Strategies for Oil Palm; CABI, April 2011'.</i></p> <p><i>Pesticides application on peatland and swamp may use IPM methods, such as in the RSPO Manual on Management Practices (BMPs) for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat.</i></p>			
4.6.1	<p>(M) Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</p> <p>Specific Guidance: <i>For 4.6.1: Measures to avoid resistance on target species (such as application of pesticide rotations) should be applied, which consider less harmful alternatives and IPM.</i></p>			
	<p>a. Does the organization have a policy on safe use of chemicals?</p> <p>b. Does the organization have SOPs for use of selective products that are specific to target pests, weeds, or diseases and which have minimal effect on non-target species?</p> <p style="padding-left: 20px;">i. Measures to avoid the development of resistance (such as pesticide rotation) should be applied.</p> <p style="padding-left: 20px;">ii. Is there a list of all pesticide with target species and justification of use?</p> <p style="padding-left: 20px;">iii. The justification should consider less harmful alternatives and IPM.</p>	<ul style="list-style-type: none"> • Company Policy • Agriculture Policy Manual No. AA-APM-OP-1100.11-R1 • Field observation on afdeling III KNC 	<p>PT. HSJ has a policy on safe use of chemicals in Company Policy. The company implement and maintain integrated health and safety in accordance with national and international management standard applicable.</p> <p>PT. HSJ have SOPs for using of selective products that are specific to target pests, weeds, or diseases and which have minimal effect on non-target species available in Agriculture Policy Manual No. AA-APM-OP-1100.11-R1 about Management Pesticide. This procedure was explained that using pesticide based on target, such as Fungicide to control fungus of pathogen (example: Benomil, Heksakonazol, Mankozebe, and Triadimefon), Herbicide to control weed (example: Fluroksipir, Glifosat, Paraquat, Sulfosat), and Insecticide to control insect pest (example: deltametrin, sipemetrin, sihalotriner).</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. Is there evidence of implementation of SOP on the ground?</p>		<p>It was available a list of all pesticide with target species and justification in Using of Pesticide and Its Target in 2017. For example the uses of Metsulindo 205 litre to keep the resistance of weeds. Daily monitoring of pesticide uses was available in foreman book.</p> <p>Less harmful alternatives and IPM was applied by planting of beneficial plants, building house of owl, detection and census of caterpillar, development of fruit trap and pheromone trap.</p> <p>Pesticides used by the supply bases of Negri Lama II Mill has license and registered in the Agriculture Department as mentioned in Pesticide Commission Book "Buku Komisi Pesticida":</p> <ol style="list-style-type: none"> 1. Gramoxone (<i>paraquat</i> 200 g/l), License RI.010301197436, valid through 10 December 2020. 2. Elang (<i>Isopropilamina glyphosate</i> 480 g/L), license RI.01030119941170, valid through 21 December 2021. 3. Kenrane (<i>Trifloroksipir - 1 - methyl heptyl ester</i> 288 g / l), License RI.01010120103759, valid through 20 December 2020. 4. BIONASA (<i>isopropylamine glyphosate</i> 480 g/l), License RI.01030120031806, valid through 28 April 2018. 5. Metsulindo 20 WP(<i>metil metsulfuron: 20%</i>), License RI.01030119991484, valid through 11 May 2021 6. Regent 50 SC, license RI.01010119951192, valid through 31 December 2020 7. Polydor 25EC (<i>lamda sihalotrin: 25 g/l</i>), License RI.01010120041994, valid through 9 December 2020 <p>During audit it was evidence that procedure was implemented.</p>	
4.6.2	(M) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be available.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																																																																										
	<p>a. Does the company have a pesticide application program?</p> <p>b. Is record of pesticides use available?</p> <p>c. Do the records detail the active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications?</p>	<ul style="list-style-type: none"> Document of Pesticide Chemical Budget in 2016 Records of pesticide using in Pesticide Monitoring 	<p>PT. HSJ has a pesticide application program in Document of Pesticide Chemical Budget in 2016.</p> <p>Records of Pesticide Monitoring detail the active ingredients used and their LD50. Records of pesticide using in Pesticide Monitoring 2017 (to date November), as follows :</p> <table border="1" data-bbox="1171 534 1832 1313"> <thead> <tr> <th rowspan="3">No</th> <th rowspan="3">Description</th> <th colspan="4">Quantity</th> </tr> <tr> <th colspan="2">KNC</th> <th colspan="2">KNS</th> </tr> <tr> <th>used</th> <th>Ratio BA LD50/Kg Produksi</th> <th>used</th> <th>Ratio BA LD50/Kg Produksi</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Gramoxone (lt)</td> <td>3.167</td> <td>-</td> <td>11.112,79</td> <td>4,6x10⁻⁹</td> </tr> <tr> <td>2</td> <td>Elang 480 SL (lt)</td> <td>2.237</td> <td>-</td> <td>4.140</td> <td>4,1x10⁻⁹</td> </tr> <tr> <td>3</td> <td>Bionasa 480 AS (lt)</td> <td></td> <td></td> <td>1.381,20</td> <td>1,4x10⁻⁹</td> </tr> <tr> <td>4</td> <td>Metsulindo (kg)</td> <td>205</td> <td>-</td> <td>498,65</td> <td>2,06x10⁻⁸</td> </tr> <tr> <td>5</td> <td>Bayfolan (kg)</td> <td></td> <td></td> <td>54</td> <td>3x10⁻¹⁰</td> </tr> <tr> <td>6</td> <td>Regent 50 SC (lt)</td> <td>171</td> <td>-</td> <td>276,32</td> <td>~</td> </tr> <tr> <td>7</td> <td>Polydor (lt)</td> <td></td> <td></td> <td>1.711</td> <td>4x10⁻¹⁰</td> </tr> <tr> <td>8</td> <td>Metaprima 20 WDG (kg)</td> <td></td> <td></td> <td>56.510</td> <td>2,33x10⁻⁶</td> </tr> <tr> <td>9</td> <td>Solusi 865 SL (lt)</td> <td></td> <td></td> <td>49</td> <td>1x10⁻¹⁰</td> </tr> <tr> <td>10</td> <td>Amcothene 75 SP (kg)</td> <td>13.438</td> <td>-</td> <td></td> <td></td> </tr> </tbody> </table>	No	Description	Quantity				KNC		KNS		used	Ratio BA LD50/Kg Produksi	used	Ratio BA LD50/Kg Produksi	1	Gramoxone (lt)	3.167	-	11.112,79	4,6x10 ⁻⁹	2	Elang 480 SL (lt)	2.237	-	4.140	4,1x10 ⁻⁹	3	Bionasa 480 AS (lt)			1.381,20	1,4x10 ⁻⁹	4	Metsulindo (kg)	205	-	498,65	2,06x10 ⁻⁸	5	Bayfolan (kg)			54	3x10 ⁻¹⁰	6	Regent 50 SC (lt)	171	-	276,32	~	7	Polydor (lt)			1.711	4x10 ⁻¹⁰	8	Metaprima 20 WDG (kg)			56.510	2,33x10 ⁻⁶	9	Solusi 865 SL (lt)			49	1x10 ⁻¹⁰	10	Amcothene 75 SP (kg)	13.438	-			<p>YES (Major NCR 2017 – 08)</p> <p>CLOSED</p>
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NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.6.3	<p>(M) Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines.</p> <p>Specific Guidance: For 4.6.3: Justification of the use of such pesticides will be included in the public summary report.</p>			
	<p>a. Does the company have an IPM plan?</p> <p>b. Has that plan been implemented?</p> <p>c. Is the effectiveness of the IPM plan monitored?</p> <p>d. Are there records showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan?</p> <p>e. Has there been prophylactic use of pesticides? If so, justification must be provided in accordance to National Best Practices.</p>	<ul style="list-style-type: none"> • IPM Program – Budget 2016 • SOP AA-APM-OP-1100.10-R1 Pest and Diseases Control • Report of pest and diseases, July and November 2017 • Recapitulation of pest census • LUK (Estate Report) • Field observation 	<p>Integrated Pest Management (IPM) program included:</p> <ul style="list-style-type: none"> • Visual observation (e.g. broken leaves or stems and fruit rotten) • Conducting census to determine the distribution and level of attack. • Control (manual, biological or chemical), e.g hand picking, light trap, planting of <i>beneficial plant</i> (nest of natural predator for caterpillars) • Pesticide usage as a last alternative in the control of pests and diseases • Census of evaluation (to see the effect of control) <p>IPM plan was well implemented and documented, e.g.:</p> <ul style="list-style-type: none"> • Census of caterpillar is conducted monthly. Based on result of caterpillar census in 2017, there was no caterpillar attack in 2017, the plantation has performed several action to control the attack by chemical, manual and biological control. • To control rat, the organisation applied <i>Tyto alba</i> (owls) as predator of rat. House of owl was built one in 25 Ha. Condition of <i>Tyto alba</i> is monitored three times a year. • Census of <i>Oryctes rhinoceros</i> performed monthly. <i>Oryctes</i> attack were controlled by development of fruit trap. • Planted the beneficial plant as the host/nest for natural predator for caterpillars (<i>Eucanticona purcelata</i>, <i>cycanus sp</i>). The beneficial plant such as: <i>Turnera subulata</i>, <i>Antigonon leptopus</i> and <i>Casia cobanensis</i> planted in the collection and the main road. Planting and upkeep of beneficial plants in KNC and KNS Estates were sighted and during field observations, it was observed that beneficial plants were well maintained. <p>All pests are controlled with biological method, there is no uses of insecticides, the use of herbicides has been minimised as part of a</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>plan, and in accordance with Integrated Pest Management (IPM) plans. Use of pesticides in the field was always lower than the planned budget. It also shows the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>It was evidence that there was no prophylactic use of pesticides in KNS, KNC, KNU and KAK. Pesticide only used and apply for weeds and pest.</p>	
4.6.4	<p>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>Specific Guidances: <i>For 4.6.4: Use of paraquat, as one of the restricted use pesticides, shall refer to the Regulation of the Minister of Agriculture No. 24 year 2011. Operators involve in the use of restricted pesticides must be certified by Pesticide Commission (Komisi Pestisida).</i></p>			
	<p>a. Does the company have a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide?</p> <p>b. Is there a policy, procedure or management plan committing to minimise and eliminate use of these pesticides and paraquat?</p> <p>c. Are there records of minimisation of pesticides and paraquat use?</p> <p>d. Where there is the use of the above pesticides or paraquat, has justification in line with national best practice guidelines been documented?</p> <p>e. Does physical verification of inventory in the chemical store agree back to the inventory records?</p>	<ul style="list-style-type: none"> • Memorandum No. 001/HP/INT/IX/2009 • List of Agriculture Minister Regulation No. 1/2007 • Memorandum form Estate Manager No. 059/MR/KNC/MAR/16 	<p>PT. HSJ can't be shown a list of pesticides that are included in WHO Class 1A (extremely hazardous), class 1B (highly hazardous) and Stockholm Rotterdam convention pesticide.</p> <p>PT. HSJ has also established procedure on safe use of pesticides. Procedure described on safe use of pesticides and selection including minimise and eliminate use of these pesticides and <i>paraquat</i>.</p> <p>PT. HSJ was still using type of pesticide that listed by WHO class 1B (highly hazardous) which is <i>Paraquat diclorida</i>. Implementing of <i>Paraquat diclorida</i> was managed in Memorandum No. 001/HP/INT/IX/2009, dated no 1 September 2009 regarding reduction the use of herbicide containing <i>Paraquat diclorida</i>.</p> <p>The following are monitoring for <i>Paraquat diclorida</i> at PT. HSJ in KNC and KNS can be shown, use for KNC 3.167 and KNS 11.112,79 in 2017.</p>	<p>YES (Minor NCR 2017 – 09)</p> <p>OPEN</p>
4.6.5	(M) Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)</p> <p>Specific Guidance : <i>For 4.6.5: Requirement pertaining to Personal Protected Equipment (PPE) shall refer to the Regulation of the Minister of Manpower No.8 year 2010 regarding PPE and Material Safety Data Sheet. Use of pesticides must follow guidance stated on the product's label. If there are gaps between the use of pesticides and the guidance, documented justification should be provided,</i></p>				
	<p>a. Is there SOP for chemicals/pesticides handling?</p> <p>b. Is there a training plan and training records for workers who apply or handle pesticides?</p> <p>c. Is there evidence that training has been conducted in an appropriate language understood by the workers?</p> <p>d. Are pesticides handled, used or applied only by persons who have completed the necessary training?</p> <p>e. Are the workers involved in chemical handling or application able to demonstrate understanding of the hazards and risks related to chemicals used when interviewed?</p> <p>f. Are pesticides always applied in accordance with the product label?</p> <p>g. Are MSDS for pesticides used readily available for easy reference?</p> <p>h. Is appropriate safety and application equipment provided and used?</p> <p>i. Is PPE used appropriate according to recommendations in any risk assessments done?</p> <p>j. Is appropriate PPE provided and used, and can it be easily replaced if damaged?</p>	<ul style="list-style-type: none"> • Agriculture Policy Manual AA-APM-OP-1100.11-R1 • Training Certificate • Risk assessment analysis 	<p>There was SOP for chemical / pesticide handling and training workers list at PT. HSJ. It was described chemicals identification, some of MSDS availability, chemical handling (label and hazard symbol, storage based on hazard nature, use of PPE), and expire chemical handling. It was available in Procedure No. AA-APM-OP-1100.11-R1</p> <p>The workers from KNS have get the limited pesticide using training from Committee of Fertilizer and Pesticide Supervision, Province of North Sumatera, on 14 October 2014 and valid 5 years. And for KAC the workers have got the training on 03 September 2015. Training certificates were available. Training was conducted in Bahasa Indonesia and covered handling of agrochemical concentrate and spraying method including pesticide hazard. But for new foreman, has not been given that training.</p> <p>Based on interview with foreman, sprayer workers, workers knew handling of the hazards and risks related to chemical used. During interview they used the appropriate safety and application equipment. Dilution and mixing of pesticides process was conducted by pesticides foreman in mixing area besides pesticides warehouse. PPE for dilution and mixing process was available in mixing area.</p> <p>Pesticide used was accordance with the product label and MSDS that available in chemical store, however some MSDS do not understand by warehouse clerk. Pesticides warehouse was equipped with enough ventilation. Besides pesticides warehouse was provided eye wash and shower for emergency situation.</p> <p>Based on risk assessment analysis for sprayer activity at Document of KNS-HSJ 2016/2017, PPE for sprayer includes glasses, mask,</p>	<p>YES (Major NCR 2017 – 10) CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	k. Does the management checked the workers usage of appropriate PPEs?		apron, boot shoes, and long-sleeved shirt and can be easily replaced if damaged with report to foreman or Afdeling staff. The PPEs monitoring was daily conducted by foreman in the each morning.	
4.6.6	<p>(M) Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</p> <p>Specific guidance: For 4.6.6: Some regulations regarding pesticides are:</p> <p>a. Government Regulation No. 18 year 1999 regarding Toxic and Hazardous Materials Management</p> <p>b. List of Toxic & Hazardous Materials from specific source, unspecific source, expired chemical, leaked chemical, residue, container, or product disposal which does not comply with the specification of Government Regulation No. 85 year 1999 regarding changes of Government Regulation No. 18 year 1999 regarding the Management of Hazardous and Poisoned Waste.</p> <p>c. FAO International Code of Conduct on the distribution and use of pesticides and it guidance and supported by relevant industrial guidance (see Annex 1).</p> <p>d. Regulation of the Minister of Agriculture No. 01/ Permentan/OT.140 /1/2007 regarding List of Banned and Restricted Pesticide (based on active ingredients).</p> <p>e. Regulation of the Minister of Agriculture No. 24/Permentan/SR.140/4/2011 regarding Requirement and Mechanism to Register Pesticide.</p> <p>f. Stockholm Convention regarding Consistent Organic Pollutant which had been ratified with Act No. 19 year 2009</p> <p>g. Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</p>			
	<p>a. Has the SOP for pesticide storage been documented and implemented?</p> <p>b. Are all pesticides stored according to recognised best practices?</p> <p>c. Is there evidence that empty pesticide containers are properly stored and disposed off and not used for other purposes?</p> <p>d. Is there evidence observed in the field that pesticide containers are indiscriminately disposed (in dump site) or used for other purposes, .e.g. as waste containers, flower pots?</p>	<ul style="list-style-type: none"> Documented procedure (AA-KL-06-EFP) Handling Hazardous Wastes. Documented procedure (AA-APM-OP-1100.11-R1) regarding pesticide application Field observation at central warehouse and division warehouse include spraying activities at estate operation 	<p>Pesticides were stored in the determined area separated from fertiliser and other chemicals. Pesticides storage was provided in each Division. Pesticides storage was locked areas with limited access. The storage was ventilated through cross flow ventilation. MSDS and hazard symbol label were provided nearby of pesticides. Emergency shower and eyewash were also provided to anticipate in case of an emergency of chemical handling. PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area. EHS patrol was regularly performed monitor possible spill. All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste.</p> <p>Empty pesticides container was stored in Hazardous Waste Storage, however there are still some used for anything else. Pesticides containers were transported by authorised transporter, PT Indostar</p>	<p>YES (Major NCR 2017 - 11) CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			Cargo. Records of pesticides containers quantity were evident. Liquid waste from pesticides was reused for the next spraying applications.	
4.6.7	Application of pesticides shall be by proven methods that minimise risk and negative impacts.			
	<p>a. Is there work instruction for pesticide application?</p> <p>b. Is there training provided on work instruction including risk and impacts of pesticide applications?</p>	<ul style="list-style-type: none"> AA-APM-OP-1100.08-R1 Weeding Control AA-APM-OP-1100.10-R1 Pest & Diseases Control AA-APM-OP-1100.11-R1 Management Pesticides Training and dissemination record Field observation to spraying activity on Afdeling III KNC and Afdeling II KNS 	<p>Pesticide application was described in AA-APM-OP-1100.08-R1 Weeding Control, AA-APM-OP-1100.10-R1 Pest & Diseases Control and AA-APM-OP-1100.11-R1 Management Pesticides. Training and dissemination on work instruction including risk and impacts of pesticide applications has been performed by the organization regularly. Training and dissemination records were sighted.</p> <p>Site visit in KNS and KNC has been done to observe the spraying and pesticide application in field. Interview with spraying workers were evident that all of them has a good knowledge regarding the pesticide usage and its material usage and toxicity. All the workers have used the personal protective equipment meet with the safety rules and work instruction such as: Apron, safety goggles, mask, hand gloves and safety shoes. All precautions attached to the products properly observed, applied, and understood by workers. <i>Mandor</i> (Supervisor) as person in charge to check the workers usage of appropriate PPEs.</p>	YES
4.6.8	(M) Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application			
	<p>a. Has aerial spray been applied? If yes, is there documented justification?</p> <p>b. Is the impact and risk associated with aerial application documented and made available?</p> <p>c. Are the identified affected communities informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application?</p>	<ul style="list-style-type: none"> Not Applicable 	There was no the pesticides aerially applied.	N/A
4.6.9	Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available			
	<p>a. Has the company provided information materials on pesticide handling to all</p>	<ul style="list-style-type: none"> Training program and realization 	There was no smallholder associated with Negri Lama II Mill, PT. HSJ.	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>employees and associated smallholders (if any) (see Criterion 4.8)?</p> <p>b. Is there evidence of periodic training (in appropriate language) of employees and associated smallholders on pesticide handling?</p> <p><i>Note: Interview with workers and smallholders on their knowledge and skills in pesticides handling.</i></p>	<ul style="list-style-type: none"> • Training certificateForeman book 	<p>PT. HSJ has provided information materials on pesticide handling to all employees. Training and dissemination on work instruction including risk and impacts of pesticide applications has been performed by regularly organization. Training and dissemination records were sighted. However there is non-conformity related to training as mentioned in indicator 4.6.5.</p> <p>Site visit at KNS and KNC has been done to observe the spraying and pesticide application in field. Interview with spraying workers were evident that all of them has a good knowledge regarding the pesticide usage and its material usage and toxicity. All the workers have used the personal protective equipment (PPE) meet with the safety rules and work instruction such as: apron, safety goggles, mask, hand gloves and safety boot. All precautions attached to the products properly observed, applied, and understood by workers. Checking the workers usage of appropriate PPEs is daily conducted through Foreman Book.</p>	
4.6.10	Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated			
	<p>a. Is there an SOP for proper disposal of waste material?</p> <p>b. Is there training provided to workers and managers on proper waste disposal?</p> <p>c. Is there evidence of implementation of proper ways for waste disposal by the company?</p>	<ul style="list-style-type: none"> • Documented procedure (AA-KL-06-EFP) Handling Hazardous Wastes. • Documented procedure (AA-APM-OP-1100.11-R1) regarding pesticide application • Field observation at central warehouse and division warehouse include spraying activities at estate operation • The training list of attendance and training material 	<p>Based on interview with foreman, sprayer workers, workers knew handling of the hazards and risks related to chemical used. During interview they used the appropriate safety and application equipment. Dilution and mixing of pesticides process was conducted by pesticides foreman in mixing area besides pesticides warehouse. PPE for dilution and mixing process was available in mixing area.</p> <p>All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorised transporter, PT Indostar Cargo. Records of pesticides containers quantity were evident. Liquid waste from pesticides was reused for the next spraying applications.</p> <p>Training/briefing regarding disposal of waste material has been conducted to all workers and staffs. Based on interview with workers,</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			they understood the disposal of waste material.	
4.6.11	(M) Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available			
	<p>a. Is there an updated list of pesticide operators?</p> <p>b. Is there record of annual medical surveillance of pesticide operators?</p> <p>c. Is there medical and treatment record of all pesticide operators?</p>	<ul style="list-style-type: none"> • Presence (attendance) of pesticides operators • Last medical check-up conducted on period June and August 2017 by third party laboratory (Gatot Subroto Medan) 	<p>The periodical medical check-up was conducted for all spraying operators by third party laboratory (Gatot Subroto Laboratory Medan) include the package of cholinesterase, spirometry, urine and bloods examination.</p> <p>List of pesticides operator was shown and updated periodically for all estates. Specific health surveillance has been performed on for pesticide operators. The surveillance was planned to be conducted once in a year. Reports of the health surveillance for all workers were available. The recommended actions were recorded and reported to estate manager.</p> <p>The records were sighted; last medical check-up conducted on period August 2017 for KNS (Kebun Negerilama Selatan) and KNC (Kebun Negerilama Central) and PND (Pabrik Negeri Lama Dua).</p> <p>The surveillance was planned to be conducted twice in a year. Reports of the health surveillance for all workers were available. The recommended actions were recorded and reported to estate manager. All results raised from actions taken were maintained properly. Result of MCU was available. Several records were sighted and reviewed such as for: Ngateni, Siti Fatimah, Latimani, Sutini, Rusti and Listina as pesticides operator at block I13c Division IV. Result of MCU resume all operators were in normal condition.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.6.12	(M) Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.			
	<p>a. Is there a policy statement preventing pregnant and breast-feeding women from handling pesticides?</p> <p>b. Is there a lists of female workers handling pesticides available?</p> <p>c. Does the company have a system to identify pregnant and breast-feeding women?</p> <p>d. Is there evidence showing that pregnant and breast-feeding women are not allowed to handle pesticides?</p>	<ul style="list-style-type: none"> • Company Policy dated 1 December 2014 • Field observation and interview with sprayer workers • Interview with workers union and committee gender on 19 December 2017 	<p>Policy related to prevent pregnancy and breastfeeding women from handling pesticides has been described in the Company Policy.</p> <p>List of female workers are available and include female workers related to pesticide as well as worker's age can be identified.</p> <p>Identification of pregnancy and lactating mothers performed by a clinical nurse. And result was recorded. And based on the medical records of nursing there is no evidence that pregnant and lactating women work in handling pesticides. When are pregnant and lactating women, the women workers will be transferred to other jobs.</p> <p>Based on interview with sprayers, gender committee and worker union said that it's prohibited for pregnant and breast-feeding women working as fertilizer and sprayer or other work that related to chemical compounds.</p>	YES
4.7	<p>An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>Guidance: <i>Growers and millers should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health. Growers and millers should ensure that the chemical, physical and biological substances and agents under their control are without undue risk to health, and appropriate measures are taken if needed. All indicators apply to all workers regardless of status.</i></p> <p><i>The health and safety plan should also refer to the Government Regulation No. 50 year 2012 regarding Application of Occupational Health and Safety Management System.</i></p>			
4.7.1	(M) A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.			
	<p>a. Is there a health and safety policy in place?</p> <ul style="list-style-type: none"> • Is it written in an appropriate language? • Has the policy been approved by an authorized personnel and dated? 	<ul style="list-style-type: none"> • OHS Policy (dated 24 November 2015, approved by Managing director) • MPM (Mill Policy Manual) • APM (Agricultural Policy) 	<p>Documented policy in Bahasa Indonesia related to occupational health & safety (OHS) was established and integrated to company policy also approved by Managing Director dated 24 November 2015 that consists of: compliance to regulations, implement and monitoring OHS management system, setting objective and target, etc. The</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Does the policy cover mitigation of risks to workers health and safety at all workplace activities? • Are the workers aware of and understand the policy? <p>b. Is there a health and safety plan in place?</p> <ul style="list-style-type: none"> • Does the plan include targets for improving occupational health and safety? • Does the plan reflect guidance provided in the ILO Convention 184 (see Annex 1)? <p>c. Is there evidence of implementation of the plan?</p> <p>d. Is the effectiveness of the health and safety plan monitored?</p> <p>e. Is the health and safety plan made publicly available?</p> <p>f. Is there an action plan if targets are not achieved?</p>	<p>Manual)</p> <ul style="list-style-type: none"> • OHS Objectives and programme period 2016 and 2017 • Site visit observation to estate and mill: KNS: <ul style="list-style-type: none"> - Manuring: Block J13L Division IV - Spraying: Block I13C Division IV - Harvesting: Block H11V Division III - Loading FFB: Division IV <p>KNC:</p> <ul style="list-style-type: none"> - Manuring: Block E12J Division III - Spraying: no spraying activity, because the unit transport KNC/ Tanki TUS was breakdown. - Harvesting: Block F12C Division IV 	<p>socialization of its policy by provide banner, displayed at several area within office and buildings also by conduct induction to employees. Several documented procedures related to OHS aspects were integrated within the MPM (Mill Policy Manual) and APM (Agricultural Policy Manual). There were also separated OHS Management systems Procedures and records established for operational activities that integrated with Environmental management system since the company certified with ISO 14001.</p> <p>The objectives and programmes related to health and safety were established for each estate; includes: to reduce the number of accidents and 5S programme; safety meetings and briefings for all employees and contractors; safety inspections. The objective and programmes for mill, includes: reduce the number accidents; preventive maintenance programme; PPE provisions and implementation of health surveillance. Within the OHS objective and programmes was included the time frame; person in charge and cost estimation. The monitoring of each objectives and programmes were conducted periodically by the person in charge.</p> <p>Evidences were sighted for several OHS programmes / OHS Management system manual, such as: Medical check-up for mill operators was conducted for period 2 August 2017 by third party laboratory (Gatot Subroto Medan); the packages include spirometry, audiometry and urine/bloods laboratory.</p> <p>The OHS monitoring and measurement was conducted periodically twice within a year, records were sighted for period Semester II 2016 and Semester I 2017 include the measurement of noise, vibration and temperature, so far the results were within the threshold limit values. Several mandatory PPE are available by the organization to the employees and visitors such as: helmet, safety shoes, ear plugs, ear muffs and respirators. Also there were deployed several PPE symbols at the at risk areas. It was also several working tools and machineries that utilized at mills and estate are equipped with safety devices, such as knives cover that using by harvester and also pressure release valve at mill processing machineries. Several tools</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			and equipment that regulates within the law are already certified and inspected by local government ministry of manpower (<i>Dinas Tenaga Kerja Labuhan Batu Regency</i>), such as: pressure vessels, lifting equipment, electricity installation, etc.	
4.7.2	<p>(M) A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>Specific Guidance: <i>For 4.7.2: All precautions attached to products shall be properly observed, understood, and applied.</i></p>			
	<p>a. Have risk assessments been conducted for all operations where health and safety is an issue?</p> <p>b. Does the risk assessment cover all the organization's processes and activities?</p> <p>c. If any accidents had occurred, were these included in the risk assessments with action plans to prevent further recurrence?</p> <p>d. Have the procedures and action plans been documented and implemented to address the identified issues?</p> <p>e. Have all precautions attached to products been properly observed and applied to the workers?</p>	<ul style="list-style-type: none"> Risk analysis (updated 1 September 2017) 	<p>The quantitative method of risk analysis was conducted for all activities at Mill and Estate.</p> <p>The mills risk analysis was covered activities such as: transportation, weighbridge receiver, FFB sorter, loading ramp, transfer carriage, sterilizer, tippler, thresher, press, clarifier, engine room, water treatment, effluent plant, workshop, warehouse, diesel tank, laboratory, offices and traffic activities.</p> <p>While the estates risk analysis were covered activities such as: Replanting, Loading FFB, estate maintenance, fertilizer, pesticides & herbicides, harvesting, workshop activities at workshop and also warehousing. Risk analysis covers emergency drill activities and contractor's processes and activities such as replanting, estate maintenance, mill maintenance, FFB transportation, and upkeep activities.</p> <p>According to the procedure, at least OHS risk assessment document must be reviewed once a year and/or when incident happened will consider as review agenda. OHS risk assessment records 2016-2017 were sighted for all Mill and Estates.</p> <p>The analysis method were described within the documented instruction that analysis was considered frequency of hazard and consequences of risks that summarized the risk level from low risk to extreme risks. Within the risk analysis was also considered the hierarchy of control to take action of risk control such as elimination, substitution, engineering, administrative and PPE. Action plan was developed as followed up the existing high risk in order to reduce to</p>	<p>YES (Major NCR 2017 - 12) CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			lowest residual risk analysis. However, there is still uncontrollable risk for unsafe conditions in the workplace area.	
4.7.3	<p>(M) Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>Specific Guidance: For 4.7.3: Adequate and appropriate Personal Protective Equipment (PPE) shall be available to all workers at the workplace based on the result of Identification of Sources of Hazard and Risk Control including all potentially hazardous operations, such as the use of pesticides, operating machinery, land preparation, harvesting and if it is used, burning.</p>			
	<p>a. Are all workers involved in the operation appropriately trained in safe working practices (see Criterion 4.8)?</p> <p>b. Are OSH training programs and training records available and conducted by qualified persons?</p> <p>c. Is adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning?</p> <p>d. Is PPE provided to workers and replaced when damaged?</p> <ul style="list-style-type: none"> • Does the organization maintain a list of PPE distribution? • Are workers observed wearing appropriate PPE? 	<ul style="list-style-type: none"> • Training Programme 2016-2017 • Training attendance • Licenses/certificates of trainings (licenses for boiler operator, licence for operator of generator set, licence of heavy equipment operator, pesticide training for sprayers, etc.) • Site visit observation to estate and mill: KNS: <ul style="list-style-type: none"> - Manuring: Block J13L Division IV - Spraying: Block I13C Division IV - Harvesting: Block H11V Division III - Loading FFB: Division IV KNC: <ul style="list-style-type: none"> - Manuring: Block E12J Division III - Spraying: no spraying activity in KNC, because the unit transport KNC/ Tanki TUS is under repair. 	<p>OHS training has been programmed and provided appear balanced with OHS hazard and risk at Mill and Estates. Basic OHS training performed internally by safety officer in charge at mill and estate, the training record and programme related to OHS were sighted and verified during this audit, e.g. licenses for boiler operator, licence for operator of generator set, licence of heavy equipment operator, pesticide training for sprayers, etc.</p> <p>The PPE for each activity has been established, e.g. working at mill, working at generator set, welder, working at laboratory, harvester, sprayer, fertilizer storage, chemical storage, etc. The distribution list of PPE was kept by supervisors (“mandor”)</p> <p>It was observed in spraying, manuring and harvesting activity the workers in Estate (KNC and KNS) were interviewed during this audit and generally they understood the risk of their work and the purpose of using PPE. However, the PPE has not been well provided and implemented. Several mandatory PPE are not available by the organization to the employees and visitors such as: helmet, safety shoes, and respirators.</p>	<p>YES (Major NCR 2017 - 13) CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<ul style="list-style-type: none"> - Harvesting: Block F12C Division IV 		
4.7.4	<p>(M) The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues</p> <p>Specific Guidance: For 4.7.4 : Workers shall be represented in the Advisory Committee for Occupational Safety and Health (P2K3) based on the Regulation of the Minister of Manpower No. 4 year 1987.</p>			
	<p>a. Has the company identified the responsible person/persons to implement OSH?</p> <p>b. Are meetings between the responsible persons and workers conducted on a regular basis, or as required by law, if any?</p> <p>c. Are minutes of meeting recording attendees and issues discussed available?</p> <p>d. Are concerns of all parties about health, safety and welfare discussed at these meetings?</p> <p><i>Note to Auditor: Interviews with workers reflect compliance to a-d above.</i></p>	<ul style="list-style-type: none"> • Approval letter from local authority regarding EHS committee (P2K3) for KNS and KNC. • Records of OHS Committee periodical meeting in KNS and KNC. 	<p><u>KNS (Kebun Negeri Lama Selatan)</u></p> <p>The structure of OHS Committee (P2K3) was established and approved by local authority (Labuhan Batu Regency) as approval letter No.Kep.24-7/P2K3/WIL-IV/DTK/SU/2017 dated 23 October 2017, that the safety expert/AK3U (Jhony Yusuf Manurung) acts as the secretary.</p> <p>Meetings of OHS committee (P2K3) were conducted monthly and attended by all member and chairman, last minutes of meeting dated 9th December 2016 was sighted, with agenda to reduce the number of incidents.</p> <p>Several concerns were discussed such as: PPE, accident and incidents, and socialization of risk assessment. The actions were monitored for realisation and reported to management and local authority as quarterly report as required by regulation.</p> <p><u>KNC (Kebun Negerilama Central)</u></p> <p>The structure of OHS Committee (P2K3) was established and approved by local authority (Labuhan Batu Regency) as approval letter KEP.381/P2K3/DSTKT-4/2016 dated 7 March 2016, that the safety expert/AK3U (Arif RH Harahap) acts as the secretary.</p> <p>Meetings of OHS committee (P2K3) were conducted monthly and attended by all member and chairman, last minutes of meeting dated 9th December 2016 was sighted, with agenda to reduce the number of incidents.</p> <p>Several concerns were discussed such as: PPE, accident and</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>incidents, and socialization of risk assessment. The actions were monitored for realisation and reported to management and local authority as quarterly report as required by regulation.</p> <p>PND (Pabrik Negeri Lama Dua)</p> <p>The structure of OHS Committee (P2K3) was established and approved by local authority (Labuhan Batu Regency) as approval letter No.Kep.307/P2K3/DSTKT-4/2016 dated 9th November 2016, that the safety expert/AK3U (Ismail) acts as the secretary. Meetings of OHS committee (P2K3) were conducted monthly and attended by all member and chairman, last minutes of meeting dated 09th November 2016 was sighted, with agenda regarding the safety inspection and housekeeping at mill. Several concerns were discussed such as: PPE, reduce the number of accident and in accidents, and socialization of risk assessment. The actions were monitored for realisation and reported to management and local authority as quarterly report as required by regulation.</p> <p>Based on interview with workers it was conform that workers understand regarding safety committee and there was monthly meeting that they attended.</p>	
4.7.5	<p>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</p> <p>Specific Guidance: <i>For 4.7.5: Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</i></p>			
	<p>a. Are there SOPs for accidents and emergencies?</p> <ul style="list-style-type: none"> • Do these cover all major potential emergencies, such as, but not limited to fire, chemical spillage, and potential natural disasters specific for the region, e.g. earthquakes, volcanoes, etc.? 	<ul style="list-style-type: none"> • Documented procedures related to emergency response (AA-EMS-447-PR) • Emergency response team form (AA-447-01-LT) • Accident reporting and investigation form of RKK (AA-SOP-OP-1400.02) 	<p>There were several documented procedures related to emergency response in local language Bahasa Indonesia. The emergency conditions have been identified including general fire, land fire, chemical spillage and earth quake. The procedure described the roles and responsibilities of each emergency response team include the mechanism how to conduct medical evacuation to near hospital/local health centre, the emergency contact number of each internal emergency team and external related parties such as public</p>	<p>YES (Major NCR 2017 - 14) CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Are accidents investigated and action taken to prevent recurrence? • Are accident records provided to the local authority in accordance with local legal requirements, if any? • Available in the appropriate language of the workforce? <p>b. Are the instructions on emergency procedures clearly understood by all workers?</p> <p>c. Are assigned operators trained in First Aid present in both field and other operations?</p> <p>d. Is there records of training of the first aiders?</p> <p>e. Is first aid equipment available at worksites? Is the equipment available during conduct of field manual work?</p> <p>e. Are first aid kits adequately stocked and regularly checked in accordance with local legal requirements?</p> <p>f. Are records of all accidents kept and periodically reviewed for continuous improvement?</p>	<ul style="list-style-type: none"> • Incident statistics quarter report to local authority (Labuhan Batu Regent) • 	<p>fire station at local area <i>Kabupaten Labuhan Batu</i> and Public health centre "<i>Puskesmas Labuhan Batu</i>" were also available. The composition of emergency response team was established at forms (AA-447-01-LT) consist of ERT commander, head of transport and logistics and also several fire fighters and first aider.</p> <p>Regarding accident reporting and investigation, it was available the form of RKK (AA-SOP-OP-1400.02) to conduct the reporting and investigation of accidents, which within the forms are described the accident chronology, cause and impact of the accident also to find the root causes of the accident happened and formulized the corrective and preventive action. The incident statistics were reported quarterly within a year to local authority (<i>Labuhan Batu Regent</i>) by safety officer obtained from supervisors (<i>mandor</i>) and clinics.</p> <p>The emergency kits such as first aid box and emergency shower were available at mill and several locations at estate. First aid kits were not regularly checked. Some of the group leader (<i>mandor</i>) was not provided with first aid kits.</p> <p>Certified first aiders were also available as part of emergency team structure. Mill and Estate was supported with one clinic centre and first aid room at each division office.</p> <p>This was a recurrence from last audit, so the NCR upgraded into Major NCR.</p>	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
	<p>a. Is there evidence that all workers are provided with medical care (refer to Criterion 6.5.3), and covered by accident insurance by the company? For contract workers, the contract between the company and the contractor shall be in compliance.</p> <p>b. For accidents that have occurred, is there evidence that the affected workers received appropriate medical treatment, and was</p>	<ul style="list-style-type: none"> • Site visit observation/interview to estate clinic • The <i>BPJS Ketenagakerjaan</i> monthly payment for period August - November 2017. 	<p>The insurance were provided for all employees (SKU, PHL and outsources/contractors) that mandatory from government (<i>BPJS Ketenagakerjaan</i>); the packages for accident insurance (JKK) were 0.54 in percentages. The monthly payments were evident for period August – November 2017.</p> <p>The insurances were still valid as seen by the recent slip payment in January – November 2017 for estates and mill.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>able to claim and receive compensation under the insurance policy (if relevant)?</p> <p>c. Is there evidence that the insurance policies are valid?</p>			
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>Specific Guidance For 4.7.7: <i>Lost Time Accident requirements should refer to Decree of the Minister of Manpower and Transmigration No. 609 year 2012 regarding Guidance to Solve Working Accident Case and work-related Illness.</i></p>			
	<p>a. Are occupational injuries recorded using Lost Time Accident (LTA) metrics?</p>	<ul style="list-style-type: none"> Incident statistics quarter report to local authority (<i>Labuhan Batu Regent</i>) 	<p><u>KNS (Kebun Negeri Lama Selatan)</u></p> <p>The incident statistics were reported quarterly within a year to local authority (<i>Labuhan Batu Regent</i>) by safety officer (Jhony Yusuf Manurung) obtained from supervisors (<i>mandor</i>) and clinic. Records sighted for period year 2017, include the investigation report. The data of Lost Time Accident for estates have been shown and the records were properly maintained. Sample of accident report and investigation were taken in 12 November 2017, for harvester worker (Andi) which his hands pierced by the thorns while doing harvesting activities. The result of accident investigation can be shown. The number of lost times and accident statistics Y2017 as presented below: Fatality = 0; Permanent disabled = 0; Lost time = 9; Property damage = 0; Medical aid = 20; First aid case = 0.</p> <p><u>KNC (Kebun Negeri Lama Central)</u></p> <p>The incident statistics were reported quarterly within a year to local authority (<i>Labuhan Batu Regent</i>) by safety officer (Ari RH Harahap) obtained from supervisors (<i>mandor</i>) and clinics. Records sighted for period year 2017, include the investigation report. The data of Lost time accident for estates have been shown and the records were properly maintained. The number of lost times and accident statistics as presented below: Fatality = 0; Permanent disabled = 0; Lost time (days) = 0; Property damage = 0; Medical aid = 0; First aid case = 26.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p><u>PND (Negeri Lama Dua Mill)</u></p> <p>The incident statistics were reported quarterly within a year to local authority (<i>Labuhan Batu Regent</i>) by safety officer (Mr. Ismail). Records sighted for period year 2017, include the investigation report. The number of lost times and accident statistics as presented below: Fatality = 0; Permanen disabled = 0; Lost time (days) = 0; Property damage = 0; Medical aid = 0; First aid case = 0.</p>	
4.8	<p>All staff, workers, smallholders and contract workers are appropriately trained.</p> <p>Guidance: <i>Workers should be adequately trained on: the health and environmental risks of pesticide exposure; recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ways to minimise exposure to workers and their families; and international and national instruments or regulations that protect workers' health.</i></p> <p><i>The training programme should include productivity and best management practice, and be appropriate to the scale of the organisation.</i></p> <p><i>Training should be given to all staff and workers by growers and millers to enable them to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these Principles, Criteria, Indicators and Guidance.</i></p> <p><i>Contract workers should be selected for their ability to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of the RSPO Principles, Criteria, Indicators and Guidance.</i></p> <p><i>Growers and millers should demonstrate training activities for schemes smallholders who provide Fresh Fruit Bunches (FFB) on a contracted basis.</i></p> <p><i>Workers on smallholder plots also need adequate training and skills, and this can be achieved through extension activities of growers or millers that purchase fruit from them, This training may be conducted through smallholders' organizations, or through collaboration with other institutions and organizations (See Guidance on Scheme Smallholders', July 2009)</i></p> <p><i>The contract workers in Indonesia refer to the Fixed Term Contract (PKWT) and Non-fixed Term Contract (PKWTT) based on the Decree of the Minister of Manpower No. 100 year 2004; and the Regulation of the Minister of Manpower & Transmigration No. 19 year 2012 regarding Requirements for Transfer of Parts of Work to Other Company(ies).</i></p>			
4.8.1	<p>(M) Records of training program related to the aspects of RSPO Principles and Criteria shall be available.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the company maintain a list of staff, workers, smallholders and contract workers whom training must be provided to?</p> <p>b. Is there a formal training programme in place that covers all aspects of the RSPO Principles and Criteria? Does the formal training program include:</p> <ul style="list-style-type: none"> • Regular assessment of training needs of all staff, workers, smallholders and contract workers; • Training for workers on smallholder plots; • Documentation of all the training assessment needs, formal training conducted and the list of participants attending these formal training; • Does the training for workers cover, at minimum, to the following: <ul style="list-style-type: none"> ○ The health and environmental risks of pesticide exposure; ○ recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ○ ways to minimise exposure to workers and their families; ○ International and national instruments or regulations that protect workers' health; and ○ Productivity and best management practice. <p><i>Note to auditor: To interview staff, workers,</i></p>	<ul style="list-style-type: none"> • Training programme 2016 – 2017 • Training records (attendance list and certificates) • Site visit observation to estate and mill and interviews with all employees and contract workers 	<p>There was established training programme that feedbacks from regulations and basic competence as training needs identification.</p> <p>All functions and levels included contract employees within the organisation were covered by the training programme. The training needs identified appear sufficient and complete, this including training related to OHS, environmental, social, training required by regulations, training related to operation of Mill and Estates. Training programme 2016 and 2017 were sighted, the training programme was established based on the training needs identification. Realization of training programme 2017 were sighted for all staff, workers and contract workers, includes:</p> <p>AK3U/OHS Training (11-23 December 2017); HCV awareness (18 November 2016); Heavy Equipment Training (22 September 2017); Safety awareness (11 August 2017, 15 September 2017 and 9 October 2017); Fire safety training (11 November 2017 and 6 December 2017); First Aider (15 September 2017). Hazardous waste handling (16 April 2017).</p> <p>Based on interview to workers (spraying workers at block I13C Division IV and harvesting workers at block H11V Division III) during audit they were aware the need of the training and they were assisted by information provided during training.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<i>smallholders and contract workers to verify that the training has been conducted effectively.</i>			
4.8.2	Records of training for each employee shall be maintained.			
	a. Are training records maintained for each employee?	<ul style="list-style-type: none"> • Training attendance Individual training history 	The system to record personal training was established-in the attendance record; the training which has been completed by each person was recorded and updated.	YES

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

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

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	<ul style="list-style-type: none"> • Job and business opportunities; • Community's standard of living; • Public health 		<p>The company shall submit the required periodical environmental management implementation and monitoring report to the relevant authorities. The company is responsible for providing sufficient objective evidence to the audit team demonstrating full compliance to the Environmental Impact Assessment (AMDAL) requirement covering all aspects of plantation and mills operations, as well as incorporating all changes recorded over that period of time.</p> <p>The environmental impact assessment should cover the following activities, where they are undertaken:</p> <ol style="list-style-type: none"> a. Building new roads, processing mills or other infrastructure; b. Putting in drainage or irrigation systems; c. Replanting and/or expansion of planting areas; d. Management of mill effluents (Criterion 4.4); e. Clearing of remaining natural vegetation; f. Management of pests and diseases by controlled burning (referred to clause 11 of Government Regulation No. 4 year 2001 (Criteria 5.5 and 7.7). <p>Impact assessment can be a non-restrictive format e.g. ISO 14001 EMS and/or EIA report incorporating elements spelt out in this Criterion and raised through stakeholder consultation.</p> <p>Environmental impacts may be identified on soil and water resources (criteria 4.3 and 4.4), air quality (criterion 5.6), greenhouse gases calculation analysis, biodiversity and ecosystems, and people's amenity (Criterion 6.1), both on and off-site.</p> <p>Stakeholder consultation has a key role in identifying environmental impacts. The inclusion of consultation should result in improved processes to identify impacts and to develop any required mitigation measures.</p> <p>For smallholder schemes, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results (refer to 'Guidance on Scheme Smallholders', July 2009 or its endorsed final revision).</p> <p>The Strategic Environment Study Result (KLHS) by the government, shall be placed as main consideration while conducting replanting</p> <p>Regulations related to the environment documents, are such as:</p> <ol style="list-style-type: none"> 1. Government Regulation (PP) No. 27 of 2012 regarding Environment Permit 2. Regulation of the Minister of Environment No. 13 year 2010 regarding Environment Management and Monitoring Effort (UKL-UPL) and Environment Management and Monitoring Effort (UKL-UPL) and Declaration Letter for Managing and Monitoring Environment (SPKL) 3. Regulation of the Minister of Environment No. 5 year 2012 regarding Environment Evaluation Document (DELH) 4. Regulation of the Minister of Environment No. 14 year 2010 regarding Environment Management and Monitoring Document (DPPL) 5. Regulation of the Minister of Environment No. 12 year 2007 regarding Environment Management and Monitoring Document for Business and or Activities, with Absence of Environment Management Document. 6. Regulation of the Minister of Environment No. 5 year 2012 regarding Types of Business Obligated to Have AMDAL 7. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in the AMDAL Process 8. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL Preparation 9. Decree of the Head of Bapedal No. No. 299 of 1996 regarding Technical Guidance of Social Aspects Study in Establishing AMDAL 	

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	<p>10. Regulation of the Minister of Environment No. 11 year 2008 regarding Competence Requirements for AMDAL Preparation Documents and Requirements for Training Institutions in Conducting Training for AMDAL competence.</p> <p>11. Regulation of the Minister of Environment No. 15 year 2013 regarding Measurement, Reporting and Verification for Mitigation Action of Climate Change</p> <p>In the Regulation of the Minister of Environment No. 14 year 2010, the environment document is a document covering environment management and monitoring, and may be in the form of AMDAL, Environment Management and Monitoring Efforts (UKL-UPL), Declaration Letter for Managing and Monitoring Environment (SPKL), Environment Management and Monitoring Document (DPPL), Study to Evaluation on the Environment Impacts (SEMDAL), Environment Evaluation Study (SEL), Environment Information Performance (PIL), Environment Evaluation Performance (PEL), Environment Management Document) (DPLH), Environment Management and Monitoring (RKL-RPL), Environment Evaluation Document (DELH), and Environment Audit.</p>			
5.1.1	(M) Environmental impact assessment document(s) shall be available.			
	<p>a. Has an EIA been conducted according to the scope of operation covering at minimum the following:</p> <ul style="list-style-type: none"> • Building new roads, processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents (Criterion 4.4); • Clearing of remaining natural vegetation; • Management of pests and diseased palms by controlled burning (Criteria 5.5 and 7.7). <p>b. Has the EIA been conducted and documented according to local requirements?</p> <p>c. Does the assessment include consultation with relevant stakeholders to identify impacts and to develop any mitigation measures?</p>	<ul style="list-style-type: none"> • Document of ANDAL, RKL RPL #PC.220/383/B/II/1994 • AA-EMS-431-PR – Environmental aspect identification and evaluation • Result of evaluation of environmental aspect and impact • Report of RKL RPL Semester II 2016 and Semester 1 2017 • Receipt note of RKL RPL submission 	<p>Impact assessment was documented in document of ANDAL, RKL RPL approved by Department of Agriculture of Republic of Indonesia on 26th of February 1994.</p> <p>Negri Lama II Mill, Negri Lama Utara Estate and Aek Kuo Estate have implemented procedure for identifying environmental aspect and evaluating its impact based on Environmental Management System ISO 14001:2004.</p> <p>The result of environmental aspect and impact identification and evaluation was documented. As required by the procedure, the information of environmental is reviewed and updated annually.</p> <p>Last review and update of environmental aspect and impact register for Negri Lama II Mill, Negri Lama Utara Estate and Aek Kuo Estate was performed on January 2017.</p> <p>Document of environmental impact assessment included:</p> <ul style="list-style-type: none"> - Building new roads, processing mills or other infrastructure; - Putting in drainage or irrigation systems; - Replanting and/or expansion of planting areas; - Management of mill effluents; - Clearing of remaining natural vegetation; - Management of pests and diseases palms by controlled burning; - Result of stakeholder consultation. 	YES

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			The EIA has been included consultation with relevant stakeholders to identify impacts and to develop any mitigation measures. The consultation result and the mitigation has been state at ANDAL, RKL, RPL documents.	
5.1.2	Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.			
	<p>a. Is there an environmental management plan in place?</p> <p>b. Is the environmental management plan documented to include the following:</p> <ul style="list-style-type: none"> • Identification of responsible person(s); • Potential impacts from current practices; • Measures to mitigate negative impacts; • Timetable for change (where changes in current practices are required). <p>c. Has the environmental management plan been implemented?</p>	<ul style="list-style-type: none"> • Report of RKL RPL Semester II 2016 and Semester I 2017 • Receipt note of RKL RPL submission 	<p>Implementation of RKL RPL is reported every six months. The report of Semester II 2016 and Semester I 2017 of RKL-RPL was submitted to North Sumatera Province and Labuhan Batu District Environmental Agency, Central of Environmental Management Regional Sumatera and Ministerial Office of Environment. RKL-RPL was included the identification of responsible person, potential impact from current parties, Measures to mitigate negative impacts and Timetable for change (where changes in current practices are required</p> <p>Negeri Lama Dua Mill and estates have ensured that all plan mentioned in RKL RPL or Environmental Management Plan were implemented. Control measure were defined and implemented for ensuring that negative environmental impact were prevented or mitigated. There were several types of control measures defined: engineering control, administrative control and PPE. The implementation of those control measures are monitored during monthly environmental patrol and also round of internal audits.</p>	YES
5.1.3	Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.			
	<p>a. Does the plan incorporate a monitoring protocol?</p> <p>b. Is the monitoring protocol adaptive to operational changes?</p>	<ul style="list-style-type: none"> • Report of RKL RPL Semester II 2016 and Semester I 2017 • Evaluation of Environmental Aspect and Impact PT. Hari 	<p>Management Plan and monitoring of environmental impacts documented in RKL (<i>Rencana Pengelolaan Lingkungan</i>) and RPL (<i>Rencana Pemantauan Lingkungan</i>) as monitoring protocol.</p> <p>Environmental management plans adapted to estate and mill</p>	YES

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	<p>c. Is the monitoring protocol implemented to monitor the effectiveness of the mitigation measures?</p> <p>d. Is the plan reviewed at a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts?</p>	<p>Sawit Jaya 2017</p>	<p>operations change and regulations, if there are changes in the regulations related to operational and environmental, management plan will be reviewed and re-conducted the update to be relevant.</p> <p>The reporting of RKL/RPL was conducted 6 monthly issued by Head of administration/KTU that consist of the implementation of environment management and monitoring plan include analysis of waste water quality and flow rate also the air emissions measured by third party (Environmental Laboratory). The effectiveness of the outcome from the implementation of environmental management and monitoring was reviewed on the report through the evaluation of compliance, evaluation of trends and evaluation of the effectiveness of management and environmental monitoring.</p> <p>Whenever there is a material change, changes in operations and regulatory changes the company will revise their environment aspect and impact assessment. Later on, it will updated annually.</p>	
<p>5.2</p>				<p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p> <p>Guidance: <i>This information gathering should include checking available biological records and consultation with relevant government departments, research institutes and interested NGOs if appropriate. Depending on the biodiversity values that are present, and the level of available information, some additional field survey work may be required.</i></p> <p><i>Wherever HCV benefits can be realised outside of the management unit, collaboration and cooperation between other growers, governments and organisations should be considered.</i></p> <p><i>Sanctions in the protected wildlife case, may be taken through law enforcement in line with the existing regulations. The company should determine type of sanctions, based upon SOP or policy of the company, considering level of violations (capture, harm, keep, and kill) and category of the species (rare, endangered, and threatened).</i></p> <p><i>National regulations related to the protection of habitat and species, such as:</i></p> <ol style="list-style-type: none"> <i>1. Act No. 5 year 1990 regarding Conservation on Biodiversity and its Ecosystems</i> <i>2. Act No. 16 year 1992 regarding Quarantine for Animals, Fish and Plants</i> <i>3. Act No. 5 year 1994 regarding Ratification of the United Nations on Convention to Biodiversity</i> <i>4. Government Regulation No. 13 year 1994 regarding Wildlife Hunting</i> <i>5. Government Regulation No. 68 year 1998 regarding Areas of Natural Sanctuary and Natural Conservation</i> <i>6. Government Regulation No. 7 year 1999 regarding Preservation of Flora and Fauna (List of Protected Flora and Fauna is on the annex).</i>

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	<p>7. Regulation of the Minister of Forestry No.: P.48/Menhut-II/2008 regarding Guideline of Conflict Resolution between Human and Wildlife</p> <p>8. Presidential Decree No. 43 year 1978 regarding Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) ratification.</p> <p><i>Growers need to consider a variety of land management and tenure options to secure HCV management areas in ways that also secure local people's rights and livelihoods. Some areas are best allocated to community management and secured through customary or legal tenures in certain period. In other cases, co-management options can be considered. Where communities are asked to relinquish rights so that HCVs can be maintained or enhanced by the companies or State agencies, then great care needs to be taken to ensure that communities retain access to adequate land and resources to secure their basic needs; all such relinquishment of rights must be subjected to their free, prior, and informed consent (see Criteria 2.2 and 2.3).</i></p>			
5.2.1	<p>(M) Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available</p> <p>Specific Guidance: This information will cover:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller; • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; <p><i>HCV Identification may be conducted internally (by the company, where the team leader shall be registered in the HCVRN-Assessors Licensed Scheme (ALS), through peer-review by the competent experts, prepared in accordance to the common Guidance for the identification of HCV 2013. If the company has no expert for assessing certain HCV type(s), then it may use the external assessor(s). The HCV assessor team needs to have experience in the assessed ecosystem to minimise inaccuracy risk of the HCV assessment. If possible, each external assessor who comes from outside the assessed areas should cooperate with the local or regional expert(s). The HCV report shall describe the composition and qualification of the assessor team in biological and social aspects.</i></p>			
	<p>a. Has a High Conservation Value (HCV) assessment been conducted and cover the following:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could 	<ul style="list-style-type: none"> • HCV assessment and analysis of the existence • Field Observation in HCV 6 area 	<p>HCV assessment has been conducted and documented in "Report of Identification and Analysis of the existence of High Conservation Value (HCV) area at Negri Lama Selatan, Central and Utara Estate and Aek Kuo Estate in September 2012 by Faculty of Forestry, Bogor Agricultural University (IPB). All assessors are RSPO approved HCV assessor, such as :</p> <ol style="list-style-type: none"> a. Dr Ir. H. Nyoto Santoso, MS (Lead Assesor) b. Ir. Heru B. Pulunggono, Msi c. M. Sayidina Ali, Amd d. Udi Kusdinar, S.Hut e. Sutopo, S.Hut 	YES

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	<p>be significantly affected by the grower or miller.</p> <ul style="list-style-type: none"> • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; <p>b. Was the HCV assessment performed by a qualified HCV assessor?</p> <p>c. Was the HCV assessment performed in consultation with relevant stakeholders?</p> <p>d. Does the HCV assessment include checking of available biological records?</p> <p>e. Does the HCV assessment include both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors)?</p> <p>f. Was the HCV assessment performed in accordance to the latest methodology available at global and national level?</p> <p>g. Are identified HCVs mapped?</p>		<p>f. Gilang Pambudi</p> <p>Stakeholder consultation was carried out on 12 June 2012, attended by community around from Aek Korsik, Sei Sentang, Kuala Bangka, Sidomulyo, Tanjung Haloban, Selat Besar, Negeri Lama Seberang, Sei Tarolat, and Tanjung Haloban Village.</p> <p>Peer review was conducted by Dr. Kun Kun Jaka Gurmaya (Qualified HCV Assessor and Peer Reviewer) in January 2013. Record of HCV Assessment, in the form of a report, including a map of HCV area was available.</p> <p>Besides presenting data and map of HCV area, the report also includes a list of rare and threatened wildlife species from 4 (four) main wildlife groups, such as mammals, birds, herpetic-faunas and fishes.</p> <p>The HCV assessment includes Negri Lama Utara protected area, palm plantation area of Negri Lama Utara, palm plantation area of Negri Lama Central, plant waste pond of Negri Lama Selatan, and palm plantation area of Negri Lama Selatan in accordance with Guidelines of Indonesia HCVs Identification, version on June 2008. Maps of HCV Area in Palm Oil Plantation, PT. Hari Sawit Jaya, Labuan Batu and North Labuan Batu Regency, North Sumatera Province.</p>	
5.2.2	<p>(M) Where rare, threatened or endangered (RTE) species or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</p> <p>Specific Guidance: <i>These measures will include:</i></p> <p>a. <i>Ensuring that any legal requirements relating to the protection of the species or habitat are met;</i></p> <p>b. <i>Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created;</i></p>			

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	<p>c. Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants)</p> <p>d. Improving HCV, if possible, through management options, such as habitat enrichment.</p>																														
	<p>a. Are HCVs and/or RTEs present?</p> <p>b. If HCVs and/or RTEs are present, has a management plan containing appropriate measures that are expected to maintain and/or enhance them been prepared? The measures should include the following:</p> <ul style="list-style-type: none"> • Ensuring that any legal requirements relating to the protection of the species or habitat are met; • Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created; • Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants). <p>c. Are the measures contained in the management plan actively implemented to maintain and/or enhance HCV values?</p> <p>d. Are the HCV values and the presence of RTEs periodically monitored?</p> <p>e. Are the field inspections conducted regularly to ensure implementation of mitigation plan (especially along areas bordering natural area)?</p>	<ul style="list-style-type: none"> • HCV assessment and analysis of the existence • Conservation Management Plan 2016 and 2017 • Report of HCV Management 	<p>HCV assessment results in the area of PT Hari Sawit Jaya was identified of 109 Ha HCV areas, as follows :</p> <table border="1" data-bbox="1173 501 1800 1262"> <thead> <tr> <th>HCV / Components</th> <th>HCV Area</th> <th>Area (ha)</th> </tr> </thead> <tbody> <tr> <td>HCV 1.2. Critically endangered species</td> <td>Negeri Lama Utara protection area</td> <td>107</td> </tr> <tr> <td>HCV 1.3. Areas that contain habitat for viable population of endangered, restricted range or protected species</td> <td>Refer to HCV 1.2</td> <td>Refer to HCV 1.2</td> </tr> <tr> <td>HCV 1.4. Areas that contain habitat of temporary use of species or congregation of species</td> <td>Refer to HCV 1.2</td> <td>Refer to HCV 1.2</td> </tr> <tr> <td>HCV 2.3. Areas that contain representatives population of most naturally occurring species.</td> <td>Refer to HCV 1.2</td> <td>Refer to HCV 1.2</td> </tr> <tr> <td>HCV 3. Rare or endangered ecosystem</td> <td>Refer to HCV 1.2</td> <td>Refer to HCV 1.2</td> </tr> <tr> <td>HCV 4.1. Areas of ecosystem important for the provision of water and prevention of floods for downstream communities.</td> <td>Refer to HCV 1.2</td> <td>Refer to HCV 1.2</td> </tr> <tr> <td>HCV 6. Areas critical for maintaining the cultural identity of local communities</td> <td>Cemetery</td> <td>2</td> </tr> <tr> <td colspan="2">Total</td> <td>109</td> </tr> </tbody> </table> <p>Based on report of HCV identification, there were status of vulnerable and Endangered IUCN, App II CITES, and Protecting of Government Regulation of No. 7 / 1999, as follows :</p>	HCV / Components	HCV Area	Area (ha)	HCV 1.2. Critically endangered species	Negeri Lama Utara protection area	107	HCV 1.3. Areas that contain habitat for viable population of endangered, restricted range or protected species	Refer to HCV 1.2	Refer to HCV 1.2	HCV 1.4. Areas that contain habitat of temporary use of species or congregation of species	Refer to HCV 1.2	Refer to HCV 1.2	HCV 2.3. Areas that contain representatives population of most naturally occurring species.	Refer to HCV 1.2	Refer to HCV 1.2	HCV 3. Rare or endangered ecosystem	Refer to HCV 1.2	Refer to HCV 1.2	HCV 4.1. Areas of ecosystem important for the provision of water and prevention of floods for downstream communities.	Refer to HCV 1.2	Refer to HCV 1.2	HCV 6. Areas critical for maintaining the cultural identity of local communities	Cemetery	2	Total		109	<p>YES</p>
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			<p>a. IUCN</p> <ul style="list-style-type: none"> - Endangered-Flora; <i>Meranti gembung</i> (<i>Shorea bracteolate</i> Dyer) - Vulnerable-Flora; <i>Siangus</i> (<i>Diospyros oblongifolia</i>), <i>Ramin</i> (<i>Gonystilus bancanus</i>), and - Vulnerable-Fauna; <i>Lutung simpai</i> (<i>Presbytis thomasi</i>), <i>Beruk</i> (<i>Macaca nemestrina</i>), <i>Bangau tongong</i> (<i>Leptoptilos javanicus</i>), and <i>Bangau bluwok</i> (<i>Mycteria cinerea</i>) <p>b. CITES (App II)</p> <ul style="list-style-type: none"> - Flora; <i>Ramin</i> (<i>Gonystilus bancanus</i>) - Fauna; <i>Kucing kuwuk</i> (<i>Felis bengalensis</i>), <i>Lutung simpai</i> (<i>Presbytis thomasi</i>), <i>Beruk</i> (<i>Macaca nemestrina</i>), <i>Rangkong badak</i> (<i>Buceros rhinoceros</i>), <i>Kangkareng perut putih</i> (<i>Anthracoceros albirostris</i>), <i>Ular python</i> (<i>Python reticulatus</i>), <i>Biawak</i> (<i>Varanus salvator</i>), and <i>Kobra hitam</i> (<i>Naja sumatrana</i>) <p>c. PP No. 7 / 1990</p> <ul style="list-style-type: none"> - Flora; <i>Pinang Merah</i> (<i>Cystostachys lakka</i>) - Fauna; <i>Kucing kuwuk</i> (<i>Felis bengalensis</i>), <i>Burung madu kelapa</i> (<i>Anthreptes malacensis</i>), <i>Kipasang belang</i> (<i>Rhipidura javanica</i>), <i>Cekakak belukar</i> (<i>Halcyon smymensis</i>), <i>Elang-ular bido</i> (<i>Spilornis cheela</i>), <i>Alap-alap capung</i> (<i>Microhierax fringillarius</i>), <i>Burung madu belukar</i> (<i>Anthreptes singalensis</i>), <i>Elang hitam</i> (<i>Ictinaetus malayensis</i>), <i>Elang tikus</i> (<i>Elanus caeruleus</i>), <i>Elang brontok</i> (<i>Nisaetus cirrhatus</i>), <i>Kuntul kecil</i> (<i>Egretta garzeta</i>), <i>Elang kelelawar</i> (<i>Macheiramphus alcinus</i>), <i>Rangkong badak</i> (<i>Buceros rhinoceros</i>), <i>Undan putih</i> (<i>Pelecanus onocrotalus</i>), <i>Bangau tongong</i> (<i>Leptoptilos javanicus</i>), <i>Bangau bluwok</i> (<i>Mycteria cinerea</i>), <i>Elang-laut perut putih</i> (<i>Haliaeetus leucogaster</i>), <i>Burung madu sepah raja</i> (<i>Aethophyga siparaja</i>), <i>Caladi tilik</i> (<i>Dendrocopsos moluccensis</i>), and <i>Kangkareng perut putih</i> (<i>Anthracoceros albirostris</i>) <p>There was no water area (river, swamp, and reservoir) as water provider and manage the hydrology and protection area, but PT. HSJ have the land cover was peat land, so that conducted the water management to protect of area from fire and flood. Area that important for identification of local communities was cemetery at</p>	

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			<p>block of C13.</p> <p>Implementing for HCV management and monitoring PT. HSJ 2017 in accordance with the Conservation Management Plan 2017. Some activities that has been conducted, other between : damage monitoring of protect area, installation of boundary area, installation of area HCV information board include penalties of the UU No. 5/1990, installation of board the ban on hunting, and making of boundary ditch. Other than that, also conducted half-yearly fauna and flora monitoring by Sustainability Officer and Foreman.</p>	
5.2.3	Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.			
	<p>a. Does the company have policies or rules to protect RTE species?</p> <p>b. Is there a programme to regularly educate the workforce about the status of the RTE species?</p> <p>c. Is there evidence or action taken to implement the rules and programs? E.g. Inspections conducted to check no traps/snares put up within or nearby areas.</p> <p>d. Have appropriate disciplinary measures been imposed in accordance with company rules and national law, should any individual working for the company is found to have captured, harmed, collected or killed any RTE species?</p>	<ul style="list-style-type: none"> • Company Policy • Conservation Management Plan 2017 • HCV Management and Monitoring Report 	<p>PT HSJ has policy to protect RTE species from Managing Director, that PT. HSJ was not conducted of new planting in high carbon stock, high conservation value area (includes was fauna and flora protected), and peat area.</p> <p>Program to disseminate HCV area for workers was periodically conducted. The last refresh HCV Awareness dated on 26 August 2017 by Environment and Sustainability Officer. It was attended by assistant and workers representative.</p> <p>Inspection of HCV area was periodically conducted by HCV Foreman, the last inspection was conducted on May 2017. List of inspection, such as potential for fire and hunting disturbance. Information for Penalties of the UU No. 5/1990 have been communicated directly to all employees and the local community during HCV socialization and through the HCV sign boards and warnings board.</p> <p>Based on document review and interview with worker, there was no cases that the workers was captured, harmed, collected or killed any RTE species.</p>	<p>YES (Minor NCR 2017 – 15)</p> <p>OPEN</p>

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5.2.4	<p>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>Specific Guidance: <i>For 5.2.4: The result of HCV monitoring may become considerations while reviewing HCV management plan.</i></p>			
	<p>a. Does the management plan contain ongoing monitoring of status of HCV and RTE species that are affected by plantation or mill operations?</p> <p>b. Is the status documented and reported?</p> <p>c. Are the outcomes of monitoring fed back into the management plan?</p>	<ul style="list-style-type: none"> • Conservation Management Plan 2017 • HCV Management and Monitoring Report 2017 	<p>HCV management and monitoring at PT. HSJ was available in the Conservation Management Plan, one of its activity was half-yearly flora and fauna monitoring and reported in HCV Management and Monitoring Report, PT. HSJ. The last report was for Semester I 2017. Management was monitored the protected species accordance Government Regulation/PP. No.7/1999.</p> <p>Follow up from the recommendation of HCV Monitoring Report 2016 has been documented and available during audit.</p>	YES
5.2.5	<p>Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights</p> <p>Specific Guidance: <i>For 5.2.5: If a negotiated agreement cannot be reached, there should be evidence of sustained efforts to achieve such an agreement. These could include third party arbitration (see Criteria 2.3, 6.3 and 6.4).</i></p>			
	<p>a. Is there HCV set-asides with existing rights of local communities?</p> <p>b. Who are the affected communities?</p> <p>c. Is the identified HCV areas mapped?</p> <p>d. Is there evidence of stakeholder consultation and negotiated agreement, in accordance to FPIC principles, with local community to optimally safeguard both the HCVs and rights of local communities?</p> <p>e. If a negotiated agreement cannot be reached, is there evidence of sustained efforts to achieve an agreement? Refer to specific guidance for 5.2.5.</p>	<ul style="list-style-type: none"> • Memorandum of Understanding No. 01/SPKT/NLG/III/2016 • HCV assessment and analysis of the existence 	<p>HCV set-asides present with existing rights of around communities at PT. HSJ. The community Sidomulyo Village were affected. It has been conducted agreement between PT. HSJ with Sidomulyo Village available in Memorandum of Understanding No. 01/SPKT/NLG/III/2016 about Joint Management for Cemetery and Protect Area at Block of C13, dated on March 14, 2016 and valid for 5 years.</p> <p>HCV areas were mapped in Map of HCV Area in Palm Oil Plantation PT. Hari Sawit Jaya, Labuan Batu and North Labuan Batu Regency, North Sumatera Province.</p>	YES

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5.3	<p>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> <p>Guidance: <i>The waste management and disposal plan should include measures for:</i></p> <ol style="list-style-type: none"> <i>Identifying and monitoring sources of waste and pollution.</i> <i>Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes).</i> <i>Appropriate management and disposal of hazardous chemicals and their containers. Surplus chemical containers should be reused, recycled or disposed of in an environmentally and socially responsible way based on best available practices (e.g. returned to the vendor or cleaned using a triple rinse method) and existing regulations. This is to prevent pollutions to the water sources and risk to human health. The disposal instructions on the manufacturer's labels should be adhered to.</i> <p><i>Use of open fire for waste disposal should be avoided.</i></p> <p><i>Regulations relate to waste management, such as:</i></p> <ol style="list-style-type: none"> <i>Government Regulation No. 18 year 1999 regarding Management of Toxic and Hazardous Waste (B3)</i> <i>Government Regulation No. 85 year 1999 regarding Amendment of Government Regulation No. 18 year 1999 regarding Management of B3 (the annex shows a list of B3 from specific and non-specific sources, expired chemicals, leakage, remaining containers and waste of unspecified products).</i> <i>Government Regulation No. 82 year 2001 regarding Management of Water Quality and Control of Water Pollution. This includes criteria for water quality, and requirements for utilising and disposing waste water)</i> <i>Government Regulation No. 81 year 2012 regarding Management of Domestic Waste</i> <i>Decree of the Minister of Environment No. 51 year 1995 regarding Waste Water Standard for Industries</i> <i>Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance for Study for Utilising Palm Oil Mill Effluent (POME) on Oil Palm Plantation.</i> <i>Decree of the Minister of Environment No. 29 year 2003 regarding Guidance for Permit Requirements and Administration for Utilising POME on Oil Palm Plantation</i> <i>Decree of the Minister of Environment No. 112 year 2003 regarding Domestic Waste Water Standard</i> <i>Decree of the Head of Bapedal No. 255/Bapedal/08/1996 regarding Procedure and Requirements for Storing and Collecting Used Oil</i> <i>Guidance for Use of Pesticides, Directorate General of Infrastructure and Facilities, Ministry of Agriculture, 2011</i> 			
5.3.1	(M) A documented identified source of all waste and pollution, shall be available.			
	<ol style="list-style-type: none"> Is there a registry/list of waste products produced? Is there a registry/list of pollution sources? 	<ul style="list-style-type: none"> Procedure AA-KL-06-EFP – Handling of Hazardous Waste Procedure AA-KL-07-EFP – Handling of Medical Waste. Procedure AA-KL-11-EFP – Handling of Laboratory Waste. Form AA-KL-601-FM – Record of Hazardous waste 	<p>Identification of waste and pollution sources from Negri Lama II Mill, Negri Lama Selatan, Negri Lama Central Estate, Negri Lama Utara Estate and Aek Kuo Estate activities was evident. The sources of pollution, type and control method of waste were documented. Wastes identified were among others: POME, used oil, used oil filter, agrochemical and chemical containers, contaminated rags and domestic wastes. The source of pollution, type and control method of waste was recorded. The waste products from estate generally were domestics waste and also several hazardous waste from estate operations</p>	YES

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		<ul style="list-style-type: none"> • Form AA-KL-602-FM – record of hazardous waste circulation • EMS-431-003-LT Rev.10 form updated on January 2017 Identification of Environmental Aspect 	<p>activities as detailed below (but not limited):</p> <ul style="list-style-type: none"> ✓ Ex-pesticides containers (bottles and jerry cans) ✓ Used battery from the heavy vehicles ✓ Plastics ✓ Medical waste (first aid usage) ✓ Polybag ✓ rags ✓ and fertilizer containers ✓ Emissions from vehicles <p>While at the Mill it was several hazardous waste generated from the mill operations, in detailed below (but not limited):</p> <ul style="list-style-type: none"> ✓ POME ✓ Palm shell ✓ Fibre ✓ Deprecaper waste ✓ Empty bunch ✓ Boiler ash ✓ Chemicals jerry can and bottles ✓ Gunny sacks from chemicals materials ✓ Sacks resulted from fertiliser materials ✓ Welding materials from workshop activities ✓ Lubricants from workshop materials ✓ Contaminated rags from workshop activities ✓ Usage lamps ✓ Tires ✓ Usage batteries ✓ Usage oil filters <p>Emissions from vehicles and other engines (genset, boilers)</p>	
5.3.2	(M) There shall be evidence that all chemicals and their empty containers are disposed of responsibly			
	<p>a. Is there an inventory of chemicals and their containers that are used and kept on site?</p> <p>b. How are chemicals and their containers stored and disposed off? Is it in accordance</p>	<ul style="list-style-type: none"> • Procedure AA-APM-OP-1100.11-R1 and AA-KL-04-EFP – Agrochemical Waste Handling 	<p>All agrochemical containers were rinsed and then disposed to licensed vendor: PT. PT Indostar Cargo for transporter. Liquid waste from agrochemical was reused for the next spraying application. The disposal methods of were described on documented Procedure AA-</p>	<p>YES (Major NCR 2017 – 16) CLOSED</p>

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	<p>to best practices? (as prescribed by manufacturers' labels, local requirement, national or international best practice)</p> <p>c. Are collection and disposal records of chemicals and their containers maintained?</p>	<ul style="list-style-type: none"> Balance sheet of agrochemical containers Permit of temporary storage of hazardous waste for Negeri Lama Selatan Estate #503.660/322/BLH-LB/WAS/2014 Permit of temporary storage of hazardous waste for Negeri Lama Dua Mill No. 503.660/200/BLH-LB/WAS/2015 dated 29 June 2015 and valid for 5 years Contractual agreement of PT Inti Indosawit Subur (parent company of PT Hari Sawit Jaya) and Consorsium of PT Sumatera Deli Lestari Indah - PT Indostar Cargo and PT PT Prasadha Pamunah Limbah Industry with contract number 003/AA-SDLI-ISC-PPLI/III-2017 dated 3 March 2017, valid for 1 year Permit of PT Indostar Cargo as hazardous waste transporter No : B.4674/Dep.IV/LH/PDAL/05/2015 dated 27 May 2015 valid for 5 years Permit of vehicles No SK.971/AJ.309/DJPD/2017/12 0710258BB-0057 for vehicles BK 8891 DD valid until 26 January 2018 Hazardous waste manifest 	<p>APM-OP-1100.11-R1. Records of chemical containers quantity disposed were evident. Liquid waste from agrochemical was reused for the next spraying application. While the ex-fertilizer sacks was also rinsed and reuse for fertiliser distribute "utilan" at estate operations.</p> <p>License of hazardous wastes temporary storage (TPS B3) for Negeri Lama Dua Mill as issued from Labuhan Batu Utara Regent No. 503.660/BLH-LB/WAS/2015 dated 29 June 2015 and was valid for 5 years defined that the time limit was 90 days but if produce (less than) < 50 kg per days may store maximal 180 days.</p> <p>License for Negeri Lama Selatan (KNS) as issued from Labuhan Batu Regent No. 503.660/322/BLH-LB/WAS/2014 dated 30 December 2014, and were valid for 5 years defined that the time limit was 90 days but if produce (less than) < 50 kg per days may store maximal 180 days. In permit, estate and mill, stated that "tidak diperkenankan penyimpanan (sementara) limbah B3 di tempat lain selain tempat penyimpanan sebagaimana huruf a di atas yang berlokasi sebagaimana dimaksud pada Diktum Kedua".</p> <p>The license include: lubrication oil, battery, oil filter, contaminated rugs, medical wastes; include pesticides/chemical containers and etc.. Manifest of disposal were sighted for 26 May 2017, 31 May 2017 and 12 December 2017 (KNS), 31 May 2017 and 16 November 2017 (PND).</p>	

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		<ul style="list-style-type: none"> Receipt note of report of hazardous waste management submission 		
5.3.3	A documented waste management plan to avoid or reduce pollution and its implementation shall be available			
	<p>a. Is there a documented waste management and disposal plan to avoid or reduce pollution?</p> <p>b. Does the waste management and disposal plan, at minimum, include measures for:</p> <ul style="list-style-type: none"> Identifying and monitoring sources of waste and pollution? Improving the efficiency of resource utilisation and recycling potential of wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes)? Appropriate management and disposal of hazardous chemicals and their containers? Reduction, re-use and recycle of waste? <p>c. Is there evidence that the plan has been implemented?</p> <p>d. Is there evidence that waste has not been disposed off using open fire?</p>	<ul style="list-style-type: none"> Procedure AA-KL-05-EFP – Industrial Waste Handling Procedure AA-AMP-OP-1100.11-R1 and AA-KL-04-EFP – Agrochemical Waste Handling Procedure AA-AMP-OP-1100.11-R1 and AA-KL-06-EFP – Hazardous Waste Handling 	<p>Identification of waste and pollution sources from Negri Lama II Mill, Negri Lama Utara Estate and Aek Kuo Estate activities was evident. The sources of pollution, type and control method of waste were documented. Wastes identified were among others: POME, used oil, used oil filter, agrochemical and chemical containers, contaminated rags and domestic wastes. Procedure waste handling including hazardous waste handling has been established and implemented. The procedure required waste to be segregated from point of sources. In addition Mill and Estate also established waste register, which described wastes sources from each activity/location, its classification (organic, inorganic or hazardous), and its disposal, reusing or recycling. Mill and Estate including housing has provided different colour of waste bin for each type of waste. Organic and inorganic wastes from Mill and Estate including housing were disposed to landfill in the Estate area. Areas of organic and inorganic wastes disposal was far from housing, in the flood-free area and not in swamp area and completed with warning sign not burning wastes. There are evident the measurement periodical report include air ambience quality; emissions of vehicles and other engines (boilers, generators, etc.) also the programme on how to reduce the fuel usage and environmentally friendly. Hazardous waste was reported to North Sumatera Province and Labuhan Batu District Environmental Agency, Central of Environmental Management Regional Sumatera and Ministerial Office of Environment. Receipt note was also sighted.</p>	<p>YES (Major NCR 2017 - 17) CLOSED</p>
5.4	<p>Efficiency of fossil fuel use and the use of renewable energy is optimised.</p> <p>Guidance: Renewable energy use per tonne of Crude Palm Oil (CPO) or palm product in the mill should be monitored. Direct fossil fuel use per tonne of CPO or Fresh Fruit Bunches (FFB) should be monitored. Energy efficiency should be taken into account in the construction or upgrading of all operations.</p> <p>Growers and millers should assess the direct energy use of their operations, including fuel and electricity, and energy efficiency of their operations. This should include estimation of</p>			

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<p><i>fuel use by on-site contract workers, including all transport and machinery operations.</i></p> <p><i>If possible, the feasibility of collecting and using biogas should be studied.</i></p>																			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p>																		
	<p>a. Is there a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy?</p> <p>b. Has the plan been implemented and is it monitored?</p> <p>c. Does the monitoring system encompass the following :</p> <ul style="list-style-type: none"> • Renewable energy use/tCPO or palm product; • Direct fossil fuel use/tCPO or tFFB; • Estimated fuel use by on-site contract workers and transport and machinery operations; • Electricity use in operations. <p>d. Was energy efficiency taken into account during the construction or upgrading of all operations?</p> <p>e. Has studies on the feasibility of collecting and using biogas been carried out?</p>	<ul style="list-style-type: none"> • Fossil fuels efficiency programme • Renewable energy (Fibre and shell) optimization programme • Records of diesel fuels usage • Records of fibre and shell usage 	<p>Negri Lama II Mill and its supply bases have been develop the programme/plan on how to conduct efficiency for utilization of fossil fuel by develop the standard to manage the consumption each of vehicles and electricity generator (<i>genset</i>) within litre per hours both for organization owned and contractors; the monitoring conducted by monthly and reported to technical department. In order to support the target, there are several programme executed on how to efficiency of fossils fuels, such as:</p> <ul style="list-style-type: none"> - Boiler modification by operated water treatment and turbine to reduce the utilisation of electrical generator (<i>Genset</i>) - Nozzle calibration and preventive maintenance for genset and vehicles - Turbine powers generate to supply electricity to composting activities in order to reduce <i>genset</i> utilization <p>Also it was developed the plan/programme regarding optimization of renewable energy known as fibre and shell as boiler energy source at mills, the target was sets on 80% as minimum energy availability, monitoring also conducted monthly by calculate the calories resulted from fibre and shell and utilize as boiler fuels whether during the construction or upgrading of all operations.</p> <p>There are monitoring records sighted regarding the utilization of fossils fuels and fibre shell that presented as below:</p> <table border="1" data-bbox="1173 1187 1816 1358"> <thead> <tr> <th>Renewable Energy (Fibre and shell)</th> <th>2014 (ton/ton)</th> <th>2015 (ton/ton)</th> <th>2016 (ton/ton)</th> <th>2017 (ton/ton)</th> </tr> </thead> <tbody> <tr> <td>Per tonnage FFB</td> <td>20.1</td> <td>16.2</td> <td>23.0</td> <td>21.01</td> </tr> <tr> <td>% utilization</td> <td>100</td> <td>100</td> <td>100</td> <td>100</td> </tr> </tbody> </table>	Renewable Energy (Fibre and shell)	2014 (ton/ton)	2015 (ton/ton)	2016 (ton/ton)	2017 (ton/ton)	Per tonnage FFB	20.1	16.2	23.0	21.01	% utilization	100	100	100	100	<p>YES</p>
Renewable Energy (Fibre and shell)	2014 (ton/ton)	2015 (ton/ton)	2016 (ton/ton)	2017 (ton/ton)															
Per tonnage FFB	20.1	16.2	23.0	21.01															
% utilization	100	100	100	100															

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			Fossil fuels	2015	2016 (YTD December)	2017 (YTD December)	
			Vehicles (litre)	239,629	236,274	279,525	
			Genset (litre)	300,414	298,228	187,535	
			Per tonnage CPO	2.32	2.40	1.89	
5.5	<p>Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p> <p>Guidance: Clause 11 of the Government Regulation No. 4 year 2001 regarding Control of Environmental Damage and or Pollution associated with Forest and or Land Fire, describes that the activities causing forest and or land fire are including land clearing in forestry, plantation, agriculture, transmigration, mining, tourism which are carried out through burning. Therefore, the use of fire is prohibited in those activities, unless for unavoidable circumstances or specific purposes, such as forest fire control, pest and disease control, and habitat management of flora and fauna. Implementation of restricted burning shall be authorised by the relevant agency.</p>						
5.5.1	(M) Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognized techniques based on the existing regulations.						
	<p>a. Does the company have a zero burning policy or any statement on zero burning?</p> <p>b. Does the company have SOPs for land preparation which mentions zero burning?</p> <p>c. Was land prepared using the burn method? If yes, was it based on the specific situations identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>d. Has the policy been implemented throughout the operations?</p> <p>e. Is there training programmes for associated smallholders on zero burning where appropriate?</p>	<ul style="list-style-type: none"> Company policy dated 1 December 2014 Replanting procedure (AA-APM-OP-1100.20-R1) Field observation 	<p>Company have a zero burning policy and stated in Company Policy dated 1st December 2014.</p> <p>Land preparation which mentions zero burning described within the replanting procedure (AA-APM-OP-1100.20-R1), the organisation committed to zero burning by using "chipping technique" at the <i>ganoderma</i> risks plantation by conducting topple to the palm trees, chopping and stacking using excavator by bucket modification.</p> <p>Procedure replanting mentioned that Field Assistant, Assistant Chief and Estate Manager must perform checks to ensure that the contractor does not perform burning for land preparation for replanting.</p> <p>All the replanting activities requires to be documented and monitored, such as: Schedule of replanting (chipping, digging and planting), progress planting LCC (Legume Cover Crop) and Minutes Works replanting (Progress in the Works Contractor)</p> <p>In the procedure of replanting mentioned that, the methods used are:</p> <ul style="list-style-type: none"> Toppling trees using heavy equipment (excavators) 	YES			

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			<ul style="list-style-type: none"> - Chipping: cutting palm trunk, so as not infected with <i>ganoderma</i> - Planting LCC / legumes (<i>Mucuna</i> and <i>Puereria javanica</i> etc. So that the decay of the old oil palm trunks can be faster - Planting of oil palm. <p>This method has been used in replanting the whole plantation belonging to Asian Agri group including PT. Hari Sawit Jaya – Negri Lama II Mill and its supply bases.</p>	
5.5.2	<p>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available</p> <p>Specific Guidance: <i>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimizing the risk of severe pest and disease outbreaks, and exceptional levels of caution should be required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation. This should refer to the ASEAN Policy on Zero Burning (2003) and existing national environment regulations.</i></p> <p><i>The company shall have procedure and records of emergency response to ground fire, including the means and facilities.</i></p>			
	<p>a. Where fire has been used for preparing land for replanting, is there evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>b. What was the justification for using fire?</p>	<ul style="list-style-type: none"> • Zero burning policy • Field observation 	<p>Organisation has policy "zero burning" in each operational activity, including land preparation and replanting. No fire has been used for land preparation.</p>	NA
5.6	<p>Preamble:</p> <p><i>Growers and millers commit to report greenhouse gas emissions from their operations. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that to reduce or minimise these emissions is not always practical or feasible. Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO.</i></p>			
5.6	<p>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> <p>Guidance: <i>Where practically feasible, operations should follow best management practices to measure and reduce emissions. Advice on this is available from the RSPO.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.6.1	<p>(M) Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)</p> <p>Specific Guidance: For 5.6.1: <i>Assessment document covers identification of pollutant and emission sources, and evaluation of potential pollution level.</i></p>			
	<p>a. Has an assessment of all polluting activities been conducted including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4)?</p> <p>b. Is there a documented list of all identified polluting activities?</p>	<p>EMS-431-003-LT Rev.10 form updated Identification of Environmental Aspect Mill and Smallholders</p>	<p>Identification of pollution and emission sources was evident. The source of pollution, type of pollution and its control were documented, e.g. stack of boiler, electricity generator and heavy equipment, methane from WWTP and fertiliser. Monitoring of pollution and emission quality of sources identified has been programmed.</p> <p>Monitoring and measurement results for 1st semester 2017 were sighted for :</p> <ul style="list-style-type: none"> - boiler emission against Environment Ministry Decree #07/2007, - diesel electricity generator emission against Environment Ministry Decree #Per13/Menlh/2009, - vehicle and heavy equipment emission against Environment Ministry Decree #05/2006, - odour emission against Environment Ministry Decree #50/Menlh/11/96, - noise against Environment Ministry Decree #48/Menlh/11/96, - also ambient air quality against Government Regulation #41/1999. <p>The source of pollution, type of pollution and its control was documented. The information of pollution and emission sources at Negeri Lama II Mill was reviewed including boiler emission, methane from Palm Oil Mill Effluent, diesel electricity generator and vehicles and heavy equipment.</p>	<p>YES</p>
5.6.2	<p>(M) Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Specific Guidance: For 5.6.2: <i>Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified. Examples of reducing greenhouse gas emission are including empty bunch application, effluent land application, efficiency of fertilizer use, fuel efficiency, compost application and or methane capture.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<i>For 5.6.2 and 5.6.3: The treatment methodology for POME will be recorded.</i>			
	<p>a. Is there a documented list of all identified significant pollutants and GHG emissions?</p> <p>b. Are there plans to reduce or minimise the identified pollutants and GHG emissions?</p> <p>c. Do the plans include objectives, targets and timelines for reduction that are responsive to context?</p> <p>d. Are the plans being implemented? Was there any changes? Is it justified?</p> <p>e. Is the treatment methodology for POME recorded? (refer to C 4.4.3)</p>	Greenhouse gas emissions reduction Programme year 2017.	<p>The program was identify the source of greenhouse gas emissions as listed below:</p> <ol style="list-style-type: none"> 1. Methane from POME at mill 2. Fossil fuels emissions from vehicles and engines 3. Chemical fertilizer 4. Electricity usage 5. Land conversion 6. Peat lands emissions <p>The records of each programme were sighted as evident implementation. Negeri Lama II Mill waste water was processed through a series of waste water treatment ponds: anaerobic ponds, facultative ponds and aerobic ponds. Process parameter monitoring and maintenance of the ponds were sighted. Quality of waste water effluent is monitored quarterly in line with the requirements. The results of monitoring of waste water effluent were reviewed including measurement of BOD; the result of discharge effluent conforms to the limits for parameters.</p>	YES
5.6.3	<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>Specific Guidance: <i>For 5.6.2 and 5.6.3: The treatment methodology for POME (Palm Oil Mill Effluent) will be recorded.</i></p> <p>For 5.6.3 (GHG): <i>For the implementation period until December 31st, 2016, an RSPO-endorsed modified version of PalmGHG which only includes emissions from operations (including land use practices) can be used as a monitoring tool.</i></p> <p><i>In addition, during the implementation period, growers will start to assess, monitor and report emissions arising from changes in carbon stocks within their operations, using the land use in November 2005 as the baseline. The implementation period for Indicator 5.6.3 is the same implementation period for Criterion 7.8.</i></p> <p><i>During the implementation period, reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance for the process. Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period the RSPO working group will seek to continually improve PalmGHG, recognising the challenges associated with</i></p>			

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<p><i>measuring GHG and carbon stock.</i></p> <p><i>PalmGHG or RSPO-endorsed equivalent will be used to assess, monitor and report GHG emissions. Parties seeking to use an alternative to PalmGHG will have to demonstrate its equivalence to the RSPO for endorsement. Methodology for calculating GHG refers to 7.8.1.</i></p>				
	<p>a. Is there a system in place to monitor emission of pollutants including greenhouse gases from estate (plantation) and mill operations?</p> <p>b. Is there regular reporting of the monitoring outcomes? How often and to whom is reporting done?</p> <p>c. Is the monitoring and reporting conducted using appropriate tools? What tool is being used to assess, monitor and report on GHG emissions?</p> <p><i>Please refer to specific guidance for GHG requirements.</i></p>	<p>Calculation of GHG emission, calculation Year assessment 2016</p>	<p>The GHG emission calculation for Negri Lama of PT. Hari Sawit Jaya use Palm GHG V 3.0. as RSPO requirement.</p>	<p>YES (Minor NCR 2017 – 18) OPEN</p>

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.1	<p>Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p> <p>Guidance: <i>Identification of social impacts may use AMDAL as part of the process, however it is the company's responsibility to provide objective and proper evidence to the audit team that entire requirements in the social impact assessment cover all aspects of estate and mill operations, and their changes along the time.</i></p> <p><i>Identification of social impacts should be carried out by the grower with the participation of affected parties, including women and migrant workers as appropriate to the context. The involvement of independent experts should be sought where this is considered necessary to ensure that all impacts (both positive and negative) are identified.</i></p> <p><i>Participation in this context means that affected parties are able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.</i></p> <p><i>Potential social impacts may result from activities such as: building new roads, processing mills or other infrastructure; replanting with different crops or expansion of planting area; disposal of mill effluents; clearing of remaining natural vegetation; changes in employee numbers or employment terms; smallholder schemes.</i></p> <p><i>Plantation and mill management may have social impacts (positive or negative) on factors such as:</i></p> <ul style="list-style-type: none"> - Access and use rights; - Economic livelihoods (e.g. paid employment) and working conditions; - Subsistence activities; - Cultural and religious values; - Health and education facilities; - Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force. - Traditional or customary rights owned by the local community, if identifiable - Welfare of workers/labour and women, children and vulnerable group - Contribution to the local development, including improvement of human resources, local and customary communities. <p><i>Regulations relating to identification of environmental and social key issues including indigenous rights and methodology to collect data and utilize the results, adopted from related regulations, such as:</i></p> <ol style="list-style-type: none"> 1. Government Regulation No. 27 year 2012 regarding Environment Permit 2. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in AMDAL Process 3. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL Preparation 4. Decree of the Head of Bapedal No. No. 299 year 1996 regarding Technical Guidance for Social Aspect Study in AMDAL Preparation 5. Regulation of Minister of Home Affairs No.52 year 2014 regarding Guidance on the Recognition and Protection of the Indigenous People 6. Regulation of the State Minister of Agrarian Affairs/Head of the Land National Agency No. 5 year 1999 on Guidelines for the Settlement of Problems Related to the Communal 			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>Reserved Land of the Customary Law Abiding Community</i>				
6.1.1	(M) A social impact assessment (SIA) including records of meetings shall be documented.			
	<p>a. Has an SIA been conducted? When was the last SIA conducted?</p> <p>b. Is the process in conducting the SIA and the findings documented?</p> <p>c. Does the SIA cover all of the potential impact factors, including:</p> <ul style="list-style-type: none"> • Access and use rights; • Economic livelihoods (e.g. paid employment) and working conditions; • Subsistence activities; • Cultural and religious values; • Health and education facilities; • Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force. 	<p>Social impact assessment report, 2017 ,(Laporan Kajian Dampak Sosial & Ekonomi Aktifitas perusahaan perkebunan kelapa sawit PT Hari Sawit Jaya Negeri Lama Group)</p>	<p>Social impact assessment result was conducted in 1994 by third parties that was included in AMDAL Documents. The studies including pre operation and operation phase of estate and mill</p> <p>Then the organisation created and updated on 2017 in Document Social impact assessment report, 2017 ,(Laporan Kajian Dampak Sosial & Ekonomi Aktifitas perusahaan perkebunan kelapa sawit PT Hari Sawit Jaya Negeri Lama Group. It was created by Team CSR and Stake holder relations of Asian Agri Group that have experience and competence related to social studies in the palm oil industry.</p> <p>Participation of affected parties and local communities stated and described in the report including questioner.</p> <p>Positive impacts were identified such as: Regional development, increased population of the village economy and ease of road access.</p> <p>Negative impacts were identified such as: increase of road due to FFB transport (public health), Noise and dust coming from transport (social cultural), unfair donation for community estate (social cultural).</p> <p>The assessment scope are :</p> <ol style="list-style-type: none"> a) Village monography b) Relationship between company and village c) Livelihoods d) Religion activities e) Village infrastructure f) Positive impact g) Negative impact 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>h) Replanting</p> <p>Positive impacts on SIA were identified, such as:</p> <ul style="list-style-type: none"> - Alternate livelihoods - Work opportunities - General infrastructure (praying facility, sport facility, etc.) - CSR program <p>Negative impacts on SIA was identified, such as:</p> <ul style="list-style-type: none"> • Dust pollution due to a passing truck on the road • Air quality • Decrease in air quality • Disturbance on water biota • Decrease in ground water quality • Road damage and traffic accident • Social impact concerning welfare of workers/labour and women, children and vulnerable group has been identified in SIA Assessment report. 	
6.1.2	(M) There shall be evidence that the assessment has been conducted with the participation of affected parties.			
	<p>a. Does the assessment involve consultation with the affected parties? Who are the affected parties?</p> <p>b. Is there record of how the participatory assessment has been conducted? Were the affected parties able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, review of findings and planning for mitigation?</p>	<ul style="list-style-type: none"> • Social impact assessment report, 2017 ,(Laporan Kajian Dampak Sosial & Ekonomi Aktifitas perusahaan perkebunan kelapa sawit PT Hari Sawit Jaya Negeri Lama Group) • Interview with local governance and stakeholder on 19 December 2017 	<p>Social Impact assessments involve consultation with the affected parties. Evidence of participatory action from local communities was also sighted in related SIA documentation including photos.</p> <p>SIA method is done by interview and questionnaire. Attendance list and photograph of social impact assessment were available. Assessment has been done with the participation of affected parties such as head of villages, village representatives, and sub district police head, etc.(Sidomulyo Villages Kecamatan Bilah Hilir, Kabupaten Labuhan Batu Induk),also workers of mill and estate in Negeri Lama 2.</p> <p>Affected parties have been able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans..</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.1.3	<p>(M) Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</p> <p>Specific Guidance: For 6.1.3 and 6.1.4: Plan for management and monitoring of social impacts shall be established to avoid or reduce negative impacts and promote the positive ones, and monitoring of identified impacts shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Methodology to identify customary right and local community and social impacts assessment can be made with the following:</p> <ol style="list-style-type: none"> a. Document review b. Field observation c. Interview d. FGD (Focus Group Discussion) e. Participatory mapping <p>These involve participation of the community to define potential social impacts and management recommendation. The process refers to Regulation of the Minister of Environment No. 17 year 2012 regarding Community involvement and Information Transparency in the Process of Environment Impact Assessment (SEIA).</p>			
	<ol style="list-style-type: none"> a. Is there any documented record to outline the plan on mitigation, implementation and monitoring according to the SIA report? b. Have plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts been developed? c. Have these plans been documented, with clear timetables? Is the timeline reasonable? d. Have the persons responsible for implementation of the plans been identified? 	<ul style="list-style-type: none"> • Monitoring and CSR Program year 2017 • CSR Report for year 2017 • Action Plan and Implementation SIA PT. Hari Sawit Jaya year 2017 	<p>PT. Hari Sawit Jaya has a management plan and monitoring of social impacts as contained in SIA report, has been developed into Environmental Monitoring and Management Program.</p> <p>Social Assessment Monitoring conducted every year by CSR Region, monitoring between planning and realization were identified and evident. Negative impact was used and identified for CSR program.</p> <p>E.g. road repair facilities, road watering, health checks For Sei Tarolat village, Kuala Bangka village, Sidomulyo</p> <p>All the planning and realization have been documented and are also completed with photos relevant to CSR activities.</p> <p>Realization of planning have been defined and implemented within a reasonable time.</p>	<p>YES</p>
6.1.4	<p>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</p> <p>Specific Guidance:</p>			

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	<p>For 6.1.3 and 6.1.4: Plan for management and monitoring of social impacts shall be established to avoid or reduce negative impacts and promote the positive ones, and monitoring of identified impacts shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Methodology to identify customary right and local community and social impacts assessment can be made with the following:</p> <ul style="list-style-type: none"> a. Document review b. Field observation c. Interview d. FGD (Focus Group Discussion) e. Participatory mapping <p>These involve participation of the community to define potential social impacts and management recommendation. The process refers to Regulation of the Minister of Environment No. 17 year 2012 regarding Community involvement and Information Transparency in the Process of Environment Impact Assessment (SEIA).</p>			
	<ul style="list-style-type: none"> a. Is the plan reviewed every two years? b. Has the plan been updated as necessary (i.e. in cases where the review has concluded that changes should be made to current practices)? c. Have the changes to the plan been implemented? d. Is there evidence that the review has been done with the participation of the affected parties? e. Has the process been recorded/documentated? 	<ul style="list-style-type: none"> a. Social impact assessment report, 2017 ,(Laporan Kajian Dampak Sosial & Ekonomi Aktifitas perusahaan perkebunan kelapa sawit PT Hari Sawit Jaya Negeri Lama Group) b. Analisis Dampak Lingkungan – PT. Hari Sawit Jaya c. Monitoring and CSR Program year 2017 	<p>Review of Social and economy impact was conducted minimum one time every year by Sustainability & CSR Department and last update was on 2017.</p> <p>Management and monitoring social impact was conducted internally by the company. This can be seen on Social impact assessment report, 2017 ,(Laporan Kajian Dampak Sosial & Ekonomi Aktifitas perusahaan perkebunan kelapa sawit PT Hari Sawit Jaya Negeri Lama Group).Document was sighted and evident</p> <p>Review of the monitoring social impact assessment report was conducted with participation of the affected parties. Relevant stake holders was invited from surrounding of the estate/mill such as Desa Sidomulyo, Desa Tanjung Haloban, Sei Tarolat include the employee. They were provided feedback by direct interview with the company representatives. Attendance of the review were evident on July 2017.</p> <p>On the SIA monitoring report review was sighted that stake holders from the organisations have been invited in a</p> <p>During the audit the management and monitoring plan of social impact was still relevant with the actual condition.</p>	<p>YES</p>
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).			
	<ul style="list-style-type: none"> a. Are there schemed smallholders involved? 	Interview with management	There was no Smallholder scheme in PT Hari Sawit Jaya	NA

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	b. Have they been considered and involved in the whole process of the SIA? c. What are the main impacts affecting these smallholders?			
6.2	<p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p> <p>Guidance: <i>Decisions that the growers or mills are planning to make should be made clear, so that local communities and other interested parties understand the purpose of the communication and/or consultation.</i></p> <p><i>Communication and consultation mechanisms should be designed in collaboration with local communities and other affected or interested parties. These should consider the use of appropriate existing local mechanisms and languages. Consideration should be given to the existence/formation of a multi-stakeholder forum. Communications should take into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.</i></p> <p><i>In these communications, consideration should be given to involve third parties, such as disinterested community groups, NGOs, or government (or a combination of these), to facilitate smallholder schemes and communities, and others as appropriate.</i></p>			
6.2.1	(M) Communication and consultation procedures shall be documented			
	a. Does the company maintain a list of local communities and other affected or interested parties? b. Is there SOP being developed by the company for communication and consultation between the company and the local communities and other affected or interested parties? c. Is the FPIC approach incorporated in the SOP for communication and consultation with the local communities and other affected or interested parties? d. Has the SOP been developed together with the local communities and other affected or interested parties using appropriate existing	<ul style="list-style-type: none"> • Public consultation on 19 December 2017 • SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation for interested parties. • Stakeholder list of PT Hari Sawit Jaya, updated October 2017 	<p>The Company has a list for the local community and other interested parties and mentioned in the List of Stakeholder updated on October 2017.</p> <p>SOP related to communication and consultation is described in the SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation for interested parties.</p> <p>FPIC was not applicable during land acquisition in PT. Hari Sawit Jaya because it was obtained prior 2005, however FPIC approach was incorporated in the SOP for communication and consultation with the local communities and other affected or interested parties</p> <p>The existing communication and consultation mechanisms (SOP related to communication and consultation is described in the SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation) has been designed with consideration to the use of appropriate existing local mechanisms and languages. Consideration</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>local mechanisms and in languages understood by these parties?</p> <p>e. Has the SOP been socialized with the local communities and other affected or interested parties taking into account the differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups?</p> <p>f. Have interviews with affected parties been carried out to verify that the SOPs are effective?</p>		<p>has been given to the existence/formation of a multi-stakeholder forum.</p> <p>The Procedure has been developed and disseminated to the stakeholder. Minutes of socialization and attendance list was sighted. The existing communication and consultation was taken into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.</p> <p>Procedure was available in Indonesian and easily to understand and it was effective. It was verified during public consultation and interview with stakeholder dated 19 December 2017.</p>	
6.2.2	The company shall have official(s) who is responsible for consultation and communications with parties.			
	<p>a. Who in the company is appointed to be responsible for communication and consultation with the affected parties?</p> <p>b. Has the position been made official with clear and proper job description?</p> <p>c. Have the affected parties been made aware and have access to the person in charge?</p>	<ul style="list-style-type: none"> - Memorandum for Appointment Letter of Glorius A. Bangun as Humas (Public Relations) - Jobdesk for Public Relations - Interview with local communities on 19 December 2017 	<p>SK No : 064/HR-RO1/MEMO/04/15 dated 9 April 2015 about Assignment of Public Relations Office of PT Hari Sawit Jaya with job descriptions such as:</p> <ul style="list-style-type: none"> a. Minimize disturbance toward field operational b. Develop and maintain relationship with stakeholder c. Collaborate with internal and external department to solve issues concerning social, land and waste. d. Monitoring of waste sample delivery and process the cost for waste analysis e. Monitoring of legal document (estate and mill) f. Updating regulations and law <p>Based on interview with stakeholder, they know Mr. Glorius A. Bangun as Public Realtion in Negeri Lama Group.</p>	YES
6.2.3	The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.			
	<p>a. Is the following maintained?</p>	<ul style="list-style-type: none"> - SOP AA-GL-5008.1-R1 dated 22 August 2011 - Logbook Communication 	<p>Organization has established and implemented a mechanism for receiving and providing information in the procedure - SOP <i>Penanganan Permintaan Informasi Stakeholder</i> (Handling of</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • List of stakeholders (local communities and other affected or interested parties etc.); • Records of all communication, including confirmation of receipt or endorsement; • Evidence that efforts have been made to ensure understanding by affected parties; • Record of actions taken in response to input from stakeholders. 	<p>and Consultation Y2017</p> <ul style="list-style-type: none"> - Record of information request and responses Y2017 - Stakeholder list of PT Hari Sawit Jaya, updated 2 February 2016 - List information for stakeholder updated 5 March 2017 - Interview with stakeholder on 19 December 2017 	<p>Information Request from Stakeholder) SOP AA-GL-5008.1-R1 dated 22 August 2011 which explain the mechanism of response to requests for information by referring to the list of stakeholders and stakeholder information according to the principles and criteria for sustainable palm oil. The initial response was given no later than 14 days after receipt of the request from stakeholders.</p> <p>All information except confidential commercial information or information which has a negative impact on the environment and social can be provided by the organization. Request for information outside of the list of public information should be approval of top management and the provision of information comes with an official receipt.</p> <p>In the procedure also described specific timeframe to respond the requests for information from stakeholder depend on its request. Organizations usually respond directly to requests for information from all interest party/stakeholder.</p> <p>All information requests from stakeholder and their respond were listed and recorded by Mill and Estate on logbook "Record of information request and responses" e.g. road maintenance, donation, scholarship, invitation for memorial, etc.</p> <p>Interview result with outgrower representative was concluded that the prices paid for FFB was transparent and complied with agreement. Determination of FFB's price was conducted through the pricing mechanism of government.</p> <p>In general, interview result indicated that the communication between local society and Estate was evident where some agreements were made to improve social relationship.</p>	
6.3	<p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p> <p>Guidance: See also to Criterion 1.2.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties.</i></p> <p><i>Complaints should be dealt with by mechanisms such as Joint Consultative Committees (JCC), with gender representation as necessary. Grievances may be internal (employees) or external.</i></p> <p><i>For scheme and independent smallholders, refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009.</i></p> <p><i>Where a resolution is not found mutually, complaints can be brought to the attention of the RSPO Complaints System. This refers to United Nations Commission on Human Rights (UNCHR) document to support 'Guiding Principles on Business and Human Right' to implement UN framework to "Protect, Respect and Remedy" 2011. If all the above stages of conflict resolution have been carried out but the conflict cannot be resolved, then the next process is done through legal proceedings in court.</i></p> <p><i>Conflict resolution process with the community is still continued although transfer of company's ownership occurs.</i></p>			
6.3.1	<p>(M) The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.</p> <p>Specific Guidance: For 6.3.1: The system should aim to reduce the risks of reprisal. For 6.3.2: Records can be in the form of evidence from process or end-result of the resolution</p>			
	<p>a. Is there an system in place to deal with complaints and grievances for all affected parties?</p> <p>b. Who in the company is responsible to receive complaints and grievances?</p> <p>c. Is the existence of the system been made known and communicated to all parties?</p> <p>d. Is there evidence that the system is understood by all parties?</p> <p>e. Is training provided to the workers on the procedures/systems?</p> <p>f. Is the system effective to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner?</p>	<ul style="list-style-type: none"> • SOP handling of customer complaints / stakeholders SOP: AA-HR-3085.5 – R.0. • Interview with stakeholder on 19 December 2017 • Asian Agri Sustainability Policy 	<p>Organization has defined the system to deal with complaints and grievances for all affected parties which documented in SOP handling of customer complaints / stakeholders SOP: AA-HR-3085.5 – R.0.</p> <p>Person who responsible to receive complaints and grievances has assigned by organization that was Estate Manager. In the procedure also described stages follow up of complaint, problem identification and escalation of complaint to Estate Manager, General Manager, Region Head and Head Office (if necessary)</p> <p>The existence of the system has been communicated and made known to all parties. It has been disseminated to all parties together.</p> <p>Socialization and procedures training have been performed to all levels of employees. The system was effective to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner. Evidence that the procedures have been implemented is the logbook of complaint. Records are routinely</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>g. Does the mechanism or procedure provide a way for workers to report a grievance against a supervisor to someone other than the supervisor?</p> <p>h. How is a complaint or grievance investigated, addressed and resolved? Are complaints dealt with by mechanisms such as JCC?</p> <p>i. Is there a non-retaliation or non-reprisal policy that protects complainants or whistle-blowers?</p> <p>j. Is the privacy of parties protected?</p> <p>k. Where a resolution is not found mutually, is there a process for complaints to be brought to the RSPO Complaints System?</p>		<p>monitored monthly. Since January to November 2017 there were no complaints identified & submitted by the public community and employees.</p> <p>Mechanism and procedure was providing a way for workers to report a grievance against a supervisor to someone other than the supervisor.</p> <p>The system was enable resolution of disputes in an effective and appropriate manner by way of classifying complaints into internal and external, appointed the person who responsible for handling complaints, including level of officials who make decisions for complaint resolution.</p> <p>Non-retaliation or non-reprisal policy that protects complainants or whistle-blowers was described in Company Policy Privacy of parties who submitted the compliant and aspirations were protected if necessary.</p> <p>Where a resolution is not found mutually by means of deliberations between two parties, the problem can be resolved through third-party mediation / authorities, including grievance if there is no agreement it will be resolved through the RSPO Complaints System and it is described in the Asian Agri Sustainability Policy.</p>	
6.3.2	<p>(M) There shall be records of process and outcome of dispute resolution.</p> <p>Specific Guidance: <i>For 6.3.2: Records can be in the form of evidence from process or end-result of the resolution</i></p>			
	<p>a. Is the complaints or grievance resolution process documented?</p> <p>b. Are outcomes or decisions reported to the parties?</p> <p>c. Who has access to the documentation of the process and/or outcomes?</p>	<ul style="list-style-type: none"> • Complaint log book • Interview with stakeholder on 19 December 2017 • Interview with union, workers and committee gender on 19 - 20 December 2017 	<p>Complaints or grievance resolution process documented in the logbook of Complaint. Records are routinely monitored monthly. However in 2017 there were no complaints submitted by the public community and employees related to social aspect, mostly about housing problems in employees complex.</p> <p>It was also confirmed based on public consultation with surrounding village representative, labour union and gender committee.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			Outcomes or decisions as response to followed up the complaint reported to affected parties as described in example above.	
6.4	<p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p>Guidance: This criterion should be considered in conjunction with Criteria 2.2 and 2.3, and the associated Guidance</p>			
6.4.1	<p>(M) A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.</p> <p>Specific Guidance: For 6.4.1: Customary Right in the Local Regulation/Perda (based on Constitution Court Decision No. 35/PUU-X/2012 regarding Customary Forest) determined through participatory mapping of customary land by the customary law community who are recognized by the surrounding customary law community and refers to Regulation of the Minister of Home Affairs (Permendagri) No. 52 year 2014 regarding Guideline of Recognition and Protection of Legitimate Customary Community and Regulation of the State Minister of Agrarian Affairs/Head of National Land Agency (BPN) No. 5 year 1999 regarding Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community.</p>			
	<p>a. Are procedures for identifying legal, customary or user rights in place?</p> <p>b. Are procedures for identifying people entitled to compensation in place?</p> <p>c. Are those procedures jointly developed, agreed and accepted by local communities?</p>	<ul style="list-style-type: none"> • SOP AA-GL-5003.1-R1 - Calculation and compensation method for land • Interview with stakeholder on 19 December 2017 	<p>Calculation and compensation method for land has been described in a procedure SOP AA-GL-5003.1-R1.</p> <p>The steps of the procedures to identification and calculation of land compensation , consist of:</p> <ol style="list-style-type: none"> 1. Identification of land owner 2. Measurement 3. Data input (mapping) 4. Negotiating compensation 5. Payment of compensation 6. Data documentation. <p>Procedure also described identifying people entitled to compensation.</p> <p>Procedures was jointly developed, agreed and accepted by local communities It has been designed with consideration to the use of</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			appropriate existing local mechanisms and languages. Consideration has been given to the existence/formation of a multi-stakeholder forum.	
6.4.2	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</p> <p>Specific Guidance: For 6.4.2: Companies should make best efforts to ensure that equal opportunities have been provided to the heads of family, both female and male, to hold land titles in smallholder schemes if the land ownership is individual.</p> <p>The calculation procedure shall consider:</p> <ol style="list-style-type: none"> Gender differences in the power to claim rights, ownership and access to land; Differences of transmigrants and long-established communities; Differences between legal ownership evidence with communal ownership of ethnical group (customary community) 			
	<ol style="list-style-type: none"> Has a procedure for calculating and distributing fair compensation (monetary or otherwise) been established and implemented? Are the procedures jointly developed, agreed, accepted and clearly understood by affected parties? Is the procedure monitored and evaluated in a participatory way? Have corrective actions been taken as a result of this evaluation? Does this procedure take into account the following: <ul style="list-style-type: none"> Gender differences in the power to claim rights; Ownership and access to land; Differences of transmigrants and long-established communities; 	<ul style="list-style-type: none"> SOP AA-GL-5003.1-R1 - Calculation and compensation method for land Public consultation with stakeholder on 19 December 2017 	<p>Procedure for calculating and distributing fair compensation (monetary or otherwise) has been established and available in procedure of Identification and calculation of land compensation SOP AA-GL-5003.1-R1 - Calculation and compensation method for land. The steps are as described in criterion 6.4.1.</p> <p>Procedures was jointly developed, agreed and accepted by local communities It has been designed with consideration to the use of appropriate existing local mechanisms and languages. Consideration has been given to the existence/formation of a multi-stakeholder forum.</p> <p>The procedure monitored and evaluated in a participatory way, procedures will be revised if there is a reasonable request from stakeholders.</p> <p>This procedure take into account of the gender differences in the power to claim rights, ownership and access to land, differences of transmigrants and long-established communities, differences in ethnic groups' proof of legal versus communal ownership of land.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Differences in ethnic groups' proof of legal versus communal ownership of land. <p>e. Where there are schemed smallholders, is there effort to ensure equal opportunity has been provided to.</p>			
6.4.3	(M) Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.			
	<p>a. Is the process and outcome of negotiated agreements and compensation claims documented?</p> <p>b. Does this documentation include evidence of the participation of affected parties? Is there any approval/signed by effected parties?</p> <p>c. Was consent obtained from all parties to make the documents publicly available?</p>	<p>a. Procedure of Land dispute resolution mechanisms CR-AGR-102-GRL.06-11-1</p> <p>b. Records of compensation</p> <p>c. Interview with stakeholder on 19 December 2017.</p> <p>-</p>	<p>It was noted that there was no ongoing progress of new land acquisition during interview with sampled villager's representative, all previous land acquisition was solved before Land Use Title-Hak Guna Usaha (HGU).</p> <p>The latest HGU processing for PT. Hari Sawit Jaya has been done on February 2016 resulting Land titles (HGU) Extension No.02-12-00-00-2-00074 issued on 29 February 2016 includes SK BPN Sumatera Utara No.3/HGU/BPN.12/XI/2015 dated 8 December 2015 regarding extension land titles issues for PT Hari Sawit Jaya for area coverage 188.75 Ha. The procedures were implemented.</p> <p>PT. Andalas Intiagro Lestari, Aek Kuo Estate is now on process for HGU extension. All compensations process with local communities is completed in 1988 and 1997 based HGU certificate. The process now is process for technical consideration in gaining Location Permit from Land Agency (BPN) of Labuhan Batu Regency.</p>	N/A
6.5	<p>Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p> <p>Guidance: <i>Labor union agreement or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official or Labor Union if any.</i></p> <p><i>Regulation related to the minimum wage such as, Regulation of the Minister of Manpower & Transmigration No. 7 year 2013 regarding Minimum Wage, shall be implemented.</i></p> <p><i>Definition of Decent Living Wage refers to the Act No. 13 year 2003 (Manpower Act) is a set of standard necessities that must be fulfilled by a worker in order to have a decent</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>physical and social living for a month.</i>				
6.5.1	(M) Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.			
	<p>a. What types of employment arrangements are there in the company? (E.g. contractual, outsourced, apprenticeships, direct hires, piecemeal basis, etc.)</p> <p>b. Is there documentation of pay and conditions for each employee?</p> <p>c. Is there a definition for living wage in the country? If not, how was the decision on wage for employees and contract workers made?</p>	<ul style="list-style-type: none"> - Payroll list - Letter form Governor of North Sumatra Nomor : 188.44/44/KPTS/Tahun 2017 dated 3 February 2017, minimum wages (UMP) for Kabupaten Labuhan Batu is Rp. 2.467.000/month - Internal Memorandum No. 068/HR-RO1/MEMO/04/2017 dated 12 April 2017 about PHL and SKU wages. - Collective La or PKB (<i>Perjanjian Kerja Bersama</i>) Period 2015 – 2017 - BKS PPS letter dated 27 February 2017 about SKU wages - Contract of employee 	<p>In PT Hari Sawit Jaya there are 2 types of worker status, SKU and PHL. Some of the workers such as harvester, manual upkeep ,sprayer and fertilizer workers were PHL. The use of PHL workers were taken from their monthly target. Whenever the organisation need to increase the target, they will add workers with PHL status. And if in the future, the company still need it, they might have promoted into SKU workers status. Their wages follow the national law (UMP) and for SKU, their wages follow BKS PPS letter dated 27 February 2017 about SKU wages. Beside that, the company published Internal Memorandum No. 068/HR-RO1/MEMO/04/2017 dated 12 April 2017 about PHL and SKU wages.</p> <p>PHL will get wages Rp. 98.680/work days for 6 days a week or Rp 2.467.000,-/month (for period 2017) Meanwhile for SKU Rp.2.369.255/month plus monthly fixed called “Catu beras”. The proportion of “Catu beras” or Rice Ration can be seen on Collective Employment Agreement Letter (PKB).</p> <p>KNC and KNS Payment of wages in 2017 based on the Letter form Governor of North Sumatra Nomor : 188.44/44/KPTS/Tahun 2017 dated 3 February 2017, minimum wages (UMP) for Kabupaten Labuhan Batu is Rp. 2.467.000/month</p> <p>PND Payment of wages in 2017 based on the Letter form Governor of North Sumatra Nomor : 188.44/44/KPTS/Tahun 2017 dated 3 February 2017, minimum wages (UMP) for Kabupaten Labuhan Batu is Rp. 2.467.000/month</p> <p>“Catu beras” or Rice Ration details are :</p> <ul style="list-style-type: none"> a. Workers alone : 15 kg b. One legal wife: 9 kg 	YES

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			<p>c. Children (until 3): 7,5 kg</p> <p>If worker have one wife and 2 kids then he will receive 15 kg + 9 kg + 15 kg (for 2 kids), total 39 kg of rice every month.</p> <p>Recordings are available in the employee's salary slip salary payment.</p>	
6.5.2	<p>(M) Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>Specific Guidance: For 6.5.2: <i>Collective Labor Agreement (Perjanjian Kerja Bersama/PKB) and or Company Regulation are developed by the company together with the Labor Union, if any, in the company referring to the manpower regulations, such as the Regulation of the Minister of Manpower No. 6 year 2011 regarding Procedure for Establishing and Endorsing the Company Regulation, and Developing and Registering Collective Labor Agreement.</i></p>			
	<p>a. Is the pay and conditions of employment clearly detailed in the employment or service contracts? (E.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.)</p> <p>b. Is the contract prepared in languages understood by the workers, explained carefully to workers by management officials, and signed by both the authorised signatory of the company and employee?</p> <p>c. Does the pay and conditions provided in labour laws, union agreements or direct contracts of employment comply with:</p> <ul style="list-style-type: none"> • The decent living wage as provided in the National Interpretation for the country; or • The local legal requirements in meeting the minimum wage; or 	<ul style="list-style-type: none"> - Collective Employment Agreement or PKB (<i>Perjanjian Kerja Bersama</i>) Period 2015 - 2017 - Contract for PHL workers in KNS,KNC, PND - List of employees of PT Hari Sawit Jaya updated November 2017 - Interview with workers union and workers on 19 – 20 December 2017 	<p>Agreement / contract of employment for workers, has been included in the PKB (Collective Employment Agreement) has been endorsed by Indonesian Ministry of Manpower. In the agreement regulates the : working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.).</p> <p>Record was evident for below activities,such as :</p> <ul style="list-style-type: none"> a. Contract for PHL employees was reviewed, such as Item for working hours, deductions, overtime, social security was established on the contract b. 10 workers were interviewed from KNC,KNS & PND during audit.Based on interview with them, they said that they not aware or not remember they have sign work contract before. c. Employee payment slip was sight and reviewed for Period September – November 2017.The payment of the employee was according to the contract and the regulatons for PHL & SKU employee. <p>At the time of audit, there was no recorded breach by the company or complaint for unjust pay and conditions</p>	<p>YES (Major NCR 2017-19) CLOSED</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • The industry minimum standard for a similar position or work responsibilities d. Is the pay received by the employee consistent with the terms of the contract and the law (relates to P2)? e. Have there been any cases recorded of breach by the company, or complaint made by employees against the company on unjust pay and conditions? 			
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Specific Guidance: <i>For 6.5.3: Incentives to the employees refer to Act No. 13 year 2003 regarding Manpower.</i></p>			
	<p>a. Have growers and millers provided adequate housing and other basic necessities such as that listed below to national standards or above, where no such public facilities are available or accessible?</p> <ul style="list-style-type: none"> • adequate housing; • adequate electricity; • clean water supplies (availability of clear water all year round); • medical services (distance to health care facility i.e. clinic, hospital); • children education (distance to school and schooling attendance (%) of children under 12) • welfare amenities. 	<ul style="list-style-type: none"> - List of public facilities of KAK, KNU and PND - Site visit and field observation in emplacement 	<p>Public facilities were provided by the organisation and covered residential facilities, day care, kindergarten, building for prayers, sports facility (e.g. volley ball, badminton, futsal, and tennis), etc. Housing for workers and medical facilities (clinics) were provided by the organisation with basic facilities.</p> <p>Company has provided housing complex for the workers, Its permanent house with two doors in one roof and permanent house. Clean water of MCK was available in housing complex, the resource is from the well or ground water. Water has been analysed by third parties.</p> <p>Housings were provided for staff, non-staff (SKU) and PHL (daily free workers). Each house has 2 bedrooms, a living room and one bath room. No charges given to the employee for electricity and water supply use.</p> <p>List of facilities are stated below :</p> <p>a. KNC : housing 226 unit, mosque/church 2 unit, clinic 1 unit and child care 1 unit</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			b. KNS & PND : housing 454 unit, mosque/church 2 unit, child care 1 unit and clinic 1 unit	
6.5.4	<p>There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food</p> <p>Specific Guidance: <i>For 6.5.4: This applies if public facility is unavailable or inaccessible to provide adequate, sufficient and affordable food. The examples of the efforts are provision of transportation, employee cooperative shop, weekly market, etc.</i></p>			
	a. Have growers and millers made demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food?	Interview with workers on 19-20 December 2017	Monitoring of workers access to food was conducted monthly. Organisation provided Rice for workers and the family. Markets in Posko Pekan Kamis Desa Sidodadi and Sidomulyo with the range of 500 m, every payday traders will be closer to the location of the estate to trade the basic needs of. Access to the market is always taken care of by graders regularly, so that during the rainy season can still be passable. In Emplacement/employee housing there are also some stalls and small shops seller staple necessities. Employees are not difficult to obtain basic commodities every day. Employee housing access to the main road is less than 1 km with road conditions were pretty good, the market which provide food and basic goods needs easily found not far from the location of the company	YES
6.6	<p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> <p>Guidance: <i>The right of workers, including migrant and transmigrant workers (Angkatan Kerja Antar Daerah/AKAD) and contract workers, to form associations and bargain collectively with their employer should be respected, in accordance with The Act No. 21 year 2000 regarding Labor Union.</i></p> <p><i>Labour laws and collective labor agreements, or in their absence direct contracts of employment detailing payments and other conditions, should be available in the languages understood by the workers or explained comprehensively to them by a management official.</i></p> <p><i>Definition of Employer refers to the Act No. 13 year 2003 regarding Manpower.</i></p>			
6.6.1	(M) A record of the company's policy in understandable language recognising freedom of association, shall be available			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Has the company published a statement in local languages recognising the rights of employees to freedom of association?</p> <p>b. Are the employees, including migrant and transmigrant workers and contract workers, allowed to form associations and bargain collectively with their employer?</p> <p>c. Was the outcome, if any, from the collective bargaining process between the company and the association respected, implemented and adopted in full or partially by the company?</p> <p>d. Are there Labour laws and union agreements, or in their absence direct contracts of employment detailing payments and other conditions, made available in the languages understood by the workers or explained carefully to them by a management official?</p>	<ul style="list-style-type: none"> - Attendance list worker for socialization of Company Policy. - Company Policy – dated 1 December 2014. - Collective Employment Agreement / PKB – PT Hari Sawit Jaya period 2015 - 2017 	<p>Freedom of association has been mentioned in Company Policy dated 1 December 2014. Organizations understand that workers have the right to argued, associate and organize in a labour union.</p> <p>Organization committed to provides opportunities for workers to organize in unions and express an opinion.</p> <p>Commitment covered in the policy are:</p> <p>“ Respect the right of every employee to form or join trade unions in accordance they want and to bargain collectively”</p> <p>Based on interview with labour union leader, the company has accommodated employee rights to argued, associate and organize in a labour union. Until now there has been no bargaining between companies and unions. Normative rights of employees was already filled with the company</p> <p>Employees, including migrant and transmigrant workers and contract workers were allowed to form associations and bargain collectively with their employer.</p> <p>There were union workers represent estate and mill employee incorporated in the SPSI /Union Labour - <i>Perkebunan PT. Hari Sawit Jaya</i> and registered as “<i>PUK Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia PT. Hari Sawit Jaya</i> which was founded in 5 November 2003 (registration no. 284/PUK.SPSP-SPSI/DFT/07/XI/2003).</p> <p>Labour laws, union agreements which described in working agreement/PKB and direct contracts of employment detailing payments and other conditions was made available in the languages which understood by the workers and explained carefully to them by management official.</p>	<p>YES</p>
6.6.2	Records of meetings with labor unions or workers representatives shall be available.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Are there documented minutes of meetings between the company and main trade unions or workers representatives? b. Are the minutes made readily available to employees upon request?	- Minutes meeting of SPSI (worker union)	Based on the information the chairman of the union, the union meeting conducted in accordance with the requirements of temporary and existing issue, however the recording of this meeting with the unions, among others: the attendance list and note taker was not established during audit	YES (Minor NCR 2017 – 20) OPEN
6.7	Children are not employed or exploited. Guidance: <i>Growers and millers clearly define the minimum working age and working hours, based on existing regulations, such as:</i> <ol style="list-style-type: none"> 1. Act No. 13 year 2003 regarding Manpower. 2. Act No. 20 year 1999 regarding Ratification of International Labour Organization (ILO) Convention No. 138 year 1973 on Allowable Minimum Age for Work. 3. Regulation of the Minister of Manpower and Transmigration No. 235 year 2003 regarding Types of Work Endangering Child Health, Safety or Morale <i>It is advisable to do socialisation to all level of operations regarding prohibition on employing children.</i>			
6.7.1	(M) There shall be documented evidence that minimum age requirements are met.			
	a. Is the minimum working age for workers together with working hours clearly defined in the company's recruitment policy? b. Are workers employed above the minimum school leaving age of the country or who are at least 15 years of age? c. Is there evidence that the nature of work for workers under 18 is in accordance with International Labour Organisation (ILO) Convention 138? d. Does ground verification show evidence of employment of workers below the minimum working age?	- Collective Employment Agreement / PKB period 2015 – 2017. - Procedure AA-HR-305-2-00 – Recruitment and Selection. - List of worker for KNC, KNS and PND updated November 2017	The company has a policy for minimum working age. It was stated that company committed to not employ underage workers required by national legislation. Besides that, company has a procedure AA-HR-305-2-00 – Recruitment and Selection which stated that every candidate must have identity card "(KTP), Kartu Keluarga, Surat Nikah (if married)". Based on document review as listed in "Daftar Tenaga Kerja" there are no underage workers in List of workers did not show any worker under 18 years old when they joined the company. List of workers did not show any worker under 18 years old when they joined the company. Some copies of worker's ID were also filled as evidence.	NO (Major NCR 2017 - 21) CLOSED
6.8	Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. Guidance: <i>Examples of compliance can be appropriate documentation (e.g. job advertisements, job descriptions, appraisals, etc.), and/or information obtained via interviews with relevant</i>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><i>stakeholders such as affected groups which may include women, local communities, foreign workers, and migrant workers, etc.</i></p> <p><i>Notwithstanding national legislation and regulation, medical conditions should not be used in a discriminatory way.</i></p> <p><i>The grievance procedures detailed in Criterion 6.3 apply. Positive discrimination to provide employment and benefits to specific communities is acceptable as part of negotiated agreements.</i></p>				
6.8.1	(M) A company's policy on equal opportunity and treatment for work shall be available and documented.			
	<p>a. Is there a company policy on non-discrimination and equal opportunities? Does it at least cover the items mentioned in the criteria (6.8)?</p> <p>b. Is the policy made publicly available for the relevant stakeholders?</p> <p>c. Is there evidence that the policy has been implemented?</p>	<ul style="list-style-type: none"> - Sustainable palm oil company policy Asian Agri Group in Article 13 approved 01 December 2014 - Policy made available in the strategic area in the estate and plantation - PHL and SKU workers contract 	<p>Policies on equal opportunities and treatment to get the job described in the Sustainable palm oil policy Asian Agri Group in Article 13 states that the company provides equal opportunity for all employees to organize, association and develop a career according to capabilities.</p> <p>There was a promotions of workers from PHL to SKU period 2017 from KNC & KNS. Supervisor propose their PHL workers to the Managers and Regional Office HR. Criteria for promotions such as working days and target achievement from supervisor .It was sighted that on period 2017 2nd semester based on sample taken, they have promote 5 PHL workers into SKU. Letter of promotions were sighted on September 2017 for PHL workers such as Mandor & harvester at KNS.</p>	YES
6.8.2	(M) Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.			
	<p>a. Is there evidence that employees and groups including local communities, women, and migrant workers have not been discriminated against?</p> <p>b. Are the employees and groups including local communities, women, and migrant workers happy with the way the company is treating them?</p> <p>c. Are there complaints against the company on issues relating to discrimination?</p> <p>d. What is the nature of complaints employees and groups including local communities,</p>	<ul style="list-style-type: none"> - Procedure: AA-HR-305-2-00 – Recruitment and Selection. - Collective Employment Agreement / PKB period 2015 – 2017. - Pay Roll List for Worker – October 2016 - Interview with union and workers on 19 – 20 December 2017 	<p>Recruitment process was documented in Procedure: AA-HR-305-2-00 – Recruitment and Selection.</p> <p>Process covers :</p> <ul style="list-style-type: none"> - The collection of application file - Selection of administration - Announcement of the selection schedule - Test questions and physical tests - Summary of the results of the selection 	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>women, and migrant workers have lodged against the company, if any?</p>	<ul style="list-style-type: none"> - List of worker for KAK, KNU and PND updated November 2017 	<ul style="list-style-type: none"> - Announcement of selection results - Provision of a cover letter MCU to candidates who pass the selection - Implementation of MCU <p>Through interviews with workers in mill and plantation, it confirmed that there was no discrimination on working opportunities, all workers treated equally</p> <p>List of workers and payment list shows that the payment of wages of workers also seen that there is no discrimination related to wages earned and includes working hours.</p> <p>From the interviews with workers, they feel that the basic rights of workers already filled by company.</p> <p>From the interview with Union, there is no complaint related to discrimination.</p>	
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available</p> <p>Specific Guidance: <i>For 6.8.3: Recruitment and promotion are based on skills, capabilities, qualities and health conditions</i></p>			
	<ul style="list-style-type: none"> a. Does the company keep and maintain a record of their employees' work credentials and medical history? b. Does the company explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process? c. Is the company's indiscriminatory policy reviewed regularly? d. Are the company's employees recruited and promoted based on skills, capabilities, qualities, and medical fitness necessary for the job? How is this evidenced? 	<ul style="list-style-type: none"> - Procedure AA-HR-305-2-00 – Recruitment and Selection - Medical Records for workers - Recruitment records - Promotion letter and records 	<p>Recruitment process was documented in procedure AA-HR-305-2-00 – Recruitment and Selection. Based on that procedure, it was described that the selection, recruitment and promotion of workers based on worker competency . Additional document for promotion of PHL to SKU status were evident. Letter from Estate Manager to Regional HR Manager that was describe the proposal for promotion after evaluation from the supervisor (mandor/Field Assisstant).</p> <p>Employees credential and medical history were documented and recorded; medical history employees are available and kept by the nurse at the clinic.</p> <p>All company policy reviewed every year by Sustainability Department..</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Employee's evaluation was conducted every year to decide promotion of employees. Based on their competency some of worker from estate was promoted to Admin.</p> <p>The process of recruitment, selection and promotion is conducted transparently, and this is communicated to of candidates.</p> <p>In discriminatory policy is reviewed once a year during according that stated in the Company Policy</p> <p>Recruitment process and promotion is done in accordance competency and medical fitness result. And this is evident from ratings performance review that conducted every year. Record of promotion was reviewed.</p> <p>And it looks that personnel accordance with his/her competency (e. g, Estate Asst, Public Relations, Nurse, foreman, etc.).</p> <p>Workers appraisal for Y2017 was reviewed for KNC & KNS.</p>	
6.9	<p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p> <p>Guidance: <i>There should be a clear policy developed in consultation with employees, contract workers and other relevant stakeholders, and the policy should be publicly available. Progress in implementing the policy should be regularly monitored, and the results of monitoring activities should be recorded.</i></p> <p><i>Notwithstanding national legislation and regulation, reproductive rights are respected.</i></p>			
6.9.1	<p>(M) A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>Specific Guidance: For 6.9.1 and 6.9.2: <i>These policies should include education for women and awareness of the workforce.</i></p> <p><i>There should be programmes provided for particular issues faced by women and men, such as violence and sexual harassment in the workplace.</i></p> <p><i>A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the company have the policy to prohibit any form of sexual and all other forms of harassment and violence?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. Is there a clear protocol for the company to deal/handle such issues/complaints received from the workforce?</p> <p>d. Is there a list of awareness programs or training provided to the workforce in relation to these issues?</p> <p>e. Has the company formed a Gender Committee to address areas of concern to women? Is there a list of the members sitting in the committee? What are the Terms of Reference of the committee? Does it include the handling of issues such as:</p> <ul style="list-style-type: none"> • training on women's rights; • counselling for women affected by violence; • child care facilities to be provided by the growers and millers; • women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and • women to be given specific break times to enable effective breastfeeding. <p>f. Is the policy regularly reviewed?</p>	<ul style="list-style-type: none"> - Company Policy dated 1 December 2014. - Attendance list worker - Organization structure Gender Committee - Interview with gender committee on 19 December 2017 	<p>The company has prohibited sexual harassment and violence as committed and written in company policy dated 1 December 2014.</p> <p>This policy has been documented, implemented and communicated to all level workers. Communication was conducted by Afdeling Assistant to his team.</p> <p>In case there is any harassment and violence, it will be reported to Gender Committee to be followed up. Documented procedure has been established to describe handling mechanism of sexual harassment case - SOP AA-HR-309.01-R0.</p> <p>Awareness/training program was listed and discussed during Gender Committee meeting.</p> <p>Gender Committee has been made regular program for all employees, women and the training required.</p> <p>Company has formed A Gender Committee since April 2013 and consist :</p> <p>The members are :</p> <ul style="list-style-type: none"> - Head of Committee (Mrs. Simamora-Div 4 KNC-Mandor Tus (Spraying) - Vice of head committee - Secretary - Vice of secretary - Members <p>Gender Committee activities such as handle complaint from female workers, reporting and data collecting if case appeared concerning sexual harassment.</p> <p>Based on interview with Gender Committee, their activities include training on women's rights, counselling for women affected by violence, child care facilities and breastfeeding policy.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			No cases concerning sexual harassment happened in PT Hari Sawit Jaya.	
6.9.2	<p>(M) A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce</p> <p>Specific Guidance: For 6.9.1 and 6.9.2: These policies should include education for women and awareness of the workforce. <i>There should be programmes provided for particular issues faced by women and men, such as violence and sexual harassment in the workplace.</i> <i>A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</i> For 6.9.2: see Indicator 4.6.12</p>			
	<p>a. Is there a policy to protect the reproductive rights of all, especially of women?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. How is this policy communicated to all levels of the workforce?</p>	<p>- Company Policy dated 1 December 2014</p> <p>- Attendance list worker</p>	<p>A company policy on reproductive rights was documented in Company Policy item 15 dated 1 December 2014.</p> <p>Policy communicated to all level employees in the company on 10 December 2016 and regularly communicated every month during Posyandu services/meeting between committee and members. Sighted for period September-November 2017.</p> <p>This policy has been socialized to employees based on evidences such as attendance list and Minutes of Meeting on 10 December 2016.</p> <p>All company policy reviewed every year by Sustainability Department, Asian Agri.</p>	YES
6.9.3	<p>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the company have a mechanism to handle employment grievances, that respects anonymity and protects complainants where requested?</p> <p>b. Does the mechanism provide a way for workers to report a grievance against a supervisor to someone other than that supervisor?</p> <p>c. Is the mechanism documented, implemented and communicated clearly to all levels of the workforce?</p> <p>d. Has the company identified personnel who will be responsible to receive and manage complaints received from the workforce?</p> <p>e. Has the company received any reports or complaints of harassment or abuse? How was it addressed or resolved?</p> <p>f. Is the policy reviewed regularly?</p>	<ul style="list-style-type: none"> - Company Policy dated 1 December 2014 - Attendance list worker 	<p>Company mechanism about complaint (internal and external) documented in procedure SOP: AA-HR-3085.5 - R.0 "Complaints of employees - the delivery and settlement of employee complaints".</p> <p>In the procedure also described the process of complaint. Complaint process cannot report only to Supervisor but other such Union, Gender Committee. Stages of complaint were described in the procedure.</p> <p>In point in the procedure stated that the company will respects anonymity and protects complainants where requested.</p> <p>All company policy reviewed every year by Sustainability Department, Asian Agri.</p> <p>According log book and interview with related workers in the company, there is no complaint that received by company.</p>	<p>YES</p>
<p>6.10</p>	<p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p> <p>Guidance: <i>Transactions with smallholders should consider issues such as the role of middle men, transport and storage of FFB, quality and grading. The need to recycle the nutrients in FFB (see Criterion 4.2) should also be considered; where it is not practicable to recycle wastes to smallholders, compensation for the value of the nutrients exported may be considered through the FFB price.</i></p> <p><i>Smallholders should have access to the grievance procedure under Criterion 6.3 if they consider that they are not receiving a fair price for FFB, whether or not middle men are involved.</i></p> <p><i>The need for a fair and transparent pricing mechanism is particularly important for outgrowers who are contractually obliged to sell all FFB to a particular mill.</i></p> <p><i>If mills require smallholders to change practices to meet the RSPO Principles and Criteria, consideration should be given to the costs of such changes, and the possibility of advance payments for FFB can be considered.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>Specific Guidance: For 6.10.1: FFB pricing in Indonesia refers to the Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013</p>			
	<p>a. How is the price of FFB determined?</p> <p>b. Is current and past prices paid for Fresh Fruit Bunches (FFB) publicly available? How?</p> <p>c. Was there any complaint on FFB pricing?</p> <p>d. How was the complaint handled?</p> <p>e. What was the solution?</p>	<ul style="list-style-type: none"> • FFB pricing mechanism • FFB Price mill display • Documented procedure (AA-GL-510.1-R0) regarding on how to handling the complaints • Site observation and interviews with FFB supplier 	<p>The FFB pricing mechanism were established that based on CPO and PK prices minus the transport cost and multiple with OER divide with taxes (PPN 10%) as illustrated as below: CPO and PK prices - transport (X) OER / 10% taxes.</p> <p>The FFB price still affected from market price, mill competitors and condition of the FFB.</p> <p>The price of FFB was published / displayed on the front yard of the mill.</p> <p>There is available the documented procedure (AA-GL-510.1-R0) regarding on how to handling the complaints may come from suppliers, the public relations (HUMAS) and/or administration had (KTU) will faced the suppliers regarding FFB pricing issues. So far there is no complaint from the suppliers regarding the FFB pricing.</p>	<p>YES</p>
6.10.2	<p>(M) Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).</p>			
	<p>a. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders?</p> <p>b. Is there evidence that growers/millers have explained FFB pricing and pricing mechanisms for FFB?</p> <p>c. Are there any inputs/services rendered by the millers to smallholders/middle men? Are these inputs/services having any influence to the pricing and pricing mechanisms for FFB?</p> <p>d. Have inputs/services been documented (where these are under the control of the mill or plantation)?</p> <p>e. Where it is not practicable to smallholders to recycle waste (i.e. EFB), is there</p>	<ul style="list-style-type: none"> • FFB pricing mechanism • FFB Price mill display • Site observation and interviews with FFB supplier 	<p>So far there is no smallholders supplied for the mill, nevertheless there are available the third party FFB suppliers. The FFB suppliers were separated into contract base and non-contract base suppliers.</p> <p>The FFB price still affected from market price, mill competitors and condition of the FFB. The price of FFB was published / displayed on the front yard of the mill.</p> <p>The FFB pricing mechanism were established that based on CPO and PK prices minus the transport cost and multiple with OER divide with taxes (PPN 10%) as illustrated as below: CPO and PK prices - transport (X) OER / 10% taxes.</p> <p>Since there is no available smallholders (plasma); so there is no applicable for the inputs/services rendered by the millers to smallholders/middle men and recycle waste.</p>	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	compensation for the value of the nutrients of EFB given to the smallholders? Is this translated into the pricing factors of FFB?			
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Specific Guidance: For 6.10.3 : Referring to Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013, requirements to be considered in the contract are such as:</p> <ol style="list-style-type: none"> 1. K Index, which is open and transparent to the smallholders or their institutions 2. Distributing the information about the decision of the Pricing Team to the smallholders institutions 3. Method of fruit sortation 4. Involvement of smallholders institutions on the evaluation of weigh instrument by authorised local agency. 			
	<ol style="list-style-type: none"> a. Is there a contractual agreement between the miller and smallholders/ middle men? b. Do all parties understand the contractual agreements they have entered into? c. Are all contractual agreements fair, legal and transparent? d. Who keeps the contractual agreements? 	<ul style="list-style-type: none"> • Agreement of FFB processing between PT. Hari Sawit Jaya and Koperasi Petani Kelapa Sawit Wahyu Agung, dated 6 August 2015, valid for 10 years. • Agreement of FFB processing between PT. Hari Sawit Jaya and Sitolong Nadangol, dated 2 September 2015, valid for 10 years. • Interviews with FFB supplier - 	Contractual agreement between the miller and FFB supplier was available. Based on sign in contract and interview with FFB supplier, it was verified that all parties understood the contractual agreements they have entered into. It was evident that contractual agreements are fair, legal and transparent. Both parties keep the contractual agreement.	YES
6.10.4	Agreed payments shall be made in a timely manner.			
	<ol style="list-style-type: none"> a. How are all payments made to the smallholders/middle men? b. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders? c. Have agreed payments been made in a timely manner? 	- Records for cash transfer bank Mandiri dated 20 December 2017 for all FFB suppliers, such as, Esteria Manurung.	For the FFB suppliers there is provide with cash transfer evident. Records sighted for cash transfer bank Mandiri dated 20 December 2017 for all FFB suppliers, such as Esteria Manurung, etc. The company keep the payment voucher for the documentation. It was verified that payment has been made in a timely manner.	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.11	<p>Growers and millers contribute to local sustainable development where appropriate.</p> <p>Guidance: <i>Contributions to local development should be based on the results of consultation with local communities and social impact assessment. See also Criterion 6.2 for consultation process. Such consultation should be based on the principles of transparency, openness and participation, and should encourage communities to identify their own priorities and needs, including the different needs of men and women.</i></p> <p><i>Where candidates for employment are of equal merit, preference should always be given to members of local communities. Positive discrimination should not be recognised as conflicting with Criterion 6.8.</i></p> <p><i>Private plantations refer to the Act No. 40 year 2007 regarding Limited Company (PT), clause 74 (1&2) and their explanations; Government Regulation No. 47 year 2012 regarding Environment and Social Responsibilities, clause 5 (1) and explanation whereas social and environment responsibilities shall be executed.</i></p> <p><i>State plantations refer to Act No. 19 year 2003 regarding State Owned Company (BUMN) clause 9 (1).</i></p>			
6.11.1	Records of Contributions to local development based on the results of consultation with local communities shall be available.			
	<p>a. Have the local development needs and priorities been identified in consultation with local communities? (refer also to C 6.2)</p> <p>b. What are the contributions made to local development? Are they in accordance with the results of consultation?</p> <p>c. Are there efforts to improve or maximise employment opportunities at the company for local communities?</p>	<p>- CSR program Y2017 and realization of CSR documentation of program Y2017</p> <p>-</p>	<p>The Company has a CSR program, coordinated by the CSR Team Office Region. Team is responsible for identifying the needs of rural communities around the garden. Program identification is done by visiting and meeting with local village head.</p> <p>Identification of CSR results made in the proposal and approved by the head office, every year his company budgeted for CSR programs. Once proposal is approved, the CSR program was planned and implemented.</p> <p>Several CSR programs were conducted among others: improvement of places of worship, donations of books for elementary schools, etc.</p> <p>Based on interviews with stakeholders, it is known that the presence of the company has a positive impact on people's lives, especially in terms of livelihood.</p> <p>Another local business was supported for growers and mills, main supports were pertinent to procurement spare parts and vehicle maintenance. The local business is assigned and controlled by central purchasing in Head Office.</p>	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>To improve the manpower recruitment for local communities, company through Public Relations Officer conduct communication to head of village.</p> <p>Realization of CSR program in 2017 until September in amount of Rp. 105.436.730 for activities such as education, health, economy, maintenance of infrastructure, religion activities, social, recreation and sports activities.</p>	
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.			
	<p>a. Is there a complete registry of independent smallholders in the supply base?</p> <p>b. Have efforts been made to improve the farming practices of independent smallholders?</p> <p>c. Where there are schemed smallholders, have efforts and/or resources been allocated to improve smallholder productivity?</p>	Interview with management	There are no scheme smallholder associated with PT. Hari Sawit Jaya	NA
6.12 ¹	<p>No forms of forced or trafficked labour are used.</p> <p>Guidance <i>Migrant workers should be legalised, and a separate employment agreement should be drawn up to meet immigration requirements for foreign workers and international standards. Any regulated deductions made should not jeopardise a decent living wage.</i> <i>Passports should only be voluntarily surrendered.</i> <i>There should be evidence of due diligence in applying these indicator and guidance to all sub-contract workers and suppliers.</i> <i>Definition of types of worker refers to Acts No.13 year 2003 regarding Manpower.</i></p>			
6.12.1	<p>(M) There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Specific Guidance: <i>For 6.12.1: Workers should enter into employment voluntarily and freely, without the threat of a penalty, and should have the freedom to terminate employment without penalty given reasonable notice or as per agreement.</i></p>			
	<p>a. What is the company's policy on forced or trafficked labour?</p>	<ul style="list-style-type: none"> • Company policy • Procedure : AA-HR-305-2-00 	Company's policy on forced or trafficked labour was described in Company Policy Asian Agri.	YES

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. How does the company define forced or trafficked labour?</p> <p>c. What is the process of recruiting foreign/ migrant workers directly and/or through licenced outsourcing agencies/ labour suppliers?</p> <p>d. Who is the person responsible for selecting/ screening labour suppliers/ outsourcing agents?</p> <p>e. Do the foreign workers have to pay a fee to the employment recruitment agency or labour suppliers in the workers' countries of origin? If yes, does it jeopardise decent living wage?</p> <p>f. Are there restrictions on workers from leaving the mill or estate or their housing facilities outside working hours?</p> <p>g. What is the process if a worker wants to terminate their employment before their contract expires? In this case, who pays for the return transportation?</p> <p>h. What are the penalties imposed if the workers were terminated or fired before their contract expires?</p> <p>i. Who keeps the workers passports or identity documents?</p> <p>j. If workers do not keep their passports or identity documents, is this legally allowed?</p> <p>k. What is the process for workers' to hand over their passports or identity documents to the company?</p>	<p>– Recruitment and Selection</p> <ul style="list-style-type: none"> • List of workers updated December 2017 • Interview with union and workers on 19-20 December 2017 	<p>Based on public consultation on 19 – 20 December 2017 with several worker and worker union it was evident that no forms of forced or trafficked labour have been used. Workers/employee entered into organization voluntarily and freely, without the threat of a penalty and they have the freedom to terminate employment without penalty given reasonable notice or as per agreement.</p> <p>There were no migrant workers in estate and Mill. Its verified during audit documentation list of employee, interview with employee and stakeholders.</p> <p>Person who responsible for selecting/screening labour suppliers was KTU (Kepala Tata Usaha) under supervision form Estate Managers.</p> <p>Employees work based on contract labour agreement which contains agreements include: working time, dependents, payroll and consent of both parties. Working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc described in PKB years 2015 - 2017 which have been agreed between the employees (represented by SPSI) and company.</p>	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	I. Do workers have unrestricted access to their passports or identity documents? Describe how workers are able to access their documents?			
6.12.2	It shall be demonstrated that no contract substitution has occurred. Specific Guidance: <i>For 6.12.2: Contract substitution is the change of initial contract without prior consultation and agreement from the workers.</i>			
	a. Is there evidence of contract substitution occurring? b. Are foreign workers asked to sign a contract upon arriving in the receiving country? If yes, is that contract identical to the one signed in the country of origin? c. Are workers given a copy of their employment contracts? If yes, is the contract identical to the one signed at the time of recruitment?	<ul style="list-style-type: none"> • Interview with workers on 19-20 December 2017 • Perjanjian Kerja Bersama (Collective Employment Agreement) Period 2015 - 2017 and PHL contract 	There was no substitution contract occurred. Workers get the job and contract conforms to agreement between company and its workers.	N/A
6.12.3	(M) Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available. Specific Guidance: <i>For 6.12.3: The special labour policy should include:</i> a. <i>Statement of the non-discriminatory practices;</i> b. <i>No contract substitution;</i> c. <i>Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.;</i> d. <i>Decent living conditions to be provided.</i>			
	a. What is the company's policy and procedures for temporary or foreign/migrant workers? Does the special labour policy include: <ul style="list-style-type: none"> • Statement of the non-discriminatory practices? • No contract substitution? 	- List of employee, interview with employee	There were no migrant workers in Negeri Lama Group. Its verified during audit documentation list of employee, interview with employee and stakeholders	NA

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Post-arrival orientation programme with emphasis on language, safety, labour laws, cultural practices etc.? • The provision of decent living conditions? <p>b. Have the policies and procedures been implemented?</p>			
6.13 ²	<p>Growers and millers respect human rights.</p> <p>Guidance: See Criteria 1.2, 2.1 and 6.3 <i>All levels of operations include contracted third parties (e.g. those involved in security).</i> <i>Regulations related to the Human Rights refer to the Act No. 39 year 1999 regarding Human Rights.</i></p>			
6.13.1	(M) A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.			
	<p>a. Is there a company policy on human rights?</p> <p>b. How is this communicated to all employees, including outsourced workers, customers and suppliers? If by training, how often is the training conducted?</p> <p>c. Who has the task of communicating the policy internally and externally?</p> <p>d. Does the company have any outstanding cases of human rights violations?</p>	<ul style="list-style-type: none"> - Company Policy dated 1 December 2014. - Attendance list worker. - Interview with stakeholder on 19 December 2017 	<p>Policy to respect human rights has been documented in Kebijakan Perusahaan dated 1st December 2014. Top management has commitment to respect human right refers to internationally recognised human rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The document has been communicated to all levels of the workforce and operations based on public consultation with labour union, worker and gender committee.</p> <p>The policy has been communicated to all employees, including outsourced workers, customers and suppliers by socialization/dissemination. Socialization was conduct regularly once a year.</p> <p>Person in charge to communicating the policy internally are Public Officer and Estate Manager.</p> <p>During audit and based on verification on public consultation with stakeholders in 22 December 2016 and interview with employee could be demonstrated that there was no cases of human rights violations in Negeri Lama Group.</p>	YES

PRINCIPLES 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.1	<p>A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p> <p>Guidance: <i>The result of Strategic Environment Study (Kajian Lingkungan Hidup Strategis/KLHS) conducted by the authority shall be a major consideration in the new land development and planting.</i></p> <p><i>See also Criteria 5.1 and 6.1.</i> <i>Implementation of independent social and environment impact assessment may use AMDAL as part of the process. However, it is the company's responsibility to provide objective and appropriate evidence to the audit team that the full requirements of a Social and Environment Impact Analysis (SEIA) are met for all aspects of plantation and mill operation, and captures all changes over time.</i></p> <p><i>The terms of reference should be defined and impact assessment should be carried out by accredited independent experts, in order to ensure an objective process. A participatory methodology including external stakeholder groups is essential to the identification of impacts, particularly social impacts. Stakeholders such as local communities, government and NGOs should be involved through interviews and meetings, and by reviewing findings and plans for mitigation.</i></p> <p><i>It is recognised that oil palm development can cause both positive and negative impacts. These developments can lead to some indirect/secondary impacts which are not under the control of individual growers and millers. To this end, growers and millers should seek to identify the indirect/secondary impacts within the SEIA, and where possible work with partners to explore mechanisms to mitigate the negative indirect impacts and enhance the positive impacts.</i></p> <p><i>Plans and field operations should be developed and implemented to incorporate the results of the assessment. One potential outcome of the assessment process is that the development, partially or entirely, may not proceed because of the magnitude of potential impacts.</i></p> <p><i>For smallholder schemes, the scheme management should address this criterion. For individual smallholders this criterion does not apply</i></p> <p><i>For new planting with areas ≤ 3000 Ha, the assessment may be conducted internally or externally. And for new planting with areas > 3000 Ha, the assessment shall be conducted externally.</i></p> <p><i>For new planting with area > 3000 Ha needs a comprehensive and independent assessment which may be in the form of AMDAL (SEIA) while areas ≤ 3000 Ha requires Upaya Pengelolaan Lingkungan Hidup (UKL) – Upaya Pemantauan Lingkungan Hidup (UPL). Social and Environment Assessment at minimum must cover:</i></p> <ol style="list-style-type: none"> <i>a. Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure;</i> <i>b. Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected;</i> <i>c. Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will increase pressure on nearby natural ecosystems;</i> <i>d. Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources;</i> <i>e. Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and</i> 			

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	<p>flooding;</p> <p>f. Analysis of type of land to be used (forest, degraded forest, cleared land);</p> <p>g. Analysis of land ownership and user rights;</p> <p>h. Analysis of current land use patterns;</p> <p>i. Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents;</p> <p>j. Identification of activities which may generate significant GHG emissions.</p> <p>If AMDAL or UKL-UPL documents still do not cover point a to j, additional social and environment impact assessment shall be conducted. If internal assessment identifies sensitive social and environment issues or areas, then independent assessment shall be conducted. Documents of environment impact assessment are the environment documents based on the regulations, such as:</p> <p>a. Environmental Impact Assessment (Analisis Mengenai Dampak Lingkungan Hidup/AMDAL) for plantation with areas of > 3000 Ha</p> <p>b. Environmental Management Effort (Upaya Pengelolaan Lingkungan Hidup/UPL) and Environmental Monitoring Effort (Upaya Pemantauan Lingkungan Hidup/UKL) for plantation with areas of < 3000 Ha.</p> <p>c. Environmental Management Document (Dokumen Pengelolaan Lingkungan Hidup/DPLH)</p> <p>d. Environmental Evaluation Document (Dokumen Evaluasi Lingkungan Hidup/DELH)</p> <p>e. Environmental Information Performance (Penyajian Informasi Lingkungan Hidup/PIL)</p> <p>f. Environmental Evaluation Performance (Penyajian Evaluasi Lingkungan Hidup/PEL)</p> <p>g. Environmental Evaluation Study (Studi Evaluasi Lingkungan Hidup/SEL)</p> <p>h. Environment Management and Monitoring Document (Dokumen Pengelolaan dan Pemantauan Lingkungan Hidup/DPPL)</p> <p>i. Declaration Letter for Managing and Monitoring Environment (Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup/SPPL)</p> <p>j. And other documents required by the regulation.</p> <p>Regulations relate to the environment documents, such as:</p> <p>a. Government Regulation No. 27 year 2012 regarding Environment Permit</p> <p>b. Regulation of the Minister of Environment No. 13 year 2010 regarding Environmental Management and Monitoring Effort (UKL-UPL) and Declaration Letter for Managing and Monitoring Environment (SPKL)</p> <p>c. Regulation of the Minister of Environment No. 5 year 2012 regarding Environmental Evaluation Document (DELH)</p> <p>d. Regulation of the Minister of Environment No. 14 year 2010 regarding Environmental Management and Monitoring Document (DPPL)</p> <p>e. Regulation of the Minister of Environment No.12 year 2007 regarding Environmental Management and Monitoring Document for Business and or Activities, with No Environmental Management Document.</p> <p>f. Regulation of the Minister of Environment No. 5 year 2012 regarding Types of Business Obligated to Have Amdal</p> <p>g. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL preparation</p> <p>h. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in the AMDAL Process</p> <p>i. Decree of the Head of Bapedal No. No. 299 year 1996 regarding Technical Guidance of Social Aspects for AMDAL preparation</p>			

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	j. Regulation of the Minister of Environment No. 11 year 2008 regarding Competence Requirements for AMDAL preparation documents and Requirements for Training Institutions in Conducting Training for AMDAL Competency			
7.1.1	(M) An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.			
	<p>a. Is there any new planting or operations, or expanding existing ones by the company? What is the size of the new planting area?</p> <p>b. Has an independent social and environmental impact assessment (SEIA) been documented for the new plantings?</p> <p>c. Are the impact assessments prepared by accredited independent experts?</p> <p>d. Are all environmental and social impacts adequately identified?</p> <p>e. Is the SEIA undertaken based on the scope of operation?</p> <p>f. Is the SEIA undertaken in a participatory manner, including the relevant affected stakeholders?</p> <p>g. Does the SEIA assessment include and as a minimum:</p> <ul style="list-style-type: none"> • Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure? • Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected? • Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will 	Document of ANDAL, RKL RPL #PC.220/383/B/III/1994	The organisation did not acquire any new land after 2005. It was noted that there was no ongoing progress of new land acquisition during interview with stakeholders.	NA

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	<p>increase pressure on nearby natural ecosystems?</p> <ul style="list-style-type: none"> • Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources? • Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and flooding? • Analysis of type of land to be used (forest, degraded forest, cleared land)? • Analysis of land ownership and user rights? • Analysis of current land use patterns? • Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents? • Identification of activities which may generate significant GHG emissions? <p>h. What were the main findings of the assessment?</p> <p>i. Were secondary impacts of oil palm development identified in the SEIA?</p>			

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7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.			
	<p>a. Does the finding of the SEIA uncover any negative impacts? If yes, has a management plan and operational procedures been developed to mitigate the negative impacts?</p> <p>b. Has the management plan and operational procedures been implemented?</p>	<p>- Area statement in 2017</p> <p>- Field observation</p>	There was no new planting since November 2005.	NA
7.1.3	<p>Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>Specific guidance: For 7.1.3. : <i>Outgrower scheme is a farmer selling the FFB through exclusive contract to the growers and millers. Schemed smallholders (plasma) included into this scheme.</i></p>			
	<p>a. Are any outgrowers involved in the new plantings?</p> <p>b. Has management prepared a plan for the outgrower scheme?</p> <p>c. Does the SEIA include an assessment of impacts and the implications of the way the outgrower scheme is managed?</p>	<p>- Area statement in 2017</p> <p>- Field observation</p>	There was no new planting since November 2005.	NA
7.2	<p>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p> <p>Guidance: <i>These activities can be linked to the Social and Environmental Impact Assessment (SEIA) (see Criterion 7.1) but need not be done by independent experts.</i></p> <p><i>Soil surveys should be appropriate to identify soil suitability of oil palm cultivation for the scale of operation.</i></p> <p><i>Maps of Soil suitability or soil survey should be established in line with the operational scale and include information on soil types, topography, hydrology, rooting depth, moisture availability, stoniness and fertility to ensure long-term sustainability of the development. Soils requiring appropriate practices should be identified (see Criteria 4.3 and 7.4). This information should be used to plan planting programs, etc. Measures should be planned to minimize erosion through appropriate use of heavy machinery, terracing on slopes, appropriate road construction, rapid establishment of land cover, protection of riverbanks, etc. Areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation will be delineated in plans and included in operations for conservation or rehabilitation as appropriate (see Criterion 7.4).</i></p>			

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			<p>Assessing soil suitability is also important for smallholders, particularly where there are significant numbers operating in a particular location. Information should be collected on soil suitability by companies planning to purchase Fresh Fruit Bunches (FFB) from outgrowers scheme (skema kemitraan) in certain location. Companies should assess this information and provide information to smallholders involving in the outgrowers scheme, and/or in conjunction with relevant government/public institutions and other organizations (including NGOs) provide information in order to assist independent smallholders to grow oil palm sustainably.</p> <p>One of referred guidances is on the table 1 (page. 6) regarding Land Suitability Criteria for Oil Palm in the Technical Guidance for Developing Oil Palm Estate issued by Directorate General of Estate Crops, Ministry of Agriculture, 2006.</p>																																	
7.2.1	(M) Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.																																			
	<p>a. Are soil suitability/survey maps for the planted areas available or in place?</p> <ul style="list-style-type: none"> • Is the map adequate to establish the long-term suitability of land for oil palm cultivation? • Are the soil suitability maps or soil surveys appropriate to the scale of operation? • Does the soil suitability maps or soil surveys include information on soil types, topography, and hydrology, rooting depth, moisture availability, stoniness and fertility? • Do the soil suitability maps or soil surveys identify soils requiring appropriate practices? <p>b. Are there any areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation?</p> <ul style="list-style-type: none"> • Are such areas delineated in the plans? • Are there areas set aside for conservation? 	<p>- Topographic Map, Slope Class Maps and Map Soil Type and Slope Class Map scale 1: 20,000</p>	<p>Results of land surveys were presented in several maps: Topographic Map, Slope Class Maps and Map Soil Type and Slope Class Map scale 1: 20,000.</p> <p>Area of plantation has been located within the plantation perimeters that considering area for conservation.</p> <p>The organisation has plan to purchase FFB from potential developments of independent suppliers but not from independent supplier in particular location, such as forest area or illegal area.</p> <p>Soil map and land suitability was available in scale 1 : 20,000, projection system: Universal Transverse Mercator, Datum: WGS 84, Zone: 47 M, Central Meredien: E 99°. Soil classification are as follows:</p> <p>KNU</p> <table border="1" data-bbox="1084 1034 1843 1259"> <thead> <tr> <th>Soil Classification</th> <th>Topography (%)</th> <th>Ha</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Typic Endoaquepts</td> <td>0 - 3</td> <td>107</td> <td>2.7</td> </tr> <tr> <td>Histic Humaquepts</td> <td>0 - 3</td> <td>308</td> <td>7.6</td> </tr> <tr> <td>Typic Haplosaprists (peat < 3 m)</td> <td>0 - 3</td> <td>774</td> <td>19.2</td> </tr> <tr> <td>Typic Haplosaprists (peat 1-3 m)</td> <td>0 - 3</td> <td>1,561</td> <td>38.7</td> </tr> <tr> <td>Typic Haplosaprists (peat > 3 m)</td> <td>0 - 3</td> <td>1,280</td> <td>31.6</td> </tr> </tbody> </table> <p>KAK</p> <table border="1" data-bbox="1084 1321 1843 1417"> <thead> <tr> <th>Soil Classification</th> <th>Topography (%)</th> <th>Ha</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Typic Endoaquepts</td> <td>0 - 3</td> <td>842</td> <td>31.9</td> </tr> </tbody> </table>	Soil Classification	Topography (%)	Ha	%	Typic Endoaquepts	0 - 3	107	2.7	Histic Humaquepts	0 - 3	308	7.6	Typic Haplosaprists (peat < 3 m)	0 - 3	774	19.2	Typic Haplosaprists (peat 1-3 m)	0 - 3	1,561	38.7	Typic Haplosaprists (peat > 3 m)	0 - 3	1,280	31.6	Soil Classification	Topography (%)	Ha	%	Typic Endoaquepts	0 - 3	842	31.9	<p>YES</p>
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	<ul style="list-style-type: none"> Or are there plans for rehabilitation as appropriate? <p>c. Does the company plan to purchase Fresh Fruit Bunches (FFB) from potential developments of independent suppliers in a particular location?</p> <p>d. If yes, the following information should be obtained:</p> <ul style="list-style-type: none"> Is information on soil suitability collected and assessed? Has the company provided information on soil suitability to the independent smallholders in order to assist them to grow oil palm sustainably? 		<table border="1"> <tr> <td>Histic Humaquepts</td> <td>0 - 3</td> <td>291</td> <td>10.9</td> </tr> <tr> <td>Typic Haplosaprists (peat < 3 m)</td> <td>0 - 3</td> <td>373</td> <td>14.1</td> </tr> <tr> <td>Typic Haplosaprists (peat 1 - 3 m)</td> <td>0 - 3</td> <td>583</td> <td>22.0</td> </tr> <tr> <td>Typic Haplosaprists (peat > 3 m)</td> <td>0 - 3</td> <td>557</td> <td>21.1</td> </tr> </table> <p>KNS</p> <table border="1"> <thead> <tr> <th>Soil Classification</th> <th>Topography (%)</th> <th>Ha</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Typic Endoaquepts</td> <td>0 - 3</td> <td>401</td> <td>8.4</td> </tr> <tr> <td>Histic Humaquepts</td> <td>0 - 3</td> <td>99</td> <td>2.1</td> </tr> <tr> <td>Typic Haplosaprists (peat < 3 m)</td> <td>0 - 3</td> <td>171</td> <td>3.6</td> </tr> <tr> <td>Typic Haplosaprists (peat 1 - 3 m)</td> <td>0 - 3</td> <td>814</td> <td>17.0</td> </tr> <tr> <td>Typic Haplosaprists (peat > 3 m)</td> <td>0 - 3</td> <td>3307</td> <td>69.0</td> </tr> </tbody> </table> <p>KNC</p> <table border="1"> <thead> <tr> <th>Soil Classification</th> <th>Topography (%)</th> <th>Ha</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Typic Endoaquepts</td> <td>0 - 3</td> <td>5</td> <td>0.2</td> </tr> <tr> <td>Histic Humaquepts</td> <td>0 - 3</td> <td>3</td> <td>0.1</td> </tr> <tr> <td>Typic Haplosaprists (peat < 3 m)</td> <td>0 - 3</td> <td>12</td> <td>0.4</td> </tr> <tr> <td>Typic Haplosaprists (peat 1 - 3 m)</td> <td>0 - 3</td> <td>276</td> <td>8.8</td> </tr> <tr> <td>Typic Haplosaprists (peat > 3 m)</td> <td>0 - 3</td> <td>2834</td> <td>90.5</td> </tr> </tbody> </table>	Histic Humaquepts	0 - 3	291	10.9	Typic Haplosaprists (peat < 3 m)	0 - 3	373	14.1	Typic Haplosaprists (peat 1 - 3 m)	0 - 3	583	22.0	Typic Haplosaprists (peat > 3 m)	0 - 3	557	21.1	Soil Classification	Topography (%)	Ha	%	Typic Endoaquepts	0 - 3	401	8.4	Histic Humaquepts	0 - 3	99	2.1	Typic Haplosaprists (peat < 3 m)	0 - 3	171	3.6	Typic Haplosaprists (peat 1 - 3 m)	0 - 3	814	17.0	Typic Haplosaprists (peat > 3 m)	0 - 3	3307	69.0	Soil Classification	Topography (%)	Ha	%	Typic Endoaquepts	0 - 3	5	0.2	Histic Humaquepts	0 - 3	3	0.1	Typic Haplosaprists (peat < 3 m)	0 - 3	12	0.4	Typic Haplosaprists (peat 1 - 3 m)	0 - 3	276	8.8	Typic Haplosaprists (peat > 3 m)	0 - 3	2834	90.5	
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7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.																																																																			
	<p>a. Does the area where plantings are done require drainage or irrigation?</p> <p>b. If yes, is there adequate topographic information to guide the planning of drainage and irrigation systems?</p> <p>c. Is the topographic information and best practices taken into consideration during the development of roads and infrastructure?</p>	<p>- Topographic Map, Slope Class Maps and Map Soil Type and Slope Class Map scale 1: 20,000</p>	<p>Based on the above mentioned maps, there were plantings in area that require drainage or irrigation. The company has established adequate topographic information to guide the planning of drainage and irrigation systems. The topographic information and best practices were taken into consideration during the development of roads and infrastructure.</p>			<p>Yes</p>																																																														

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7.3	<p>New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p> <p>Guidance: <i>This Criterion applies to forests and other vegetation types. This applies irrespective of any changes in land ownership or farm management that have taken place since November 2005 unless if previous owner have conducted HCV assessment.</i></p> <p><i>HCVs may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCVs to be maintained or enhanced. This refers to the Guidance for HCV Management and Monitoring approved by the RSPO.</i></p> <p><i>The HCV assessment process requires appropriate training and expertise, and will include consultation with local communities, particularly for identifying social HCVs. HCV assessments should be conducted according to the Guidance for Identifying HCV in Indonesia (HCV Toolkit Indonesia) of 2008 or its revision.</i></p> <p><i>Developments should actively seek to utilise previously cleared and/or degraded land on mineral soil. Plantation development should not put direct or indirect pressure on primary forests and HCV through the use of all available agricultural land in an area.</i></p> <p><i>Although the planned development is consistent with the landscape planning by the local and national government, the requirements of protecting HCV still shall be met.</i></p> <p><i>For new planting with areas ≤ 3000 Ha, assessment of HCV can be conducted internally and externally. If the assessment of HCV is conducted internally, in accordance with the scheme of HCV RSPO using ALS system, assessor team leader of HCV shall be an assessor who has obtained license of HCV Assessor from HCVRN. Peer review from the competent party shall be conducted referring to the Common Guidance for the Identification of HCV 2013. For the new planting with the area > 3000 Ha, the assessment of HCV shall be conducted by the external party who has obtained license of HCV Assessor from HCVRN.</i></p> <p><i>In case of small areas located either in hydrologically sensitive landscapes or in HCV areas where conversion can jeopardize large areas or species, the HCV assessment shall be conducted by independent assessor who has obtained license of HCV Assessor from HCVRN (see Guidance: Criterion 7.2). HCV areas can be very small. Once established, new development should comply with Criterion 5.2.</i></p>			
7.3.1	<p>(M) There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>Specific Guidance: For 7.3.1: <i>Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV. HCV Assessment should apply satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment.</i></p> <p><i>Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.</i></p>			
	<p>a. Since November 2005, have any new plantings replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values</p>	<ul style="list-style-type: none"> - Area statement 2017 - Interview with management representatives 	<p>There was no new planting since November 2005.</p>	<p>NA</p>

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	<p>(HCVs)? If yes, was an adequate HCV assessment carried out prior to the clearing of the land?</p> <p>b. Where HCVs have been identified on the land that is intended for new plantings, have new plantings been planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2)?</p> <p>c. Are there finalised HCV maps and areas endorsed/signed off by management showing type of HCV and area coverage (ha)?</p> <p>d. Has the company comply with NPP procedures? i.e. NPP documents was submitted and put for public notification.</p> <p>e. Is CB verification of NPP documents include field verification? If not, field verification of HCV is required during certification audit.</p> <p>f. Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, is there evidence that an adequate HCV compensation plan for the affected area has been developed and accepted by the RSPO?</p>			
7.3.2	(M) Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.			

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	a. Is the prepared HCV assessment comprehensive? Was the assessment prepared in consultation with the affected stakeholders prior to any conversion or new planting? b. Do the HCV assessments include land use change analysis to determine changes to the vegetation since November 2005? (This analysis shall be used, with proxies, to indicate changes to HCV status)	- Area statement 2017 - Interview with management representatives	There was no new planting since November 2005.	NA
7.3.3	Records of land preparation and clearing dates shall be available.			
	a. Are the dates of land preparation and commencement recorded?	- Area statement 2017 - Interview with management representatives	There was no new planting since November 2005.	NA
7.3.4	(M) An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2).			
	a. Has the company developed an action plan that describes operational actions consequent to the findings of the HCV assessment? b. Does the action plan reference the grower's relevant operational procedures (see Criterion 5.2)?	- Area statement 2017 - Interview with management representatives	There was no new planting since November 2005.	NA
7.3.5	Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2). Specific Guidance: For 7.3.5: The management plan will be adaptive to changes in HCV 5 and 6. Decisions will be made in consultation with the affected communities.			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Have areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, been identified in consultation with the communities?</p> <p>b. Have these areas been incorporated into HCV assessments and management plans (see Criterion 5.2)?</p>	<ul style="list-style-type: none"> - Area statement 2017 - Interview with management representatives 	<p>There was no new planting since November 2005.</p>	<p>NA</p>
<p>7.4</p>				<p>Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p> <p>Guidance: <i>The process of identifying fragile and marginal soil should be conducted after getting Plantation Business Permit (IUP)</i></p> <p><i>Total area planting on fragile soils including peat within the new development shall not be greater than 100 Ha or 20% of the total area, whichever is smallest (see Criterion 4.3). Adverse impacts may include hydrological risks or significantly increased risks (e.g. fire risk) in areas outside the plantation (see Criterion 5.5). The legal aspect of compliance within this national interpretation document shall follow the changed laws and regulations but should at least meet the above minimum limit.</i></p> <p><i>Planting on peat soils should not be conducted on peat with ≥3 m depth. If planting conducted on peat with <3 m depth, then the area (as regulated by Regulation of the Minister of Agriculture No. 14 year 2009: Guidance on Peatland Utilization for Oil Palm Cultivation) shall meet the following requirements:</i></p> <ul style="list-style-type: none"> a. <i>Within designated cultivation area</i> b. <i>Whereas the proportion of ≤ 3 m depth of peat and mineral soil (if any) is minimal 70% of the total concession area</i> c. <i>The mineral soil below peat layer is not quartz sand or acidic sulfate soil</i> d. <i>The peat soils maturity level is mature (sapric)</i> e. <i>The fertility level is eutropic</i> <p><i>Cultivation on peatland must also comply with Government Regulation No 71 year 2014 concerning the Protection and Management of Peatland Ecosystems</i></p> <p><i>Excessive slope is defined as slope more than 40% referring to Regulation of the Minister of Agriculture No.11/Permentan/OT.140/3/2015 regarding Guidance of Indonesia Sustainable Palm Oil and the Regulation of the Minister of Agriculture No. 47 year 2006 regarding General Guidance for Agriculture at Mountain Area.</i></p> <p><i>Soil conservation measures (such as terracing, individual terrace, legume cover crops, silt pit, frond stacking, etc.) should be conducted.</i></p> <p><i>Soil suitability should be determined using crop and environmental suitability criteria.</i></p> <p><i>Those identified as marginal and/or problematic should be avoided if the soil cannot be improved through agricultural cultivation.</i></p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>The risky and marginal soils may include sandy soils, low organic content soils, and potential or actual acid sulphate soils. Suitability of these soils is also influenced by other factors including rainfall, terrain and management practices.</i></p> <p><i>These areas may only be developed for new plantations which have adequate management plans based on best management practices. Failure due to extensive plantings should be avoided on these soil types.</i></p> <p><i>Fragile soils on which extensive planting shall be avoided include peat soils, mangrove sites and other wetland areas.</i></p> <p><i>This activity should be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</i></p> <p><i>Excessive planting on fragile soil refer to Annex 2 Generic RSPO P&C, 2013.</i></p> <p><i>Wetland definition refers to RAMSAR.</i></p>			
7.4.1	(M) Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.			
	<p>a. Are there maps identifying marginal and fragile soils, including excessive gradients and peat soils?</p> <p>b. If peat is present, does the map show the extent, nature, and depth of peat?</p> <p>c. Are the maps used to identify areas that are inappropriate for planting?</p> <p>d. Have the maps been incorporated for use in the social and environmental impact assessment (SEIA)?</p> <p>e. Is there evidence that planting on extensive areas of peat soils and other fragile soils have been avoided?</p>	<p>- Topographic Map, Slope Class Maps and Map Soil Type and Slope Class Map scale 1: 20,000</p>	<p>Based on Map of Soil type Unit, most of HSJ plantation area are peatland. The mentioned map shows the extent, nature and depth of peat. The map does used to identify areas that are inappropriate for planting. The map have been incorporated for use in the social and environmental impact assessment (AMDAL). The company has demonstrated that planting on extensive areas of peat soils and other fragile soils have been avoided.</p>	<p>Yes</p>
7.4.2	(M) Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.			
	<p>a. Are there plans to protect planted areas on fragile and marginal soils, including peat from adverse impacts?</p>	<ul style="list-style-type: none"> • SOP Land Preparation (AA-APM-OP-1100.02-R1) • Consolidation (AA-APM-OP-1100.16-R1) - Soil and Water Conservation 	<p>The organisation has management strategy for planting on slopes above certain limit such as terracing, as referred to company's SOP and work instructions. The work instruction described preparation for planting including planting on slopes area has been developed by organisation. System for planting on slopes area was provided through terracing, levelling of terrace, planting legume cover</p>	<p>Yes</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Does the plan take into consideration specific control and NI thresholds, including:</p> <ul style="list-style-type: none"> • Slope limits; • List of soil types that need to be avoided, especially peat soil; • Proportion of plantation areas that can include marginal / fragile soil. <p>c. Has the plan been implemented?</p>	(AA-APM-OP-1100.05-R1)	<p>crops and determining of planting space.</p> <p>Practices to control and minimize erosion have been applied by :</p> <ul style="list-style-type: none"> • Terracing • Making the catchment where runoff water, called: "Tapak Kuda". • Making the catchment where runoff water, called "Rorak". • Planting legume cover crop. 	
7.5				
7.5.1				

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Does the new planting area include 'local people's land'? b. If yes, has the community given their consent? c. Is there evidence to demonstrate that the consent/agreement has been given? d. Has the community been given the opportunity to say 'no' to the proposed development? e. Are the principles of the FPIC process followed?	- Area statement in 2017 - Public consultation with stakeholders on 19 December 2017 - Field observation	There was no new planting since November 2005.	NA
7.6	Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements. Guidance: See Criteria 2.2, 2.3 and 6.4 and associated Guidance. The requirements include indigenous people, as regulated by, such as, the Act No. 5 year 1994 regarding Endorsement of UN Convention on Biodiversity. Please refer to FPIC guidelines approved by the RSPO (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).			
7.6.1	(M) Records of identification and assessment of legal, customary and user rights shall be available. Specific Guidance: For 7.6.1: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.			
	a. Does the SEIA include the identification and assessment of legal, customary and user rights of the area? b. Does the company have SOPs to identify and assess any legal, customary and user rights of the local peoples? c. Is there any known notification from the stakeholders claiming to have legal,	- Area statement in 2017 - Public consultation with stakeholders on 19 December 2017 - Field observation	There was no new planting since November 2005.	NA

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>customary and/or user rights on the land for the new planting area?</p> <p>d. Has the claim been identified and assess according to the protocol/SOP? Does the process follow and respect the FPIC principles?</p> <p>e. Has the process of identification and assessment been recorded/ documented and made publicly available?</p>			
7.6.2	(M) A procedure for identifying people entitled to compensation shall be available.			
	<p>a. Does the company have a system in place to identify people and/or community groups entitled to compensation?</p> <p>b. Is the system documented?</p> <p>c. Does the system follow and respect the FPIC principles?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 19 December 2017 - Field observation 	There was no new planting since November 2005.	NA
7.6.3	(M) Records of calculation system and distribution of fair compensation shall be available			
	<p>a. Does the company have a system in place to calculate and distribute fair compensation (monetary or otherwise)?</p> <p>b. Is the system documented and publicly made available?</p> <p>c. Does the system follow and respect the FPIC principles?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 19 December 2017 - Field observation 	There was no new planting since November 2005.	NA
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.			
	<p>a. Does the company provide communities that have lost access and rights to land for plantation expansion opportunities to benefit from plantation development?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 19 December 2017 - Field observation 	There was no new planting since November 2005.	NA

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives.			
	a. Is the process and outcome of any compensation claims documented and made publicly available?	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 19 December 2017 - Field observation 	There was no new planting since November 2005.	NA
7.6.6	<p>Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>Specific Guidance: For 7.6.6: Growers and millers will confirm that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to Plantation Business Permit (Izin Usaha Perkebunan/IUP) and if requested, Land Title (Hak Guna Usaha (HGU)/Hak Guna Bangunan (HGB)) to the grower and miller. There is documented evidence that communities were informed prior to being asked to release lands to growers and millers that a legal consequence of the grower or miller acquiring a HGU/HGB over their lands is that this will permanently extinguish their land rights within the same area. Related to 7.6.6, the evidences can be a company's policy to give community freedom to get information, and also socialization to the affected community.</p>			
	<p>a. Is there record to show that the community and rights holders have freedom to access information and independent advisor(s) concerning the legal, economic, environmental and social implications of the proposed operations on their lands?</p> <p>b. Is there evidence to show that the company has sought the community and the right holders' consent to the initial planning phases of the operations prior to the new issuance of a concession or land title?</p> <p>c. Did the communities (or their representatives) give consent to the initial planning phases of the operations prior to</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 19 December 2017 - Field observation 	There was no new planting since November 2005.	NA

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	the new issuance of a concession or land title?			
7.7	No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.			
7.7.1	(M) Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available.			
	<p>a. Is there evidence of land preparation by burning?</p> <p>b. (The auditors shall conduct site verification of the newly planted site which will include interviews with workers).</p> <p>c. Was land prepared using the burn method due to reasons or specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burnings' 2003, or comparable guidelines in other regions?</p> <p>d. If the burn method has been used for land preparation, has the company complied with the requirements of 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>e. Is document showing proper justification for such activity available?</p>	<ul style="list-style-type: none"> - Area statement 2017 - Interview with management representatives 	There was no new planting since November 2005.	NA
7.7.2	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Specific guidance</p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>For 7.7.2 : Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimizing the risk of severe pest and disease outbreaks, and exceptional levels of caution are required for use of fire on peat. This should also refer to the ASEAN Policy on Zero Burning (2003) and respective national environment regulations.</p>				
	<p>a. In exceptional cases where fire has to be used for preparing land for planting, is there evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>b. Was the activity incorporated in the SEIA report?</p> <p>c. What were the mitigation measures? Was it implemented?</p>	<ul style="list-style-type: none"> - Area statement 2017 - Interview with management representatives 	<p>There was no new planting since November 2005.</p>	<p>NA</p>
7.8	<p>Preamble</p> <p><i>It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector, especially in relation to reducing GHG emissions relating to operations. Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs.</i></p> <p><i>Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology.</i></p> <p><i>Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2).</i></p> <p><i>Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.</i></p>			
7.8	<p>New plantation developments are designed to minimise net greenhouse gas emissions.</p> <p>Guidance</p> <p><i>This Criterion covers plantations, mill operations, roads and other infrastructure. It is recognised that there may be significant changes between the planned and final development area, hence the assessment may need to be updated before the time of implementation.</i></p> <p><i>Public reporting is desirable, but remains voluntary until the end of the implementation period.</i></p>			

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</p> <p>According to the recommendation from RSPO GHG Working Group 2, the total carbon emission (above and below ground) from new development area ideally is not bigger than carbon that can be absorbed in one rotation period of all new developments (i.e. average of oil palm trees, riparian buffer zone, and the set aside forest area). To help achieving this, the plantation should be developed in area with low carbon stock (i.e. mineral soil, area with low biomass, etc) or within area that currently is being utilized for agriculture or intensive plantation whose owner has agreed to convert the areas into oil palm. The agreed methodology to assess and report on carbon stock and emission sources as well as default number for the both estimation is now being developed by RSPO.</p> <p>As guidance, low carbon stock areas are defined as areas with (above and below ground) carbon stores, where the losses as a result of conversion are equal or smaller to the gains in carbon stock within the new development area, including set aside areas (non- planted area) for one rotation period.</p>			
7.8.1	<p>(M) The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>Specific Guidance: For 7.8.1: GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</p> <p>The RSPO carbon assessment tool for new plantings will be available to identify and estimate the carbon stocks. It is acknowledged that there are other tools and methodologies currently in use; the RSPO working group will not exclude these, and will include these in the review process.</p> <p>The RSPO PalmGHG tool or an RSPO-endorsed equivalent will be used to estimate future GHG emissions from new developments using, amongst others, the data from the RSPO carbon assessment tool for new plantings.</p> <p>Parties seeking to use an alternative tool for new plantings will have to demonstrate its equivalence to the RSPO for endorsement.</p>			
	<p>a. Is there an assessment conducted to identify and estimate the carbon stock in the proposed development area and major potential sources of emissions that may result directly from the development?</p> <p>b. What are the tools and methodologies used to identify and estimate the carbon stock and potential sources of emission?</p> <p>c. Has the results of the carbon stock assessment been submitted and reported to RSPO according to RSPO procedures and timeline?</p>	<ul style="list-style-type: none"> - Area statement 2017 - Interview with management representatives 	<p>There was no new planting since November 2005.</p>	<p>NA</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.8.2	<p>Records of a plan to minimize net GHG emissions shall be available.</p> <p>Specific Guidance: For 7.8.2: Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are willing to develop into oil palm. Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new developments.</p> <p>Growers and millers should plan to implement RSPO best management practices for the minimization of emissions during the development of new plantations</p> <p>Some efforts to minimise net GHG emissions, but not limited to:</p> <ul style="list-style-type: none"> a. Avoiding high carbon stock area b. Enriching HCV c. Improving carbon sequestration d. Minimising use of fossil fuel e. Implementing zero burning 			
	<ul style="list-style-type: none"> a. Is there a plan to minimise net GHG emissions from new development? b. Does this plan take into account avoidance of land areas with high carbon stocks, sequestration options and low-emission management practices? 	<ul style="list-style-type: none"> - Area statement 2017 - Interview with management representatives 	<p>There was no new planting since November 2005.</p>	<p>NA</p>

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

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an action plan for continual improvement?</p> <p>b. Describe the main components of the plan.</p> <p>c. Has the action plan been implemented?</p> <p>d. Provide examples of continual improvements that have been implemented.</p> <p>e. Are history records available to develop the action plan?</p> <p>f. Are records of implementation of the action plan available?</p> <p>g. Does the action plan include strategies for:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6)? Is IPM widely implemented? • Environmental impacts (Criteria 4.3, 5.1 and 5.2)? • Waste reduction (Criterion 5.3)? • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8)? • Social impacts (Criterion 6.1)? • Optimising the yield of the supply base? <p>h. Do growers have a system to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the workforce?</p>	<p>a. VE (Visit Engineering) Report for visit date 14th-15th December 2017.</p> <p>b. KNC, VA (Visit Agronomy) Report for visit date 30 January until 03 February 2017.</p> <p>c. KNS, VA (Visit Agronomy) Report for visit date 21 until 25 May 2017</p>	<p>The organisation conducted monitoring and checking for mill operation performance through periodic visit of corporate engineering called VE (Visit Engineering), The Report dated 14th-15th December 2017 was sighted includes Mill key performance, assessment overall mill operations, process efficiency, plant maintenance, management supervision, manpower statement, production cost, EHS management system and sustainability. The corrective action plans was established and followed up by mill, the records was also evident.</p> <p>Regular evaluation of plantation operation called VA, the report dated 30 January until 03 february 2017 for KNC and 21 until 25 May 2017 for KNS was performed. The coverage of the audit including production planning, production, power generation and utilization, consumable, process control, quality control –, FFB incoming and inspection, and laboratory. The above audit reports indicated that all gaps against standard operation procedure of plantation and operation were noted. Corrective action plan was issued and implemented to demonstrate effort for compliance as well as continual improvement.</p> <p>Evidence of several improvements was shown, e.g.</p> <p>➤ Best Practice Agronomy:</p> <ul style="list-style-type: none"> • Increase productivity of circle racking. <p>Reduction in use of certain chemicals:</p> <ul style="list-style-type: none"> ○ The organisation committed that Paraquat only used for specific species: a few species of ferns, such as: <i>Stenochlaena</i> and <i>Lycopodiophyta</i>. Reduction of Gramoxone consumption <p>Environmental impacts:</p> <ul style="list-style-type: none"> ○ Segregation of domestic water run off with industrial waste water by building trench around shell storage area to prevent 	<p>YES</p>

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>contaminated water to open drainage</p> <ul style="list-style-type: none"> ○ Improvement in monitoring of fuel consumption by calibrating fuel injection pumps and check fuel nozzle pipe. ○ Improvement in monitoring of domestic water consumption by installing flow meter to monitor water consumption in housing ○ Recycle the water cooler turbine discharge water basin; ○ Recycle the condensate water discharge water dilution; ○ Minimize duration of mill cleaning to be every two weeks. <p>Waste reduction:</p> <ul style="list-style-type: none"> ○ Reduction in discharged waste water. The project including: Injection of water from hydro cyclone and blow down boiler to boiler chimney. It can prevent blow down boiler drain to water body, reduce waste water treated in WWTP. <p>Pollution and emissions:</p> <ul style="list-style-type: none"> • Reduction of potential particulate release to the atmosphere by increase boiler ash capture by the chimney <p>Social Impact:</p> <ul style="list-style-type: none"> • Improve and implementation the CSR program regularly <p>Biodiversity conservation</p> <ul style="list-style-type: none"> • Monitoring of RTE species regularly to control the population dynamics of wildlife • Sign board installation for HCV protection and awareness to 	

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>conserve biodiversity and HCV area</p> <p>Regular evaluation of plantation and mill operation was performed through internal and external audits. The coverage of the audit including production planning, production, power generation and utilization, consumable, process control, quality control – including waste water treatment, maintenance, occupational health and safety, FFB incoming and inspection, and laboratory. The above audit reports indicated that all gaps against standard operation procedure of plantation and operation were noted. Corrective action plan was issued and implemented to demonstrate effort for compliance as well as continual improvement.</p>	

3.3.2 Mill Supply Chain Requirements

PART A COMPANY DETAIL

Company Name (covered by certification): PT. HARI SAWIT JAYA – Negri Lama 2 Mill		
RSPO member name: PT. INTI INDOSAWIT SUBUR	RSPO member number: 1-0022-06-000-00	
RSPO IT Platform Registration number: RSPO_PO1000003004		
Site Address: Negeri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera IDN		
Management Representative: Ms. Asrini Subrata		
Site type: Palm Oil Mill		
Site capacity: 45 MT FFB per hour (Permit 60 MT)		
Certified palm product sold: 5,719.43 MT of Palm Kernel		
Certified palm product used: 133,781.838 MT of FFB		
App/Cert No: FMS40024	Audit Type: 1 st Annual Surveillance Audit	
SAI Global Auditor/Team: Eko Prastio	Audit Date: 21/12/2017	Activity/Audit No: WI-887015
<p>Audit objectives</p> <p>To verify the volume of certified and uncertified FFB entering the mill and sold volume of RSPO certified producers.</p>		
Supply Chain Model:	Module E - CPO Mills (MB) Mass Balance	

Pertinent record period:	December 2017 to November 2018
Estimated tonnage of certified palm product produced:	71,986.14 MT CPO and 14,441.10 MT Palm Kernel
Estimated of tonnage of non certified palm product produced	Depend on non certified FFB supply
String description:	Palm Oil Mill
Outsource activity(ies) (if any):	N/A
Independent third party(ies) performing outsource activity(ies): name, address and Capability	N/A

PART B SUPPLY CHAIN CERTIFICATION STANDARD

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
CPO MILLS (MB) MASS BALANCE SUPPLY CHAIN MODELS – MODULAR REQUIREMENTS		
E.1 Definition		
<p>E.1.1. Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>		

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
E.2 Explanation		
<p>E.2.1. The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>		
<p>a. Has the estimated tonnage of CPO and PK products (that could potentially be produced by the certified mill) been recorded by the certification body (CB) in the public summary of the P&C certification report?</p>	<p>The estimated tonnage of CPO and PK products has been recorded by certification body, i.e.:</p> <p>Certification audit: Estimated CPO : 51,040 MT Estimated PK : 10,640 MT</p> <p>ASA1: Estimated CPO : 59,022.56 MT Estimated PK : 11,955.88 MT</p> <p>ASA2: Estimated CPO : 71,986.14 MT Estimated PK : 14,441.10 MT</p>	<p>C</p>
<p>b. Does the figure represent the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year?</p>	<p>Yes, the figure does represent the total volume of certified palm oil product (CPO and PK) that the certified mill allowed to deliver in a year.</p>	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>c. Does the actual tonnage produced have to then be recorded in each subsequent annual surveillance report?</p>	<p>The actual tonnage produced has been recorded in each subsequent annual surveillance report, i.e:</p> <p>ASA1: Actual CPO : 31,012.85 MT Actual PK : 5,726.99 MT</p> <p>ASA2: Actual CPO : 50,604.19 MT Actual PK : 9,286.84 MT</p>	<p>C</p>
<p>E.2.2. The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>		
<p>a. The mill must also meet all registration requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim)?</p>	<p>PT. HARI SAWIT JAYA – Negri Lama II Mill has met all registration requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform), with register number RSPO_PO1000003004.</p>	<p>C</p>
<p>b. The mill must also meet all reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim)?</p>	<p>PT. HARI SAWIT JAYA – Negri Lama II Mill has met all reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>	<p>C</p>
<p>E.3 Documented Procedure</p>		

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>E.3.1. The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 		
<p>a. Does the site have written procedures and/or work instructions in place to ensure the implementation of all elements specified in these requirements?</p>	<p>The Site has system documentation available on site to ensure the implementation of RSPO SCC requirements. The procedures are updated and appeared to be compliance with current standard.</p> <ul style="list-style-type: none"> • AA-MPM-OP-1400.17-R4, dated February 25th, 2015, Procedure of Traceability. The procedure was established to ensure the production of sustainable and non-sustainable CPO/PK/CPKO produced by the Mill and shipped out could be traced to the suppliers of raw material, and also to ensure the palm oil production process could be described. • AA-MPM-OP-1400.18-R4, dated February 25th, 2015, Procedure of Book Keeping. The procedure described mechanism to monitor the supply chain of certified CPO, PK and CPK production are sustainable, from receipt of raw materials to the delivery of mill products (POM/KCP) and to ensure the record of number of "certified" and "non-certified" CPO, PK and CPKO production generated by POM/KCP and shipped out from the mill are "balance" in each 3-months period. • AA-SM-405.2.R0, procedure of RSPO eTrace system • AA-MPM-OP-1400.02-R2, procedure of FFB Receiving 	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<ul style="list-style-type: none"> • AA-MPM-OP-1400.03-R1, procedure of Sterilizer station • AA-MPM-OP-1400.06-R1, procedure of Clarifier station • AA-MPM-OP-1400.08-R1, procedure of Kernel station • AA-MPM-OP-1400.14-R2, procedure of Storage and Delivery. 	
<p>b. Are procedures / work instructions completely covering the implementation of all the elements in these requirements?</p>	<p>Procedures and Work Instruction are completely covering the implementation of the elements in this requirement, i.e.:</p> <ul style="list-style-type: none"> • FFB Receiving • FFB Processing • Production Recording (CPO and PK) • Product Delivery • Mill Daily Report • Three Monthly Mass Balance Report • Certified Product Claim • Record Keeping • Shipping Announcement in e Trace 	C
<p>c. Have the site had the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements ?</p>	<p>Based on the Procedure of Traceability, Top Management has assigned personnel who having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements, who is the Mill Manager, Mr. Andriyanto.</p> <p>Weighing clerk responsible for data input and print out weighing card. Receiving of FFB was based on SPB (delivery note) covers whether are sustainable or non-sustainable. If sustainable then delivery note must covers:</p> <ul style="list-style-type: none"> - Estate name and block number - Year of planting - Date of harvesting 	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<ul style="list-style-type: none"> - Certificate number - Batch number - Transporter identity. <p>All related personnel regarding Mill Manager, Head of Administration, weighing clerk, security, storage keeper etc. has been trained for refreshment of Traceability and Mass Balance on 20 October 2017. Refreshment of sustainability awareness has been conducted in 07 December 2017.</p>	
<p>d. Is the person able to demonstrate awareness of the site's procedures for the implementation of this standard?</p>	<p>The assigned persons were able to demonstrate awareness of the site's procedures for the implementation of RSPO SCC standard.</p> <p>All employees contribute to implementation of RSPO SCC have been trained by competent persons. The latest training was performed on 20 October 2017. Refreshment of sustainability awareness has been conducted in 07 December 2017.</p>	C
<p>E.3.2. The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>		
<p>a. Has the site had documented procedures for receiving certified FFBs ?</p>	<p>The Procedure of Traceability (AA-MPM-OP-1400.17-R4) and Mass Balance (AA-MPM-OP-1400.18-R4) have mentioned the mechanism for receiving certified FFBs. The system has separated the recording of certified and non-certified FFB.</p>	C
<p>b. Has the site had documented procedures for receiving non-certified FFBs?</p>	<p>The Procedure of Traceability (AA-MPM-OP-1400.17-R4) and Mass Balance (AA-MPM-OP-1400.18-R4) have mentioned the mechanism for receiving non-certified FFBs. The system has separated the recording of certified and non-certified FFB.</p>	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
c. Has the site had documented procedures for processing certified FFBs?	The Procedure of Traceability (AA-MPM-OP-1400.17-R4) and Mass Balance (AA-MPM-OP-1400.18-R4) have mentioned the mechanism for processing certified FFBs. The selected RSPO SC model is Mass Balance, so the mill does not have to separate the process of certified FFBs from non-certified FFBs.	C
d. Has the site had documented procedures for processing non-certified FFBs?	The Procedure of Traceability (AA-MPM-OP-1400.17-R4) and Mass Balance (AA-MPM-OP-1400.18-R4) have mentioned the mechanism for processing non-certified FFBs. The selected RSPO SC model is Mass Balance, so the mill does not have to separate the process of certified FFBs from non-certified FFBs.	C
E.4 Purchasing and Goods In		
E.4.1. The site shall verify and document the volumes of certified and non-certified FFBs received.		
a. Does the site verify and document the volumes of certified FFBs received ?	<p>It was verified that receiving of FFB was traceable to the supply base unit. During weighing on weighbridge the FFB sources is identified; whether received from own estate (block number and division) or from third party. Weighing slip and receiving report issued clearly stated the weight off FFB received and its source (certified or non-certified).</p> <p>The documented Mill Operation Summary has recapitulated FFB received from own estate and from third party. Based on the report, certified FFB received from own estate from December 2016 to November 2017 was 192,908,924.48 Kg.</p> <p>The site has two weighbridge, which are:</p> <ul style="list-style-type: none"> - Presica / 1801 / Serial No. NXF F10475 with maximum capacity of 50,000 Kg. The weighbridge has been calibrated 	C

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<p>by UPT Metrologi Rantau Prapat based on certificate No.510.3/167/MT.RP/16-TU dated 31 March 2016.</p> <ul style="list-style-type: none"> - Presica / PSC *801 / Serial No. GK.002262 with maximum capacity of 50,000 Kg. The weighbridge has been calibrated by UPT Metrologi Rantau Prapat based on certificate No.510.3/362/MT.RP/16-TU, May 2016. <p>The validity period has been exhausted, but there have been reports of re-done by the Metrology Body on November 9, 2017.</p> <p>Records of certified FFB received:</p> <ul style="list-style-type: none"> - Weighbridge card No.PNDA117132282 dated 20/12/2017 described the commodity was certified FFB, sourced from Negri Lama Selatan Estate (KNS), Division 1, 597 bunches, SPB (FFB Delivery Note) 17/884. Nett tonnage was 5,900 Kg. Transporter: Internal, unit: BK9828YK. - Weighbridge card No.PNDA117132262 dated 20/12/2017 described the commodity was certified FFB, sourced from Negri Lama Central Estate (KNC), Division 3, 501 bunches, SPB (FFB Delivery Note) 18/884. Nett tonnage was 3,760 Kg. Transporter: Internal, unit: BK9848YE. - Laporan Harian Pabrik (Mill Daily Report) dated 30 November 2017, mentioned: certified FFB received in November was 3,485,508 Kg, and until November was 192,908,924 Kg. 	
<p>b. Does the site shall verify and document the volumes of non-certified FFBs received ?</p>	<p>It was verified that receiving of FFB was traceable to the supply base unit. During weighing on weighbridge the FFB sources is identified; whether received from own estate (block number and division) or from third party. Weighing slip and Mill Daily Report issued clearly stated the weight off FFB received and its source (certified or non-certified).</p> <p>The documented Mill Operation Summary has recapitulated</p>	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<p>FFB received from own estate and from third party. Based on the report, non certified FFB received from own estate from January to November 2016 was 48,269,676 Kg.</p> <p>Records of non-certified FFB received:</p> <ul style="list-style-type: none"> - Weighbridge card No.PNDA517304883 dated 20/12/2017 described the commodity was 3rd party FFB, sourced from ESTERIA M QQ SMA 1. Nett tonnage was 5,786 Kg. Transporter BK8948YE, driver Ganong. - Laporan Harian Pabrik (Mill Daily Report) dated 30 November 2017, mentioned: non certified FFB received in November was 4,111,321 Kg, and until November was 35,083,790 Kg. 	
<p>E.4.2. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>		
<p>a. Does the site inform the CB immediately if there is a projected overproduction of certified tonnage ?</p>	<p>The responsible personnel (Mill Manager) understood that the site have to inform CB immediately if there is a projected overproduction of certified tonnage. There is no overproduction during last certification period.</p>	<p>C</p>
<p>E.5 Records Keeping</p>		
<p>E.5.1. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.) For further details refer to Module C.</p>		

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
<p>a. Does the site record and balance all receipts of RSPO certified FFB on a three-monthly basis ?</p>	<p>The site has record all receipts of RSPO certified FFB on daily basis, recapitulated it in monthly basis and balance it in three-monthly basis.</p>	<p>C</p>
<p>b. The site shall record and balance all deliveries of RSPO certified CPO and PK on a three-monthly basis ?</p>	<p>The site has record all deliveries of RSPO certified CPO and PK on daily basis, recapitulated it in monthly basis and balance it in three-monthly basis.</p>	<p>C</p>
<p>c. Are all volumes of palm oil and palm kernel oil that are delivered being deducted from the material accounting system according to conversion ratios stated by RSPO ?</p>	<p>All volumes of palm oil and palm kernel delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p>	<p>C</p>
<p>d. Is the site only able to deliver Mass Balance sales from a positive stock ?</p> <p>Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>The site is only able to deliver Mass Balance sales from a positive stock. There is no delivery of RSPO certified CPO during December 2016 to November 2017. CPO is delivered as another certification scheme. Delivery records observed are:</p> <ul style="list-style-type: none"> - Transfer Stock No. TS 11303/DD22/02/17 dated 29/11/2017 regarding delivery of 1,000 MT CPO (other scheme certified) from PT. Hari Sawit Jaya, Negeri Lama 2 Mill to PT. Hari Sawit Jaya, Tangki Timbun Lubuk Gaung, Dumai. - Weighbridge card No. PNDC117301923 dated 02/12/2017 described the commodity was other scheme certified CPO (ISCC) from Negeri Lama 2 Mill to PT. Hari Sawit Jaya, Lubuk Gaung Bulking – Dumai based on the above Transfer Stock. Nett tonnage was 27,950 Kg. Time in 15.22, Time out 16.33. Transporter: CV. Teman Setia (SPK #11004/SPK/HSJ/CPO ISCC/RSPO/17 dated 29 November 2017), unit: BK9649VN, driver Dermawan. 	<p>C</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
	<p>- Laporan Harian Pabrik (Mill Daily Report) dated 30 November 2017, mentioned: CPO delivered from January to November 2017 was 50,604.19 MT certified CPO and 5,974.25 MT non-certified CPO.</p> <p>The mill delivered RSPO certified PK to PT. Hari Sawit Jaya – Kernel Crushing Plant. Delivery volume of certified PK from Negri Lama 2 Mill to Negri Lama 2 KCP was shown in Laporan Harian Pabrik (Mill Daily Report), e.g.:</p> <p>- LHP dated 30 November 2017 mentioned that certified PK delivered in November was 666.875 MT and non-certified delivered was 229.434, and from December 2016 to November 2017 was 9,286,841 MT and non certified PK delivered was 1,763,513 MT.</p> <p>Lubuk Gaung Bulking is under PT. Sari Dumai Sejati which has been RSPO SC certified model IP, SG and MB by Control Union based on certificate number CU-RSPO SCC 821960 start date 30/08/2012 expired date 29/08/2017.</p>	
<p>E.5.2. In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>		
<p>a. Does the mill outsource activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified ?</p>	<p>No outsourced activity</p>	<p>N/A</p>

Requirements	Audit Findings / Objective Evidence	STATUS (NC / AOC / C)
b. Does the mill have to ensure that the crush is covered through a signed and enforceable agreement ?	No outsourced activity	N/A

3.3.2.2 Supply Chain Certification System

Supply Chain Certification System		Status (Yes / No)
5.3.1	Has the client been made aware with necessary information concerning the RSPO Supply Chain Certification and the RSPO Rules on Communication and Claims Has the client been made aware with necessary information concerning the RSPO Supply Chain Certification and the RSPO Rules on Communication and Claims? If potential clients have any further questions concerning the RSPO these shall be directed to the RSPO secretariat.	Yes
5.3.2	Has the client been made aware of the contractual agreement for certification services against the RSPO Supply Chain Standard and maintain a record of any agreement?	Yes
5.3.6	Has the organization been informed about the following items?	Yes
a.	Certification process	Yes
b.	Agree logistics for the assessment and time of exit (closing) meeting.	Yes
c.	Confirm access to all relevant documents, field sites and personnel	Yes
d.	Explain confidentiality and conflict of interest	Yes

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

3.4 Recommendation

The recommendation from this audit is can continue as a producer of RSPO Principles and Criteria for Sustainable Palm Oil Production, May 2013 (Endorsed by the RSPO Board of Governors on September 30th, 2016) and the RSPO Supply Chain Certification Standard, Module E – CPO Mill: Module E Mass Balance, November 2014 when Major NCRs can be closed in accordance with the due date.

Audit recommendations are always subject to ratification by RSPO.

This report was prepared by: Eko Prastio Ramadhan, Nanang Rusmana, Jarot Widyatmaka and Fahrul Rozi.

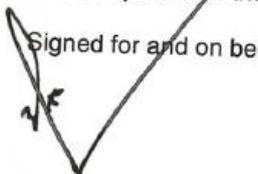
3.5 Environmental and social risk for this scope of certification for planning of the surveillance audit

- Environmental risk: compliance with regulations, hazardous waste management, RKL RPL reporting, HCV management
- Social risk: compliance with regulations
- OHS: prevention of hazard and risk, provision of PPE, first aid training
- BMP: IPM and pesticide handling, production data

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

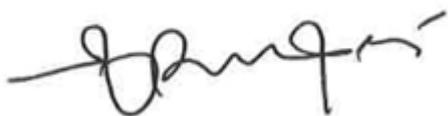
Please sign below to acknowledge receipt of the assessment visit described in this report and confirm the acceptance of the assessment report contents including assessment findings.

Signed for and on behalf of PT. Hari Sawit Jaya (Negeri Lama II Mill)



Ivan Novrizaldie
Date 20 March 2018

Signed for and on behalf of PT. SAI Global Indonesia



Inge Triwulandari
Technical Manager
Date 20 March 2018

Appendix “A” – Audit Record

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From - To
18.12.2017		1st day : Monday		
	All	Travelling Jakarta – Kualanamu (Flight GA 180)		GA 180 05.35 – 08.00
	All	Travelling Kualanamu –Medan Station (Airport Train)		09.10 – 09.57
	All	Travelling Medan – Rantau Prapat (Sribilah Train)		10.30 – 16.37
	All	Rantau Prapat - Site		16.30 – 18.30
19.12.2017		2nd day : Tuesday		
		Opening Meeting		08.00 – 08.30
		Negeri Lama Selatan Estate		
	Rozi	<u>Document Review, field visit and interview</u> Verification of corrective action on previous non conformity Agronomy Best Practice and Legal Criteria 2.2.1, 2.2.2 Criteria 3.1 (all indicator) Criteria: 4.1.1, 4.1.2 and 4.1.3 for estate, 4.1.4 Criteria: 4.2. 4.3, 4.5 all indicators Criteria: 4.6.1, 4.6.2, 4.6.3, 4.6.4, 4.6.5 Criteria 4.6.7, 4.6.8, 4.6.9 Criteria: 6.10 Criteria: 7.2, 7.4, Criteria: 8.1		08.30 – 18.00
	Nanang	<u>Document review, field visit, and interview</u> Verification of corrective action on previous non conformity OHS : Criteria: 2.1 all indicators for OHS aspect Criteria: 4.6.11 Criteria: 4.7 all indicators Criteria: 4.8 all		08.30 – 18.00
	Pras	Environment : Criteria: 2.1 all indicators for environmental aspect Criteria: 4.4.1 Criteria: 4.6.6, 4.6.10 Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators Criteria: 7.1 (environment aspect), 7.7, 7.8 Criteria: 8.1 HCV : Criteria: 4.4.2		08.30 – 18.00

		Criteria: 5.2 (all indicator) Criteria: 7.3		
	Jarot	<u>Document review, field visit, and interview</u> Verification of corrective action on previous non conformity Social : Criteria: 1.1; 1.2; 1.3 all indicators Criteria: 2.1.1 for social aspect Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator Criteria: 4.6.12 Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 Criteria: 7.1 (social aspect), 7.5 Criteria: 8.1		08.30 – 10.00
		Public consultation with external stakeholders (village head, contractor, public figure, ect)		10.00 – 12.00
		Interview with workers union, gender committee and workers (Negeri Lama Selatan Estate)		14.00 – 15.00
		Interview with workers union, gender committee and workers (Negeri Lama Central Estate)		15.00 – 16.00
		Interview with workers union, gender committee and workers (Negeri Lama Dua Mill)		16.00 – 17.00
	ALL	Break		12.00 – 14.00
20.12.2017		3rd day : Wednesday		
		Negeri Lama Central Estate		
	Rozi	<u>Document Review, field visit and interview</u> Verification of corrective action on previous non conformity Agronomy Best Practice and Legal Criteria 2.2.1, 2.2.2 Criteria 3.1 (all indicator) Criteria: 4.1.1, 4.1.2 and 4.1.3 for estate, 4.1.4 Criteria: 4.2. 4.3, 4.5 all indicators Criteria: 4.6.1, 4.6.2, 4.6.3, 4.6.4, 4.6.5 Criteria 4.6.7, 4.6.8, 4.6.9 Criteria: 6.10 Criteria: 7.2, 7.4, Criteria: 8.1		08.00 – 18.00

	Nanang	<p><u>Document review, field visit, and interview</u></p> <p>Verification of corrective action on previous non conformity</p> <p>OHS :</p> <p>Criteria: 2.1 all indicators for OHS aspect</p> <p>Criteria: 4.6.11</p> <p>Criteria: 4.7 all indicators</p> <p>Criteria: 4.8 all</p>		08.00 – 18.00
	Pras	<p>Environment :</p> <p>Criteria: 2.1 all indicators for environmental aspect</p> <p>Criteria: 4.4.1</p> <p>Criteria: 4.6.6, 4.6.10</p> <p>Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators</p> <p>Criteria: 7.1 (environment aspect), 7.7, 7.8</p> <p>Criteria: 8.1</p> <p>HCV :</p> <p>Criteria: 4.4.2</p> <p>Criteria: 5.2 (all indicator)</p> <p>Criteria: 7.3</p>		08.00 – 18.00
	Jarot	<p><u>Document review, field visit, and interview</u></p> <p>Verification of corrective action on previous non conformity</p> <p>Social :</p> <p>Criteria: 1.1; 1.2; 1.3 all indicators</p> <p>Criteria: 2.1.1 for social aspect</p> <p>Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator</p> <p>Criteria: 4.6.12</p> <p>Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13</p> <p>Criteria: 7.1 (social aspect), 7.5</p> <p>Criteria: 8.1</p>		08.00 – 18.00
	ALL	Break		12.00 – 14.00
21.12.2017		4th Day : Thursday		
		Negeri Lama Dua Mill		
	Rozi	<p><u>Document review, field visit, and interview</u></p> <p>Processing Best Practice</p> <p>Criteria: 4.1.1, 4.1.2, 4.1.3 for mill</p> <p>Supply Chain – Mill</p>		08.00 – 16.00
	Nanang	<p><u>Document review, field visit, and interview</u></p> <p>OHS</p> <p>Criteria: 2.1 all indicators for OHS aspects</p> <p>Criteria: 4.4.4</p> <p>Criteria: 4.6.11</p> <p>Criteria: 4.7 all indicators</p> <p>Criteria: 4.8 all</p>		08.00 – 16.00

Audit Report

	Pras	<p><u>Document review, field visit, and interview</u></p> <p>Time bound plan for other management units and Partial Certification Requirements</p> <p>Environment :</p> <p>Criteria: 2.1 all indicators for environmental aspects</p> <p>Criteria: 4.4.1, 4.4.3</p> <p>Criteria: 4.6.6, 4.6.10</p> <p>Criteria: 5.1, 5.3, 5.4, 5.5 and 5.6 all indicators</p> <p>Criteria: 8.1</p>		08.00 – 16.00
	Jarot	<p><u>Document review, field visit, and interview</u></p> <p>Social :</p> <p>Criteria: 1.1; 1.2; 1.3 all indicators</p> <p>Criteria: 2.1.1 for social aspect</p> <p>Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator</p> <p>Criteria: 4.4.2, 4.6.12</p> <p>Criteria: 5.2 (all indicator)</p> <p>Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13</p> <p>Criteria: 8.1</p>		08.00 – 16.00
	All	Break		12.00 – 14.00
	All	Auditors team meeting		16.00 – 16.30
	All	Closing meeting		16.30 – 18.00
22.12.2017		5th day : Friday		
	All	Travelling Rantau Prapat – Medan (Sribilah Eksekutif U43)		07.20 – 13.15
	All	Travelling Medan - Kualanamu		14.35 – 15.06
	All	Travelling Kualanamu – Jakarta (Flight GA 191)		GA 191 17.00 – 19.40

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

No	RSPO Criterion	Details	Corrective Action	Completion Date	PIC	Status
Transfer Audit						
1	RSPO PC 2013 Criterion 4.3.5	Drainability assessment before replanting for peat land has not been conducted	Monitoring of water level of Penampakan River and Bilah River conducted weekly starting at April 2016.	20 December 2016	Environment and Sustainability Officer	Open Repeated refer to NCR 2016-04
2	RSPO PC 2013 Criterion 4.7.6	Not all workers are covered by accident insurance (BPJS Ketenagakerjaan).	KTU monitor any new employees entering and programmed proposal of registration of <i>BPJS Ketenagakerjaan</i> to HRD Medan Office.	20 December 2016	HRD HTU	Open Repeated refer to NCR 2016-12
3	RSPO PC 2013 Criterion 5.2.4	The outcome of HCV monitoring has not been fed back into the management plan	Carry out regular meetings to discuss and review feedback, monitoring results and progress of HCV management.	20 December 2016	Environment and Sustainability Officer	Open Repeated refer to NCR 2016-13
4	RSPO PC 2013 Criterion 5.6.3	There is no regular reporting of the monitoring outcomes	Carry out training to the site’s sustainability team regarding GHG emission regular reporting to RSPO	20 December 2016	Environment and Sustainability Officer	Closed
ASA 1 2016 (20 – 23 December 2016)						
1	RSPO P&C 2013 Criteria 2.1.1	Several regulations are not adhered to by the company	Appoint Personalia Assistant (Krani) to collecting, updating and reporting casual workers contract to Labour Agency	23 February 2017	Estate and KTU	Closed
2	RSPO P&C 2013 Criteria 2.2.2	It was found inconsistency in maintenance of legal boundary	Monitoring of HGU pegs	21 December 2017	Estate	Closed
3	RSPO P&C 2013 Criteria 4.2.2	Inconsistency data on fertilizer records	Warehouse operator make a BPPB document to everyone who want to borrow fertilizer and record it into Estate Monthly Report	21 December 2017	Estate	Open Recurrence NCR in ASA2
4	RSPO P&C 2013 Criteria 3.1.1; 3.1.2 and 4.3.	Drainability assessment before replanting for peat land has not been conducted	<ul style="list-style-type: none"> a. Monitoring according to drainability assessment and subsidence procedure b. Manager and Assistant Division will monitor and check the process (data collecting and analyse) 	23 February 2017	Estate and R&D Dept	Closed

No	RSPO Criterion	Details	Corrective Action	Completion Date	PIC	Status
5	RSPO P&C 2013 Criteria 4.4.1	A water management plan the inappropriate with the implementation.	Give an awareness annually especially about hazardous waste management	21 December 2017	Estate	Open Recurrence NCR in ASA2
6	RSPO P&C 2013 Criteria 4.6.1	It cannot be demonstrated that pesticide uses are comply to the regulations	<ul style="list-style-type: none"> - Monthly monitoring of pesticides license by KTU - Ensure all of license recorded in Monthly Report 	23 February 2017	Estate	Closed
7	RSPO P&C 2013 Criteria 4.6.5 and 4.6.9	The employee who was responsible in pesticide handling is not competent	<ul style="list-style-type: none"> - Socialization to employee - Ensure all workers have adequate competency before assignment 	23 February 2017	Estate	Closed
8	RSPO P&C 2013 Criteria 4.6.6	There were inconsistencies of waste management procedure B3 Hazardous	Conduct sustainability awareness annually and specifically discuss about hazardous waste. The participant are Site Manager, E&S officer, Assistant (Sustainability, Division and Worksop), Supervisor team.	23 February 2017	Estate	Closed
9	RSPO P&C 2013 Criteria 4.6.10	The implementation of waste disposal has not been done in a proper manner	Conducted an annually Sustainability Awareness	21 December 2017	Estate	Closed
10	RSPO P&C 2013 Criteria 4.7.1	It was still found several poor working safety practices at site implementation.	Conducted an annually Sustainability Awareness and coordinate with Training Centre to specifically added about electricity safety	23 February 2017	Estate	Closed
11	RSPO P&C 2013 Criteria 4.7.5	It was found the information and emergency procedures of the chemical material was not available in a language understood by the worker	Check and make a checklist of MSDS in Bahasa Indonesia	21 December 2017	Estate	Open Recurrence NCR in ASA2
12	RSPO P&C 2013 Criteria 4.7.6	Not all workers are covered by accident insurance (BPJS Ketenagakerjaan).	Their BPJS will paid after one month working. Head of administration (KTU) monitored the BPJS every month	21 December 2017	Estate	Closed

No	RSPO Criterion	Details	Corrective Action	Completion Date	PIC	Status
13	RSPO P&C 2013 Criteria 5.2.4	Endangered species of flora yet to be monitored continuously	<ul style="list-style-type: none"> - Sustainability assistant will be accompanied by assistant with forestry background - Scheduled HCV management review along with EMM that held every semester to discuss about HCV management 	23 February 2017	Estate	Closed
14	RSPO P&C 2013 Criteria 5.3.3	Inconsistent waste management implementation	Conducted an annually Sustainability Awareness	21 December 2017	Estate	Open Recurrence NCR in ASA2
15	RSPO P&C 2013 Criteria 6.1.4	Evidence of stakeholder participation in social impact management and monitoring can't be shown	Assign PIC for Social Impact Management and review the social monitoring report	21 December 2017	Estate	Closed
16	RSPO P&C 2013 Criteria 6.5.2	Pay and conditions of employment not clearly detailed in the employment or service contracts. And also, several PHL workers not aware or not understood about their contract	<ul style="list-style-type: none"> - Appoint a personnel to check the workers contract and explain it to PIC about the content of contract that need to covered - Ensure there are no discrimination and coercion in workers contract 	23 February 2017	Estate	Closed
17	RSPO P&C 2013 Criteria 6.5.3	It was found in KAK, TPA (child care) facilities is inadequate condition	Make a registry of all facilities and their conditon	21 December 2017	Estate	Closed
18	RSPO P&C 2013 Criteria 6.8.1	It was found in employees contract, statement that considered as discrimination	Ensure there are no discrimination and coercion in workers contract	23 February 2017	Estate	Closed
Special Audit (March 2017)						

No	RSPO Criterion	Details	Corrective Action	Completion Date	PIC	Status
1	RSPO INA NI 2016 Criterion 5.2 indicator 1	HCV Assessment performed on June 2012, reporting conducted in 2013 and finalised in 2014, in cooperation with Faculty of Forestry IPB. Inconsistencies were found in HCV Assessment Report.	<ul style="list-style-type: none"> a. Ensure HCV Management and Monitoring report is reported to BKSDA of Labuhan Batu Regency b. Sustainability Staff from Pekanbaru Regional Office give training to Negri Lama Group HCV Officer regarding Guidance for the identification of HCV 2013 c. Ensure HCV Monitoring in accordance with the HCV recommendations 	25 May 2017	Estate and Sustainability	Closed
2	RSPO INA NI 2016 Criterion 6.1 indicator 1,2, 3 and 4	Social Impact Assessment of PT. Hari Sawit Jaya was uses AMDAL document issued on 26 February 1994. Non-conformities were found in existing SIA Report.	EMS Team together with the CSR Team monitors the social impact coverage in RKL / RPL and CSR Reports and ensures identification of social impacts in accordance with RSPO guidelines	25 May 2017	Estate and Sustainability	Closed
3	RSPO INA NI 2016 Criterion 6.5 indicator 1	There was not enough evidence that Pay and conditions for PHL (casual worker) always meet at least legal or industry minimum standards and are sufficient to provide decent living wages	Coordinate with Regional Office's HRD to ensure the PHL (casual worker) contract format includes information regarding workers' rights and obligations.	25 May 2017	Estate and Sustainability	Closed

Appendix "C" – Nonconformities and Opportunity for Improvement Summary

Organisation Name:		PT Hari Sawit Jaya and supply bases		Location:		Desa Negeri Lama Seberang, Kec. Bilah Hilir,, Kab. Labuhan Batu, Labuhan Batu, Sumatera Utara, Indonesia, Negeri Lama I Mill	
Date:	21/12/2017	Audit team leader:	Eko Prastio Ramadhan	Activity/Report ID:	WI 993919	License/Certificate No.:	FMS40024
Organisation's acknowledgement of receipt of NCR			Employee Name:	Welly Joel Chandra	Date NCR Accepted:	2/01/2018	

Section 1				Section 2		Section 3	Section 4	
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-01	RSPO Certification System 2007 Criterion 4.2.4 point c	Minor	<p>Non-conformance : Time bound plan is not revised in accordance with actual conditions</p> <p>Objective evidence : - Kebun Aek Kuo has received new HGU covered area ± 500 Ha on March 2017, but not included in TBP version November 2017</p>	<p>Due Date: Next year</p> <p>SAI Follow up Method: Onsite</p>	Revised TBP by including the addition of Aek Kuo Estate (500 Ha) area where the area will be certified in ASA3 2018	<p>Root cause: The company considers that the area is included in the contract with the certification body</p> <p>Corrective Action: Monitoring update certified area RSPO by PIC RO Jakarta on behalf Welly Joel Candra</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Will be checked at the next surveillance audit.</p> <p>Name Eko Prastio Ramadhan</p> <p>Status : Open</p>

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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-02	RSPO INA-NI 2016 Criteria 2.1.1	Major	<p>Non-conformance : Several regulations are not adhered to by the company</p> <p>Objective evidence :</p> <p>a. It was observed in spraying activities (Block I 13C Afd IV KNS) knapsack without hazardous symbol. This not comply to Per.MenLH 3/2008 about <i>Tata cara pemberian symbol dan label bahan berbahaya beracun.</i></p> <p>b. Based on document review The P2K3 Report KNC is not reported every 3 month basis to the <i>Dinas Tenaga Kerja dan Transmigrasi Labuhan Batu.</i></p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	<p>a. Install the B3 symbol "dangerous" in knapsack spray and pesticide packing used for spray activity.</p> <p>b. Requesting Receipt of P2K3 Report Period I-III 2017 to previous AK3U and sending P2K3 report in the fourth quarter to DISNAKER dated 03 January 2018</p>	<p>Root cause:</p> <p>a. Symbol was damaged due to material of sticker that easily torn apart. Monitoring conduct by visual only and no tool for monitoring.</p> <p>b. Receipt note was carried by previous AK3U, who has been transferred to Aceh. Meanwhile, copies of proof of reporting are not stored in the estate office.</p> <p>Corrective Action:</p> <p>a. Added item "B3 symbol installation" to risk analysis to be monitored by AK3 General as other risk analysis</p> <p>b. Added item "Monitoring Completeness of Fertilizer Tool" and "Monitoring Completeness of Working Tool of Spray" in Document Masterlist.</p> <p>c. Internal Memorandum regarding the determination of the Document Controller PIC</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: The evidences reviewed includes:</p> <ol style="list-style-type: none"> 1. Documentation of B3 sticker installation in knapsack in January 2017 2. Documentation installation of B3 symbol in knapsack by using permanent paint. 3. Proof of P2K3 reporting per 3 months. First Quarter was sent on April 5, 2017, second quarter on July 6, 2017, second quarter on November 4, 2017 and fourth quarter on January 4, 2018. All receipt note was signed and stamped by UPT Provincial of North Sumatera Province IV Rantau Prapat . 4. Internal memorandum from GM Negeri Lama Group Number: 006/GM/INT/KNS/02/18 dated 1 February 2018 regarding the determination of Mr. Pujiono as Krani Sustainability which is one of his duties as document controller. 5. Internal memorandum of KNC Estate Manager Number: 015 / MGR / KNC / 01/18 dated January 2, 2018 regarding the appointment of Julianingsih as the document controller at KNC.

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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
								<p>6. Internal memorandum of KNS Estate Manager Number: 002 / MGR / INT / KNS / 01/18 dated January 2, 2018 regarding the determination of Mr. Aslilawati Simangunsong as document controller at KNS.</p> <p>7. Masterlist Document update January 2018</p> <p>8. Revision of the 18th Risk Analysis dated January 25, 2018</p> <p>Field observation in spray activity G10M Block Afd I KNS shows all spray equipment has been given symbol B3.</p> <p>STATUS : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>

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<p>2017-03</p>	<p>RSPO INA-NI 2016 Criteria 4.1.3</p>	<p>Minor</p>	<p>Non-conformance : There are inappropriate operational activities</p> <p>Objective evidence : <u>KNC</u> c. Calibration of fertilizer dosage in 2017 for each division has not been demonstrated yet. d. Spray tools calibration in 2017 can't be shown during audit</p> <p><u>Mill</u> b. The temperature gauge for the press machine and digester number 3 is damaged</p>	<p>Due Date: Next year</p> <p>SAI Follow up Method: Onsite</p>	<p><u>KNC</u> Records of calibration of the dosage of fertilizer and spray calibration is stored in the Estate Office</p> <p><u>Mill</u> a. Replacing the damaged gauge temperature on the press machine and digester no 3 dated December 22, 2017. b. Conducting a new gauge temperature calibration on December 23, 2017.</p>	<p>Root cause: a. Documentation of fertilizer dosage calibration is stored in each afdeling making it difficult at the time of collection b. Calibration of spray tools is done once a week. Records are held by TUS supervisor and collected in the office after 1 month.</p> <p><u>Mill</u> At the time of processing the night of December 19, 2018 temperature gauge condition is still good and works well (based on daily examination results). However, at the time of the audit visit it was note that there is damage to temperature gauge.</p> <p>Corrective Action: KNC: Estate Manager publishes Internal Memorandum regarding the determination of the Document Controller PIC with the task of collecting calibration records of all the afdeling and storing it in the estate office.</p> <p><u>Mill</u> Mill manager issued Internal Memorandum No 098 / ML-PND / Int / XII / 2017 dated December 22, 2017.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Evidences of correction and corrective action was sighted and reviewed such as :</p> <p>a. Daily Press Service report PND dated December 19, 2017 where temperature gauge conditions are still working well. The check result shows the temperature gauge at position 900 C. b. News event of replacement of damaged temperature gauge dated December 21, 2017. c. Internal Memorandum No. 098 / ML-PND / Int / XII / 2017 dated December 22, 2017. The contents of the memo include instructions to Assistant Processes 1 and 2 for checking the temperature in each shift and perform temperature gauge calibration every 3 months. d. Calibrate temperature gauge internally on December 25, 2017. Event news is signed by laboratory officer, Process Assistant and Mill Manager. e. Internal memorandum of KNC Estate Manager Number: 015 / MGR / KNC / 01/18 dated January 2, 2018 regarding the appointment of Julianingsih as the document controller at KNC. f. Records of the November 2017 fertilizer dosing calibration and spray calibration tape for the period of December 2017.</p> <p>Field observations in the PND show that the temperature gauge has been replaced and functioning properly.</p> <p>STATUS : CLOSED</p>
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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
								Name Eko Prastio Ramadhan Date: 15/02/2018
2017-04	RSPO INA-NI 2016 Criteria 4.2.2	Major (Recurrence)	<p>Non-conformance : Records of fertilization activities cannot be shown</p> <p>Objective evidence :</p> <p><u>KNS</u> Data of fertilizers recommendation and realization in 2017 can't be shown during audit</p> <p><u>KNC</u> Data of fertilizer recommendation year 2017 for all Division can't be shown during audit</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	Document storage is centralized in the estate office and designates the PIC Document Controller.	<p>Root Cause : KNS dan KNC Documentation of fertilizer recommendations and the realization of fertilization is stored in each afdeling making it difficult at the time of collection</p> <p>Corrective Action : Estate Manager publishes Internal Memorandum on the determination of the Document Controller PIC whereby the PIC is tasked with collecting calibration records of each afdeling and storing it in the estate office.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Evidences was sighted and reviewed such as:</p> <ol style="list-style-type: none"> 1. KNS and KNC Fertilization Recommendation Book Y2017 2. Realization of KNS fertilization in Y2017 3. Internal memorandum of KNC Estate Manager Number: 015 / MGR / KNC / 01/18 dated January 2, 2018 regarding the appointment of Mr. Julianingsih as document controller at KNC. 4. Internal memorandum of KNS Estate Manager Number: 002 / MGR / INT / KNS / 01/18 dated January 2, 2018 regarding the determination of Mr. Aslilawati Simangunsong as document controller at KNS <p>STATUS : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>

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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-05	RSPO INA-NI 2016 Criteria 4.2.3	Minor	<p>Non-conformance : LSU records Y2016 can't be shown</p> <p>Objective evidence : <u>KNC</u> Based on document review, LSU records year 2016 can't be shown</p>	<p>Due Date: Next year</p> <p>SAI Follow up Method: Onsite</p>	Document storage is centralized in the estate office and designates the PIC Document Controller..	<p>Root Cause : KNS dan KNC Documentation of fertilizer recommendations and the realization of fertilization is stored in each afdeling making it difficult at the time of collection</p> <p>Corrective Action : Estate Manager publishes Internal Memorandum on the determination of the Document Controller PIC whereby the PIC is tasked with collecting calibration records of each afdeling and storing it in the estate office.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Evidences was sighted and reviewed such as:</p> <ol style="list-style-type: none"> Internal memorandum of KNC Estate Manager Number: 015 / MGR / KNC / 01/18 dated January 2, 2018 regarding the appointment of Mr. Julianingsih as document controller at KNC. Internal memorandum of KNS Estate Manager Number: 002 / MGR / INT / KNS / 01/18 dated January 2, 2018 regarding the determination of Mr. Aslilawati Simangunsong as document controller at KNS <p>Will be verified during next ASA.</p> <p>Status : OPEN</p> <p>Name Eko Prastio Ramadhan</p>

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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-06	RSPO INA-NI 2016 Criteria 4.3.4	Major	<p>Non-conformance : There is no evaluation to minimize the degradation of peat soil</p> <p>Objective evidence : There is a decrease of peat subsidence during 2017 as an example of monitoring of measurement peg No. 4 block D11r of 1.8 cm and peg No. 1 block E10g of 2.4 cm. The company can't show evaluation to minimize the degradation of peat soil during audit.</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Evidence submitted to Team Leader</p>	Conducting management review on peat subsidence monitoring results.	<p>Root Cause : Management has not conducted a review related to the decline of peat subsidence as it is still in accordance with the standard of SOP of Peatland Monitoring AA-PL-06-EFP Revision 1 dated 5 April 2017.</p> <p>Corrective Action : KTU menambahkan aktifitas "Management Pengelolaan Gambut" dalam masterlist dokumen. Masterlist dokumen merupakan acuan bagi KTU untuk update dokumen dan dalam mengecek progress kegiatan yang harus dilakukan sesuai dengan periodenya</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: The evidences was sighted and reviewed such as:</p> <ol style="list-style-type: none"> Records management review dated January 10, 2018 The result of evaluation of management review as indicated that the average subsidence decrease in April is 0.43 cm, 0.28 cm in July and 0.158 cm in October is still in accordance with SOP AA-PL-06-EFP (Standard of 10% peat thickness / 5 year). Masterlist Document update January 2018 <p>Status : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>

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2017-07	RSPO INA-NI 2016 Criteria 4.4.1	Major (Reurrence)	<p>Non-Conformities: Inconsistency in water management plan</p> <p>Objective Evidence:</p> <p>a. Parameters Zn, <i>Kromium Val. 6, Klor Bebas, Sulfida</i>, BOD and COD in waste water from oil trap analysis (KNC workshop) dated 2 January 2017 were above the standards (Permen.LH No 5/2014)</p> <p>b. Parameters Nitrit, BOD and COD in domestic waste water analysis from KNC workers emplacement dated 2 January 2017 were above the standards (Permen.LH No 5/2014)</p> <p>c. Parameters COD in waste water from oil trap analysis (KNC Fuel Station) dated 2 January 2017 were above the standards (Permen.LH No 5/2014)</p> <p>d. Parameters TSS and COD in domestic waste water analysis from KNC workers emplacement dated 2 June 2017 were above the standards (Permen.LH No 5/2014)</p> <p>e. Parameters Fosfat and BOD in outlet Sungai Bilah Analysis on 3 April 2017 were above the standards (PP No 82/2001)</p> <p>f. Parameters Fosfat and BOD in downstream Sungai Bilah Analysis on 3 April 2017 were above the standards (PP No 82/2001)</p> <p>g. Parameters Nitrit and Sulfida in waste water analysis from TUS</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	<p>a. Record the results of environmental analysis that exceeds the quality standard into Form AA-453-001-FM Non-Conformity and Corrective Action with the root problem analysis, correction and Corrective action</p> <p>b. Awareness of the EMS Team to staff and employees on Environmental Management</p> <p>c. Socialization to all employees of the fertilizer that apron must be washed in place of rinse fertilizer warehouse and stored in TUS warehouse.</p> <p>d. Conducting oil trap quotes 2 times a week</p>	<p>Root cause:</p> <p>For (a) – (g) : In SOP Wastewater Quality Monitoring AA-PL-03-EFP Revision 6 dated April 5, 2017 stated that if the environmental analysis exceeds the quality standard then the PIC Environment reviews and evaluates the results of the analysis. However, in practice it is inconsistent with SOPs for lack of understanding from Environment PIC</p> <p>For (h) : The foreman and the fertilizer employee do not know that the PPE should not be washed at home because it is only valid for spray teams.</p> <p>Corrective Action:</p> <p>(a) – (g) The ISO Team socializes SOP for Wastewater Quality Monitoring in Annual Sustainability Awareness activities</p> <p>(b) and (d) Re-socialize the Internal Memorandum on Clean Day Activities No: 162 / MGR / INT / KNS / 12/17, especially the maintenance of waterways for the reduction of pollution sources.</p> <p>(e) dan (f) The result of the river analysis that exceeds the quality standard will be reported specifically to the Labuhan Batu District Environmental</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: The evidences was sighted and reviewed such as :</p> <ol style="list-style-type: none"> 1. Records of non-conformance regarding environmental analysis results 2. Oil trap inspection at KNC period January 2018 3. Records of socialization to the fertilizer employees at KNS include Afd 1 (January 9, 2018), Afd 2 (January 8, 2018), Afd 3 (January 8, 2018), Afd 4 (January 2018) and Afd 5 (January 10, 2018) 4. EMS team awareness record on January 15, 2018 5. Internal Memorandum No: 002 / MGR / INT / KNS / 01/18 dated January 2, 2018 regarding the Prohibition of Taking Home of PPE Fertilizer (Until and Tabur) 6. Internal Socialization of the Clean Friday Activities Memorandum on February 10, 2018 7. Letter to the Environmental Office of Labuhan Batu Regency No: 008 / MGR / PNS / EXT / 01/2018 dated January 8, 2018 Subject Please response regarding the water quality of River Bilah Period Semester I and II 2017. 8. Checklist Use of PPE before and after work period January 2018 and period February 2018 (as of 13 February 2018)
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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
			bathroom (KNS) were above the standards (KepMenLH No 5/2014) h. Based on interview with fertilizer team in KNS, it was found their aprons washed in their house			Office for response requests to the analysis results. (h) : a. Estate Manager issues Internal Memorandum on Prohibition of Taking Home of PPE of Fertilizer (Until and Tabur) b. Make a Checklist Use of PPE and PPE check before and after work		Field observations in TUS Bathrooms showed the apron fertilizer team washed and stored in TUS Bathrooms. Status : CLOSED Name Eko Prastio Ramadhan Date: 9. 15/02/2018
2017-08	RSPO INA-NI 2016 Criteria 4.6.2	Major	<u>Non-conformance :</u> Record of LD50 calculation can't be shown <u>Objective evidence :</u> Based on document review, LD50 calculation 2017 for KNC can't be shown during audit	Due Date: 21/02/2018 SAI Follow up Method: Onsite	a. Shows LD50 records during follow up audit b. Socialization to PIC regarding LD50 records	Root cause: PIC The Document Controller does not yet know that the LD50 recordings are contained in the LUK sub-chapter of Pesticide Toxicity Monitoring Recordings because the day-to-day work is in the Personnel section. Corrective Action: Includes PIC Controlling Documents in annual routine training activities Sustainability Awareness.	Response: Acceptable (please see section 4 for details) Reviewer: Eko Prastio Ramadhan Date: 15/02/2018	Verification of Effectiveness: The evidences was sighted and reviewed such as: 1. LD 50 record on LUK KNC for January 2018 period 2. Recordings of awareness of ISO 14001 on 23 January 2018 Status : CLOSED Name Eko Prastio Ramadhan Date: 15/02/2018

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2017-09	RSPO INA-NI 2016 Criteria 4.6.4	Minor	<p>Non-conformance : The list of pesticides from WHO Class 1A&1B, and Stockholm or Rotterdam conventions pesticide cannot be demonstrated.</p> <p>Objective evidence : Based on document review, the list of pesticides from WHO Class 1A&1B, and Stockholm or Rotterdam conventions pesticide can't be shown during audit</p>	<p>Due Date: Next year</p> <p>SAI Follow up Method: Onsite</p>	Shows WHO Class 1A and 1B pesticide list records at follow up audit	<p>Root cause: WHO Class 1A and 1B pesticide list records are still soft copies held by KTU. While at the time of the audit, KTU is accompanying the stock audit team.</p> <p>Corrective Action: Estate Manager publishes Internal Memorandum regarding the determination of Document Controller PIC.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Evidences was sighted and reviewed such as:</p> <ol style="list-style-type: none"> 1. Internal memorandum of KNC Estate Manager Number: 015 / MGR / KNC / 01/18 dated January 2, 2018 regarding the appointment of Mr. Julianingsih as document controller at KNC. 2. Internal memorandum of KNS Estate Manager Number: 002 / MGR / INT / KNS / 01/18 dated January 2, 2018 regarding the determination of Mr. Aslilawati Simangunsong as document controller at KNS <p>Will be verified during next ASA.</p> <p>Status : OPEN</p> <p>Name Eko Prastio Ramadhan</p>

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2017-10	RSPO INA-NI 2016 Criteria 4.6.5 & 4.7.5	Major	<p>Non-conformance : Inconsistency in pesticide application and keeping PPE after pesticide application</p> <p>Objective evidences :</p> <p>a. At KNS, MSDS <i>Dipel</i> is not available in the pesticide warehouse</p> <p>b. At KNC, MSDS <i>Kencepat, Racumin, Manufer, Indostik, Bionasa, Solusi, Dipel</i>, is not available in the pesticide warehouse</p> <p>c. At KNS, MSDS <i>Topsin</i> still in English and not understood by the warehouse officer.</p> <p>d. At KNC, MSDS <i>Amcotin, Polidor, Topsin, and Nordok</i> still in English and not understood by the warehouse officer.</p> <p>e. At KNS, there is no evidence of training limited pesticides use for sprayers employee in the name of Andi Setiawan, Ngateni, Siti Fatimah, Latimani, Susilawati, Sutini, Asanema, and Rusti</p> <p>f. Based on observation in the KNS TUS bathroom there was only found 15 pcs sprayer apron, while sprayer who worked that day are 19 sprayers.</p> <p>g. Based on field observation, there was no MSDS available for pesticides material Gramoxone at working location (spraying activity Block I13C Divisi IV KNS)</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	<p>a. Request MSDS <i>Dipel</i> to Dept Purchasing and EMS Team then install it in warehouse</p> <p>b. Ask for MSDS <i>Kencepat, Racumin, Manufer, Indostik, Bionasa, Solutions, Dipel</i>. to Dept Purchasing and EMS Team then install it in the warehouse</p> <p>c. Ask MSDS <i>Topsin</i> in Bahasa Indonesia to Dept Purchasing and EMS Team then install it in warehouse</p> <p>d. Request MSDS <i>Amcotin, Polidor, Topsin, and Nordok</i> in Bahasa Indonesia to Purchasing Dept and EMS Team then install it in warehouse</p> <p>e. Re-submit the names of TUS employees who are trained in limited pesticide use</p> <p>f. Collecting Apron in TUS Bathroom</p> <p>g. Submit the Gramoxone MSDS to Mandor Spray and to the Chemical Warehouse of KNS.</p>	<p>Root cause:</p> <p>a. MSDS for <i>Dipel</i> has not been supplied by the supplier</p> <p>b. Warehouse officers do not monitor consistently (objective evidence b - d)</p> <p>c. The sprayers have attended limited pesticide training on October 7, 2014 and September 15, 2016. However, the certificate can not be found (lost) because the PIC Document Control varies for each section.</p> <p>d. Lack of monitoring of PPE by the Mandor</p> <p>e. MSDS is missing and not informed by the Mandor to KTU</p> <p>Corrective Action:</p> <p>a. Coordinate with Dept Purchasing that for every purchase of chemical packaging must be accompanied by MSDS (point a - d).</p> <p>b. Estate Manager publishes Internal Memorandum regarding the determination of Document Controller PIC.</p> <p>c. Monitoring the completeness of spray team work tools before and after work by Mandor Spray</p> <p>d. Monitoring availability of MSDS every week</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness:</p> <p>The evidences was sighted and reviewed such as :</p> <p>a. Internal memorandum of KNS Estate Manager Number: 002 / MGR / INT / KNS / 01/18 dated January 2, 2018 regarding the determination of Mr. Aslilawati Simangunsong as document controller at KNS.</p> <p>b. Check the availability of Work Device Fittings The spray team before and after work period January 2018.</p> <p>c. Submission of spray team members for Limited Pesticide Training in collaboration with Sygenta on 21 February 2018.</p> <p>d. Monitoring MSDS in warehouse period January 2018</p> <p>Field observations in the chemical warehouses of KNS and KNC indicate that MSDS for chemicals is available in a language that workers can understand. From the field observation in spray activity of G10M Block Afd I KNS there are 7 spray team working on February 15, 2018. Observation in TUS Bathroom has been done and shows the number of apron according to the number of spray team that work.</p> <p>STATUS : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>
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NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
			and in the KNS Chemical Storage					
2017-11	RSPO INA-NI 2016 Criteria 4.6.6	Major	<p>Non-Conformities: During field observation in KNS, it was found used pesticides containers used for other purposes</p> <p>Objective Evidence:</p> <p>a. During field observation in fertilizer rag washing area (KNS), it was found used pesticides container (Metsulindo) is being cut and used for soap</p> <p>b. During field observation in fuel station area (KNS), it was found used pesticide container (Indostick) is used for fuel container</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	<p>a. Transfer Metsulindo packaging to hazardous waste storage and provide soap container made from non ex agrochemical materials</p> <p>b. Moving the packaging of pesticide to hazardous waste storage</p>	<p>Root cause: Estate has not appointed a PIC that specializes in B3 waste.</p> <p>Corrective Action:</p> <p>a. Appoint one of the traction employees as PIC Officer LB3</p> <p>b. Socialization on the handling of LB3 to warehouse and traction employees (KNS)</p> <p>c. <i>Askep Traksi</i> and PIC hazardous waste will monitor directly in the field related to hazardous waste handling by warehouse and traction employees</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: The evidences was sighted and reviewed such as :</p> <ol style="list-style-type: none"> Records of delivery of pesticide packaging to hazardous waste storage on December 21, 2017 Letter of appointment of Mr. Indra as hazardous waste storage Officer No: 008 / MGR / INT / KNS / 01/18 dated January 9, 2018 Records of the handling of hazardous waste on 18 January 2018 <p>Field observation in the area until the fertilizer and fueling stations showed no more hazardous waste packaging reused.</p> <p>STATUS : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>

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NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-12	RSPO P&C 2016 Criteria 4.7.2	Major	<p>Non-conformance: The risk control for cutting process at warehouse mill and estate was not determined optimally.</p> <p>Objective evidence: There was no FBA (Flash Back Arrester) equipment attached to O₂ and LPG gas tube used for metal cutting process at estate workshop (KNS and KNC) and Mill PND.</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	Make FBA purchases locally and install flashback arrester equipment in KNS, KNC, and PND.	<p>Root cause: Estate and mill have made a purchase request to the Medan Purchasing Department. However, the request can not be processed because there is no item code.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> a. Coordinate with Dept Purchasing to make the item code for FBA so that in the future when there PP can be processed immediately. PIC is KTU. b. Incorporate fire risk and control with FBA in HIRADC 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: The evidences was sighted and reviewed such as :</p> <ol style="list-style-type: none"> 1. FBA installation documentation at the factory on 5 January 2018 2. FBA Installation Documentation at KNS on February 10, 2018 and KNC on 12 February 2018. 3. Memorandum of purchase of FBA at KNC (11 February 2018), KNS (10 February 2018) and PND (10 January 2018) 4. Revision of the 18th Risk Analysis dated January 25, 2018 <p>Field observations in the workshop area show that FBA has been installed and works well.</p> <p>STATUS : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>

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2017-13	RSPO P&C 2016 Criteria 4.7.3	Major	<p>Non-conformance: Appropriate protective equipment was not available to all workers at the place of work</p> <p>Objective evidence:</p> <p>Mill The workers from contractor (PT. Indopalmatex-Mill) was found not wearing PPE (helmet) at Mill PND.</p> <p>Estate a. The spraying workers in Block I13c Divisi IV, manuring workers in Block KNS J13L Divisi IV, and the harvester workers in Block H11V Divisi III KNS and Block F12C KNC Divisi IV was not wearing appropriate PPE (chemical mask, safety shoes and helmet). b. The FFB loading workers in Divisi IV KNS were not wearing safety shoes.</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	<p>Mill Socialize to the contractor about the use of PPE while working in the field.</p> <p>KNC and KNS The foreman completes a check on the use of PPE every day before the employee works.</p>	<p>Root cause:</p> <p>Mill Mill has made a briefing at the beginning of the contractor's work. However, daily monitoring is done randomly so it does not monitor everything.</p> <p>KNC and KNS The company already has a checklist of APD usage filled by the Mandor. However, its implementation more often uses visual rather than charging a checklist.</p> <p>Corrective Action:</p> <p>Mill Preparation Daily APD Checklist for contractors.</p> <p>KNC and KNS Check the use of PPE is known and signed by the Mandor, Assistant and HSE Officer.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: The evidences was sighted and reviewed such as :</p> <ol style="list-style-type: none"> Record of socialization to the contractor on December 26, 2017 Recording checklist Use of PPE period January 2018 Checklist Use of PPE Form APD checks Indopalmatec Contractor period January 2018. Known and signed by AK3 General and Contractor Supervisor. <p>Field observation in PND, spray activity of G10M Block Afd I KNS, harvest activity of Block G10D KNS and harvest activity Block D11B Afd II KNC shows all workers have used PPE in accordance with SOP and risk analysis.</p> <p>There has been no FFB transport activity during field observation. However, the form of APD usage checklist for TBS transport workers on 15 February 2018 has been checked and APD has been used.</p> <p>Status : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>
2017-14	RSPO P&C 2016 Criteria 4.7.5	Major (Reurrence)	<p>Non-conformance: The emergency equipment was not available at working location.</p> <p>Objective evidence:</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method:</p>	<ol style="list-style-type: none"> Submit the first-aid box to the Mandor Complete each job foreman with first aid box according to Permenkes 	<p>Root cause:</p> <ol style="list-style-type: none"> The first aid kit is not carried away by the foreman because of the rush to follow the morning meeting 	<p>Response: SELECT</p> <p>If response is unacceptable</p>	<p>Verification of Effectiveness: The evidences was sighted and reviewed such as :</p> <ol style="list-style-type: none"> The official report of the handover of first aid boxes to the

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			<p>1. The first aid kits is not available at working location; spraying activity Block I13C Divisi IV KNS, harvesting activity Block H11V Divisi III and Block F12C Divisi IV KNC. And more ever the first aid kit in Block E12J Divisi III Manuring Activity is not replaced, some medicine was not available and expired e.g.: not available (eye drops, <i>kain mitela</i> and <i>plester</i>), and expired (<i>betadine</i>).</p> <p>2. Two fire extinguishers in the KNS (Workshop and Emplacement) in empty condition.</p> <p>3. The eye wash is not available in TPS LB3 Estate KNS.</p>	<p>Onsite</p>	<p>standard No. 15 Year 2008. (KNC)</p> <p>c. Sending APAR to RO Medan for recharging.</p> <p>d. Provide eyewash at hazardous waste storage KNS Waste.</p>	<p>2. Lack of mandor monitoring of the contents of first aid boxes</p> <p>3. Monitoring of APAR conditions that are still not consistent</p> <p>4. Monitoring of hazardous waste storage is not done according to SOP AA-KL-06-EFP because there is no special PIC for hazardous waste storage</p> <p>Corrective Action:</p> <p>1. Socialization of First Aid Emergency (PPGD) by KTU per 3 months. KTU has received PPGD training by company doctors.</p> <p>2. Socialization on checking the condition of APAR per 3 months by AK3 Umum</p> <p>3. Socialization of hazardous waste storage monitoring per 3 months by Public Safety Expert</p> <p>4. Monitoring every month by filling out APAR and hazardous waste storage Monitoring Form where the form is signed by PIC and known by AK3 Umum</p> <p>5. Appoint one of the traction employees as the PIC for hazardous waste storage</p>	<p>please submit a revised response by: SELECT</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>foreman at KNS on 10 January 2018</p> <p>2. The official report on the handover of first aid boxes to the foreman at KNC on 15 January 2018</p> <p>3. Receipt of APAR charging notes as much as 2 units on 24 January 2018</p> <p>4. Record of PPGD socialization to all mandors at KNS on 16 January 2018</p> <p>5. Records of PPGD socialization to all mandors at KNC on 18 January 2018</p> <p>6. Recording of PPGD socialization to KTU at KNS and KNC on 8 February 2017</p> <p>7. Letter of appointment of Mr. Indra as LB3 TPS Officer No: 008 / MGR / INT / KNS / 01/18 dated January 9, 2018</p> <p>Field observation in spray activity of G10M Block Afd I KNS, G10D KNS Block harvesting and harvesting activity Block D11B Afd II KNC indicates that the Mandor has brought first aid box and its contents are in accordance with the regulation. APAR in the workshop and emplacement have been refilled and ready for use. Eye wash has been installed in hazardous waste storage.</p> <p>STATUS : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>
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2017-15	RSPO INA-NI 2016 Criteria 5.2.3	Minor	<p>Non-Conformities: Not enough evidences that HCV dissemination has been conducted to all employees</p> <p>Objective Evidence: Based on document review, it was found that HCV dissemination on 26 August 2017 only attended by 32 peoples.</p>	<p>Due Date: Next Audit</p> <p>SAI Follow up Method: Onsite</p>	Documenting HCV socialization to all staff, foremen, and employees.	<p>Root cause: HCV training is only followed by staff and supervision, while the delivery of HCV values from supervision and staff to employees during morning muster is not documented.</p> <p>Corrective Action: Incorporate proof of HCV socialization documentation respectively afdeling in document masterlist.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Evidence of corrective actions reviewed are HCV socialization records on 23 January 2018 and 10 February 2018.</p> <p>Will be check during next ASA.</p> <p>Status : OPEN</p> <p>Name Eko Prastio Ramadhan</p>

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2017-16	RSPO INA-NI 2016 Criteria 5.3.2	Major	<p>Non-conformance situations: Not enough evidences that the company have disposed their hazardous waste responsibly</p> <p>Objective evidences:</p> <p>a. During field observation in KNS, it was found used pesticides containers keep in drum in parking area beside agrochemical storage. It will be send to <i>TPS LB3</i> after the drum is full.</p> <p>b. During field observation in KNS, it was found 1 drum of Gramoxone keep in fuel station area. When the drum is open, there is still chemical material inside the drum.</p> <p>c. During field observation in KNS, it was found used filter in used iron warehouse</p> <p>d. Security wire in TPS LB3 is damaged and has not been repaired</p> <p>e. Based on manifest, the company transported the hazardous waste exceeds the time limit. The time limit was 90 days but if produce (less than) < 50 kg per days may store maximal 180 days. Meanwhile the company transported the hazardous waste in 31 May 2017 and 12 December 2017, its more than 180 days. (KNS)</p> <p>f. During field observation in KNC clinic, it was observed that medical waste was stored up to 3 month before transfer to hazardous waste storage in KNS.</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	<p>a. Point (a), (b), (c), (f) and (g): Moving the LB3 pack to the LB3 TPS</p> <p>b. Point (d): Fix wire storage warehouse TPS Waste B3</p> <p>c. Point (e): carrying LB3 transport in cooperation with the vendor</p>	<p>Root cause:</p> <p>a. Point (a), (b), (f) and (g): Warehouse and traction workers are not aware that LB3 packaging should be sent to LB3 TPS immediately. So far no formal socialization on LB3 should be immediately taken to TPS LB3.</p> <p>b. Point (c): Traction employees are not yet aware of the LB3 category and assume that the used filters are included with scrap metal.</p> <p>c. Point (d): The repair process has not been completed because civil servants are assigned elsewhere.</p> <p>d. Point (e): A change of PIC handling LB3 transport from ISO Team to Dept. Purchasing as of July 2017.</p> <p>e. Point (e): The change of vendor that carries LB3 from PT Shali Riau Lestari to PT Indostar Cargo where before the transportation, all contracts and documents must be completed first.</p> <p>Corrective Action:</p> <p>a. Socialization on the handling of hazardous waste per 3 months to warehouse and traction employees</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness:</p> <p>The evidences was sighted and reviewed such as:</p> <ol style="list-style-type: none"> LB3 transport program dated January 10, 2018 signed by Estate Manager and KTU News of the show and manifest 2 for carriage dated December 19, 2017 and January 13, 2018. Records of LB3 handling socialization on 18 January 2018 <p>Field observations in the warehouses and workshops of KNS and KNC and clinics indicate that remedial actions have been taken to cover the building wiring of TPS LB3 and the LB3 packaging has been transferred to TPS LB3.</p> <p>STATUS : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>
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			g. During field observation in agrochemical warehouse in KNC, it was found hazardous waste stored in upfront of warehouse without proper protection. The leftover chemical in the containers can be smelled from the front door.			b. Arrange checks of hazardous waste storage(Form AA-KL-604-FM) with checking frequency once every 1 month c. Make hazardous waste transportation program where 2 month before transportation period will be communicated with Dept. Purchasing.		

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2017-17	RSPO INA-NI 2016 Criteria 5.3.3	Major (Reurrence)	<p>Non-Conformities: Inconsistency in waste management plan implementation</p> <p>Objective Evidence:</p> <ul style="list-style-type: none"> a. Based on field observation in emplacement Division I KNS, it was found traces of domestic waste burning b. Based on field observation in landfill, it was found several used pesticides containers disposed in landfill such as Kenrane and Kencepat (KNC) c. Landfill not equipped with open and closing note (KNC) d. Not enough evidences that landfill capacity has been measure compare to quantity of domestic waste (KNC) e. Domestic waste is mixed between an-organic and organic domestic waste. Beside that, domestic waste was dumped inappropriate with Domestic Waste Management Mechanism 	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	<ul style="list-style-type: none"> a. Socialization of employees about fire hazard. b. Transporting B3 waste to TPS LB3 c. Create a plot of schedule information open and close the final dump d. Make Administration capacity of the final dump e. Provide "ORGANIC" and "ORGANIC" signals in the trash bin 	<p>Root cause:</p> <ul style="list-style-type: none"> a. Root cause of previous findings is the lack of awareness of employees and corrective action is socialization once a year. b. Lack of monitoring of activities in employee housing. c. No PIC has been assigned to monitor domestic waste transport <p>Point (c) and (d)</p> <ul style="list-style-type: none"> a. There is no administration of domestic waste management activities b. There is no marker for organic and organic waste in the trash bin <p>Corrective Action:</p> <ul style="list-style-type: none"> a. Incorporating the location of the emplacement in the Daily Fire Monitoring Form every day. b. Internal memorandum of appointment of PIC LB3 and domestic <p>Point (c) and (d)</p> <ul style="list-style-type: none"> a. Traction employees ensure that the landfill is opened according to the specified size b. Socializing domestic waste management to employees every 3 months 	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Evidences was sighted and reviewed such as :</p> <ul style="list-style-type: none"> 1. Recordings of transfer of LB3 packaging from landfill to TPS LB3 2. KNC waste management estimation document dated December 30, 2017. The size of landfill is 3x3x3 meter. 3. Documentation of trash marking 4. Internal memorandum No: 020 / MGR / KNC / 01/18 dated January 10, 2018 regarding the appointment of Sukarman (Mandor Civil) as PIC To collect and transport domestic waste. <p>Field observations in emplacement Afd I KNS and landfill indicate corrective action has been taken. The trash bin has been marked "Organic" and "Inorganic", in landfill has been completed with open and closing note and no more LB3 packaging is thrown away in landfill.</p> <p>Status : CLOSED</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>
2017-18	RSPO INA-NI	Minor	<p>Non-conformance situations: It was found data differences between data in GHG</p>	<p>Due Date: Next Year</p>	<ul style="list-style-type: none"> a. Coordinate with RO party on GHG calculation 	<p>Root cause: The Company calculates GHG</p>	<p>Response: Acceptable (please</p>	<p>Verification of Effectiveness: Will be verified in the next</p>

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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
	2016 Criteria 5.6.3		<p>calculation and in audit data</p> <p>Objective evidences: The company has calculated the GHG emission using PalmGHG version 3.0, but the certified area stated in GHG calculation is different with certified area which audited (in PalmGHG writed 14,515 Ha meanwhile in Audit Report is 14,054 Ha)</p>	<p>SAI Follow up Method: Evidence submitted to Team Leader</p>	<p>b. Coordination with the RSPO on GHG calculations</p>	<p>in total area</p> <p>Corrective Action: The next GHG calculation will separate the certified and non-certified areas.</p>	<p>see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>surveillance audit.</p> <p>Status : OPEN</p> <p>Name Eko Prastio Ramadhan</p>

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2017-19	RSPO INA-NI 2016 Criteria 6.5.2	Major	<p>Non-conformance situations: Not all workers understand their contract and it was found workers without contracts</p> <p>Objective evidences: Based on document review, it was found evidences such as :</p> <p>d. Based on interview, several PHL workers not aware or not understood about their contract</p> <p>e. On site audit interview with harvester on KNS in front of housing complex, KNS Afdeling 3/ Blok H-I V, KNC Afdeling 4/Blok F12-B, informed that they brought their family member for harvesting (siblings)</p> <p>f. Contract of BHL workers at KNC (3 persons) can't be shown during audit</p>	<p>Due Date: 21/02/2018</p> <p>SAI Follow up Method: Onsite</p>	<p>a. Submit a copy of the employment contract to the PHL employee</p> <p>b. Socialization of Prohibition brings others to help while working</p> <p>c. Shows the PHL contract to the auditor during follow up audit</p>	<p>Root cause:</p> <p>a. Employees have forgotten about their contract because they do not hold copies of the contract</p> <p>b. Harvesters bring members of their families because they want to pursue higher output so that income can be higher</p> <p>c. At the time of the audit, the PIC (KTU) holding the contract documents was accompanying the audit team of the stock from Medan.</p> <p>Corrective Action:</p> <p>a. Each employment contract made will be made a copy to hold by the employee.</p> <p>b. Foreman Harvest and Mandor 1 will conduct checks on the harvester while working. This is done simultaneously with a random inspection.</p> <p>c. Internal Memorandum regarding the determination of PIC Controller Document as backup of KTU</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Evidences was sighted and reviewed such as :</p> <ol style="list-style-type: none"> Internal memorandum of KNC Estate Manager Number: 015 / MGR / KNC / 01/18 dated January 2, 2018 regarding the appointment of Mr. Julianingsih as document controller at KNC. Internal memorandum No: 011 / MGR / INT / KNS / 02/17 dated February 1, 2017 regarding Prohibition of bringing others to help while working Documentation of contract handover to PHL employees Contract of PHL employees at KNC <p>Field observations and harvest interviews at the G10D KNS Block harvesting and harvesting activities of Block D11B Afd II KNC indicate harvests do not bring members of their families to assist with the work.</p> <p>STATUS : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>
2017-20	RSPO INA-NI 2016 Criteria 6.6.2	Minor	<p>Non-conformance situations: Records of meetings with labor unions or workers representatives not available</p>	<p>Due Date: Next Audit</p> <p>SAI</p>	<p>Provide evidence of union meetings with companies in the form of minutes of meetings and attendance attendance of</p>	<p>Root cause: Minutes of meeting with union are held by PR and not stored in the office</p>	<p>Response: Acceptable (please see section 4 for details)</p>	<p>Verification of Effectiveness: Evidences was reviewed such as : Internal memorandum of KNC Estate Manager Number: 015 / MGR / KNC</p>

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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
			<p>Objective evidences: Based on document review, record of meeting can't be shown during audit</p>	<p>Follow up Method: Onsite</p>	meeting participants.	<p>Corrective Action:</p> <ol style="list-style-type: none"> a. Internal Memorandum regarding the determination of the Document Controller PIC b. Centralized documents in the garden office 	<p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>/ 01/18 dated January 2, 2018 regarding the appointment of Mr. Julianingsih as document controller at KNC.</p> <p>Verification of corrective actions will be checked at the next surveillance audit.</p> <p>STATUS : OPEN</p> <p>Name Eko Prastio Ramadhan</p>

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Section 1			Section 2		Section 3	Section 4		
NCR Nr.	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
2017-21	RSPO INA-NI 2016 Criteria 6.7.1	Major	<p>Non-conformance situations: It was found that there were child worked during harvesting</p> <p>Objective evidences: On site audit interview with harvester on KNS in front of housing complex, KNS Afdeling 3/ Blok H-I V, KNC Afdeling 4/Blok F12-B, informed that they brought their family member for harvesting (child)</p>	<p>Due Date: Next Audit</p> <p>SAI Follow up Method: Onsite</p>	Dissemination of socialization on minors workers	<p>Root cause: Harvesters bring members of their families because they want to pursue higher output so that income can be higher</p> <p>Corrective Action: Foreman Harvest and Mandor 1 will conduct checks on the harvester while working. This is done simultaneously with a random inspection.</p>	<p>Response: Acceptable (please see section 4 for details)</p> <p>Reviewer: Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>	<p>Verification of Effectiveness: Evidences was reviewed such as :</p> <ol style="list-style-type: none"> a. Records of the socialization of the prohibition of bringing minors and assistants on January 6, 2018 (KNC) and on January 8, 2018 (KNS) b. Memorandum No 21 / HRD / INT / VII / 2009 dated July 6, 2009 concerning the Prohibition of Employing Underage Workers <p>Field observations and harvest interviews at the G10D KNS Block harvesting and harvesting activities of Block D11B Afd II KNC indicate harvests do not bring members of their families to assist with the work.</p> <p>Status : CLOSED</p> <p>Name Eko Prastio Ramadhan</p> <p>Date: 15/02/2018</p>

AUDIT REPORT
Appendix “D” – Stakeholder’s issues and comment

Date	Stakeholder	Feedback and or request	PT HSJ response and action to be taken	SAI Global audit observation	Relevant documentation
19-12-2017	KNC workers	<ul style="list-style-type: none"> - Casual workers (PHL) doesn't know about their contract - PPE provided by company - Salary comply to national law (decent living wages) - Beside salary, SKU worker get Rice Ration every month. - No sexual harrasesment case - Sprayer worker get extra fooding - Workers tell their complaints directly to their supervisor - PPE will be change if the old ones is damaged - Women workers who in pregnant or breast-feeding condition are prohibited work as sprayer or fertilizer - Worker's house will be repaired upon request to Supervisor. If the material is ready in the storage then it will repaired as soon as possible - Zero burning - Riparian buffer zone is prohibited for chemical treatment - Hunting protected wildlife is prohibited 	<ul style="list-style-type: none"> - PHL workers have given a copy of their contract 	This is one of correction of NCR and was reviewed during follow up audit	Documentaion of contract delivery to PHL workers

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Date	Stakeholder	Feedback and or request	PT HSJ response and action to be taken	SAI Global audit observation	Relevant documentation
19.12.2017	KNC & KNS Union	<ul style="list-style-type: none"> - Monthly contribution is Rp. 21,000 per member - Salay is comply to national law - Workers can tell their complaint directly to their superior 	-	<ul style="list-style-type: none"> - All observation during interview with workers representative have been reviewed with several supporting document - There was no issue during consultation meeting 	
20-12-2017	KNS workers	<ul style="list-style-type: none"> - Salary comply to national law - PPE provided by company - Salary comply to national law (decent living wages) - Beside salary, SKU worker get Rice Ration every month. - No sexual harrasesment case - Sprayer worker get extra fooding - Workers tell their complaints directly to their supervisor - PPE will be change if the old ones is damaged - Women workers who in pregnant or breast-feeding condition are prohibited work as sprayer or fertilizer - Worker's house will be repaired upon request to Supervisor. If the material is ready in the storage then it will repaired as soon as possible - Zero burning - Riparian buffer zone is prohibited for chemical treatment - Hunting protected wildlife is prohibited 	-	<ul style="list-style-type: none"> - All observation during interview with workers representative have been reviewed with several supporting document - There was no issue during consultation meeting 	

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Date	Stakeholder	Feedback and or request	PT HSJ response and action to be taken	SAI Global audit observation	Relevant documentation
20-12-2016	Committee Gender (Negeri Lama Group)	<ul style="list-style-type: none"> - Committee gender activities such as socialization of sexual harassment, health for children and mother (Posyandu), religion events and PKK - Until now, there is no case or complaints from women workers concerning sexual harassment - Women workers who still nursing their children or in pregnant condition, not allowed to work as sprayer and fertilizer team or high risk job - 	-	<ul style="list-style-type: none"> - All observation during interview with workers representative have been reviewed with several supporting document - There was no issue during consultation meeting 	
22-12-2017	PND workers	<ul style="list-style-type: none"> - Casual workers (PHL) get wage Rp. 90.000/workdays - Salary comply to national law (decent living wages) - Beside salary, SKU worker get Rice Ration every month. - No sexual harassment case - Workers tell their complaints directly to their supervisor - PPE will be change if the old ones is damaged - Worker's house will be repaired upon request to Supervisor. If the material is ready in the storage then it will repaired as soon as possible 	-	<ul style="list-style-type: none"> - All observation during interview with workers representative have been reviewed with several supporting document - There was no issue during consultation meeting 	
19-12-2017	Stakeholder (Head of Subdistrict, Head of Village,	<ul style="list-style-type: none"> - Kecamatan Bilah Hilir representatives : Recruitment for local workers still minimum. Most of the workers in company were recruited from outside district or region 	<ul style="list-style-type: none"> - Based on data of employees, most of workers come from Kecamatan Bilah Hilir (70%) - The company have conduct environmental analysis per 6 	<ul style="list-style-type: none"> - All responses have been reviewed with several supporting document. - Issues were closed. 	

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Date	Stakeholder	Feedback and or request	PT HSJ response and action to be taken	SAI Global audit observation	Relevant documentation
	Farmers, Cooperative/ <i>Koperasi</i>)	<ul style="list-style-type: none"> - On December 2017, representatives of Sido Mulyo villages requesting for a better handling of waste and fume - Local authorities several times request for local workers recruitment but responded by verbal communication without realization - Sei Tampang village, Tanjung Haloban and Sei Tarolat village was late for "cuci paret" and they got flood. - Famers group & Koperasi Wahyu Agung hope the agreement to road maintenance can be realized in accordance to its program. - Continuous communication with stakeholder need improvement especially for Manager Humas. - CSR Program was not informed properly to all representatives of villages 	<p>months and still comply to regulation standard</p> <ul style="list-style-type: none"> - Job opportunities was informed to stakeholder through billboard information in security post and village hall. In 2017, mill recruit 10 workers from the village and 41 candidates is in selection process - In Sei Tarolat, "cuci parit" program was delayed due to damaged in vehicles unit. - Road maintenance was on schedule and in according to the availability of unit (vehicles). 		

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

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

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

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

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

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