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Roundtable on Sustainable Palm Oil

Public Summary Report

Report no.: Report no.: 1FU_82450216037

1st Surveillance assessment against the

RSPO Principles & Criteria Generic year 2013, RSPO P&C INA-NI year 2016 and RSPO Supply Chain Certification System year 2014

PT Mutiara Bunda Jaya – Permata Bunda Mill

Head Office :

Jalan Basuki Rahmat Nomor 788, Palembang, South Sumatera

Site:

Margo Bhakti Village, Mesuji Sub-district, Ogan Komering Ilir District,
SouthSumatera Province, Indonesia

Date of 1st Surveillance assessment: July 17-20, 2017

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1.0 SCOPE OF 1st SURVEILLANCE ASSESSMENT

1.1 National Interpretation Used

The operations of the palm oil mill(s) and its supply base of FFB were assessed against the National Interpretation for Indonesia year 2013 of the RSPO Principles & Criteria, selected Supply Chain Model according to company's FFB supply base is MB.

1.2 Type of Assessment

The 1st surveillance assessment was carried out on 1 (one) mill, 2 (two) estates owned by the company, i.e.: Mesuji Estate and Surya Adi estates (under PT Saemporna Agro, Tbk) & Extension Scope for 7 (seven) small-holder's estates are village cooperative (KUD) of Tunas Harapan, KUD of Citra Sawit Mandiri, KUD of Mekar Sawit, KUD of Surya Adi, KUD of Surya Bhakti, KUD of Sinar Jaya, and KUD of Marga Mulya.

1.3 Location and Maps

PT Mutiara Bunda Jaya location is in Margo Bhakti Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.

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

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Permata Bunda Mill	Margo Bhakti Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°56'33.34"	105° 6'37.22"
Mesuji Estate	Pematang Panggang Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4° 3'8.04"	105° 1'36.49"
Surya Adi Estate	Surya Adi Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4° 0'36.72"	105° 3'28.33"

Table 1b: GPS locations for all smallholders' estates

Name of estates	Location	GPS locations	
		Latitude	Longitude
KUD Tunas Harapan	Surya Karta Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4°04'06.0"	104°58'40.6"
KUD Citra Sawit Mandiri	Sumber Deras Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4°04'10.6"	105°00'26.6"
KUD Mekar Sawit	Kembang Jajar Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4°03'25.9"	105°03'15.0"
KUD Surya Adi	Surya Adi Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°59'02.7"	105°02'00.0"
KUD Surya Bhakti	Margo Bhakti Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°57'12.1"	105°04'31.5"
KUD Sinar Jaya	Jaya Bhakti Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°55'38.0"	105°01'37.6"
KUD Marga Mulya	Makarti Mulya Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°54'03.6"	105°06'27.8"

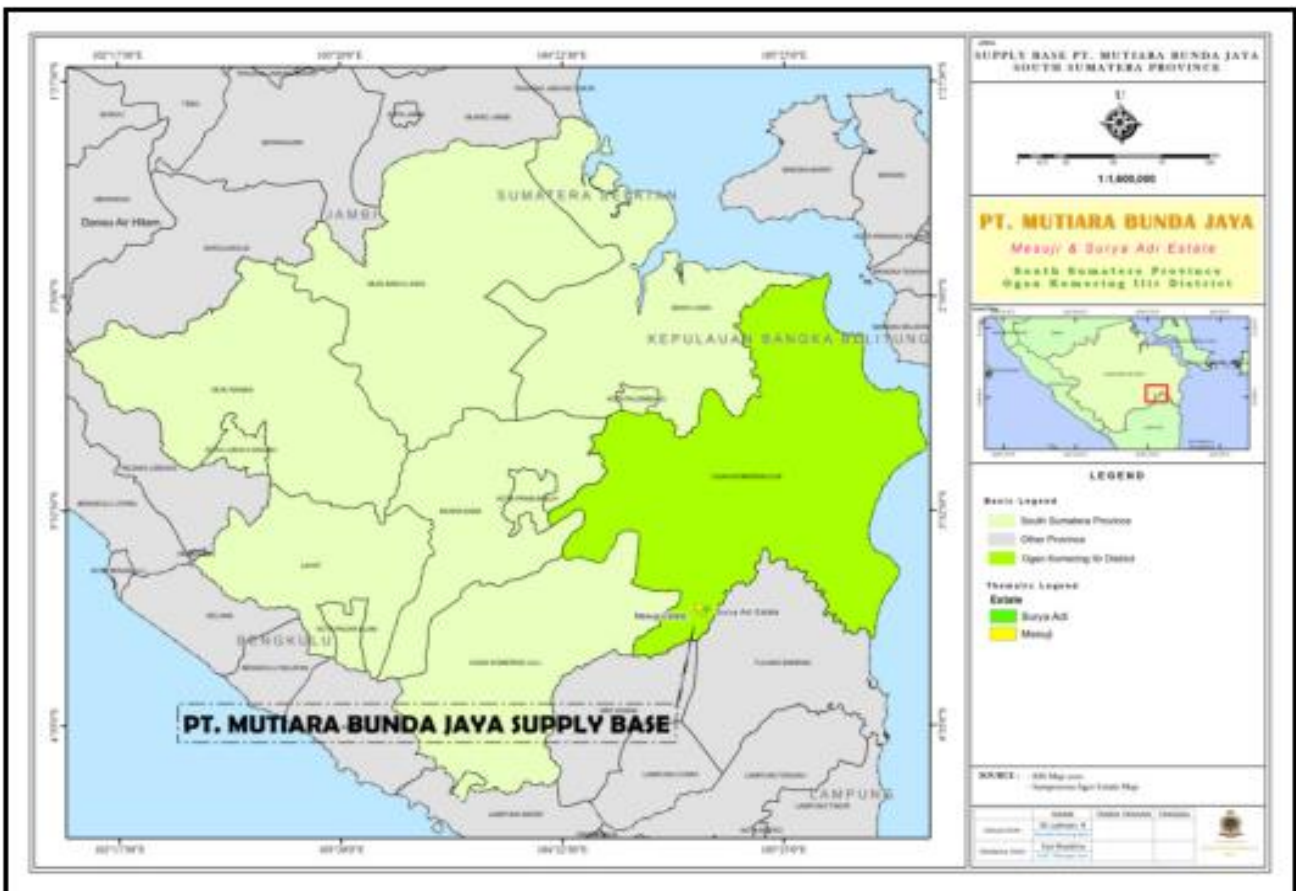


Figure 1: Location PT Mutiara Bunda Jaya in South Sumatera Province Indonesia

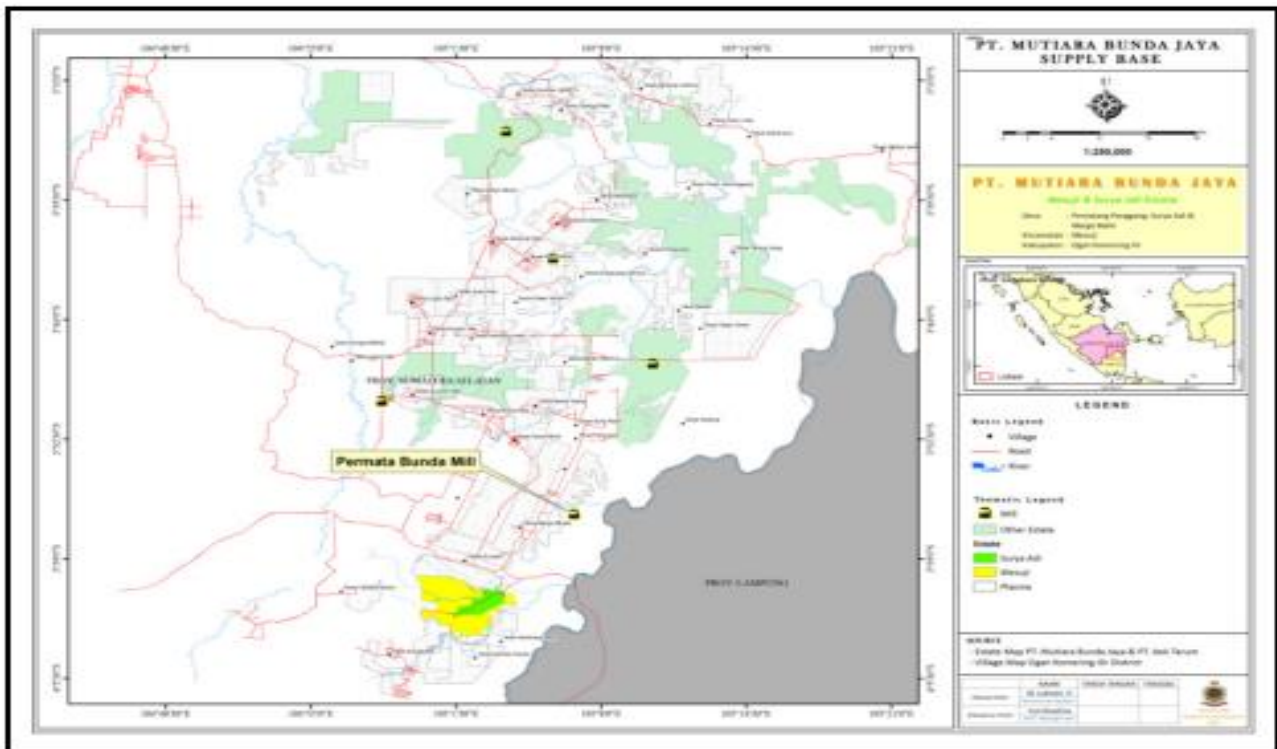


Figure 2: Location of Permata Bunda Mill- PT Mutiara Bunda Jaya

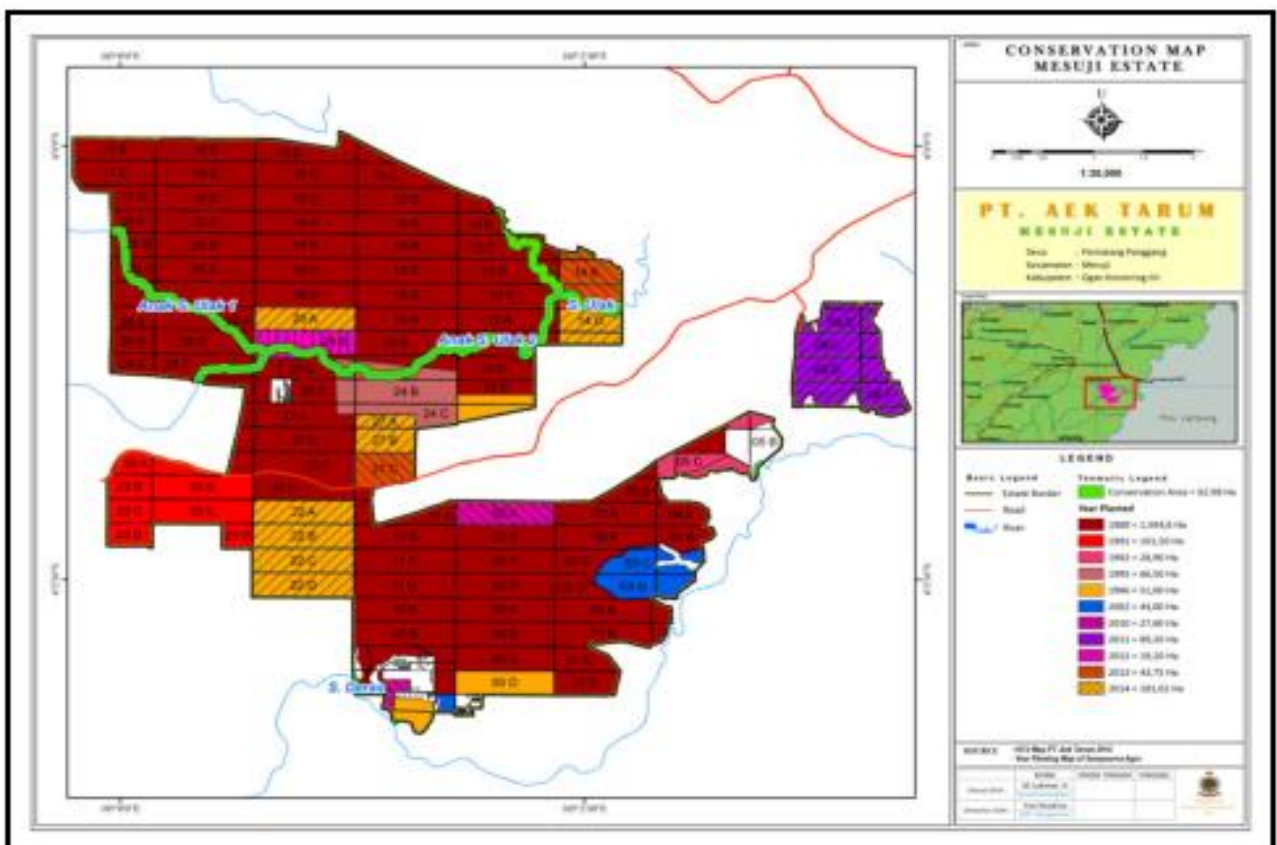


Figure 3: Location of Mesuji Estate(PT Aek Tarum)

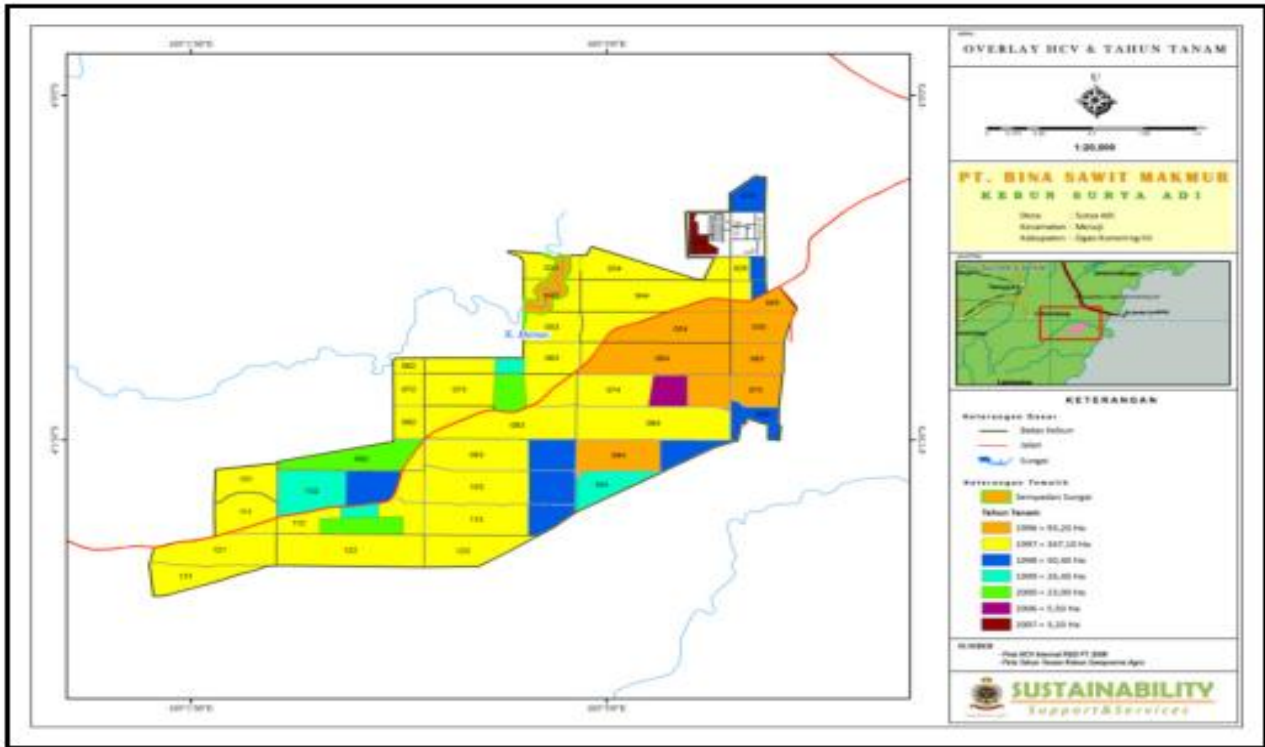


Figure 4: Location of Surya Adi Estate (PT Bina Sawit Makmur)

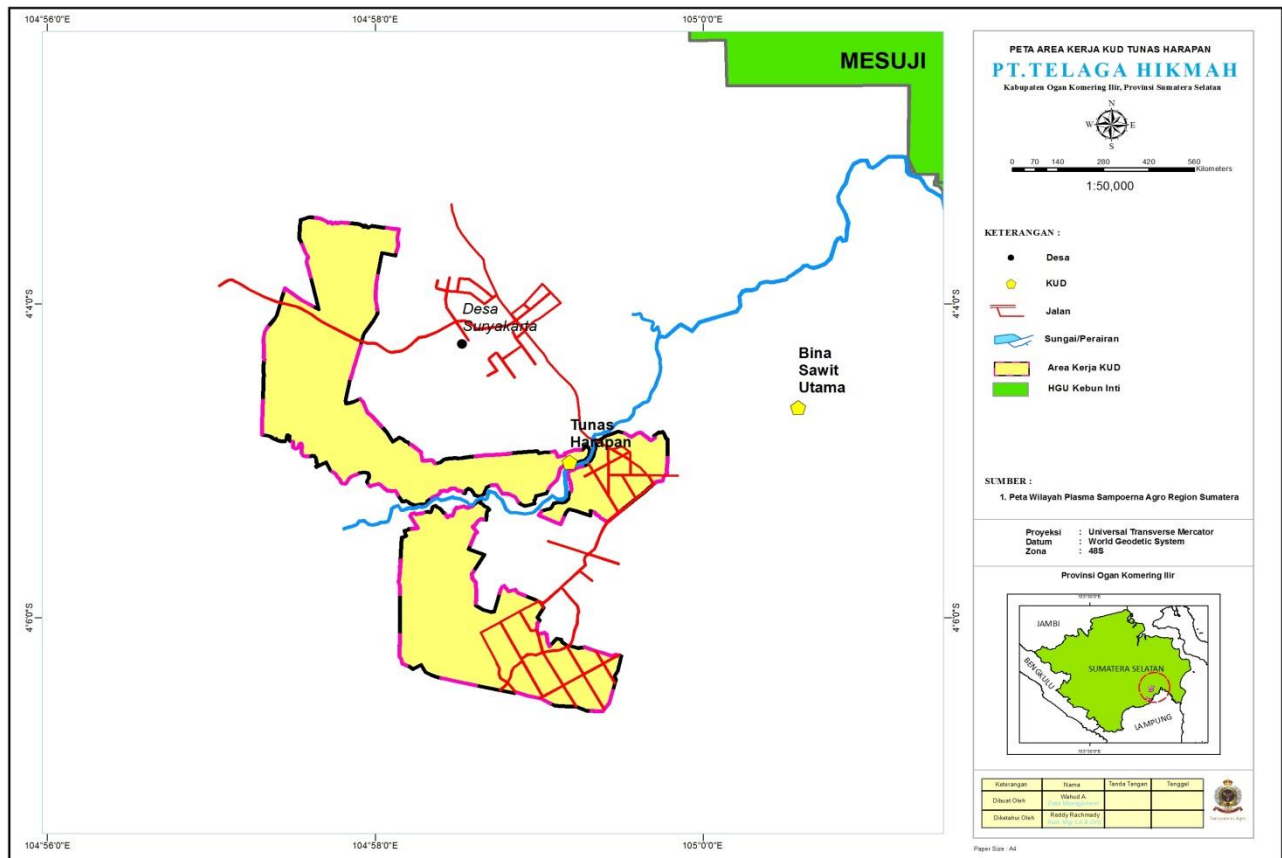


Figure 5: Location of Tunas Harapan KUD (PT Telaga Hikmah)

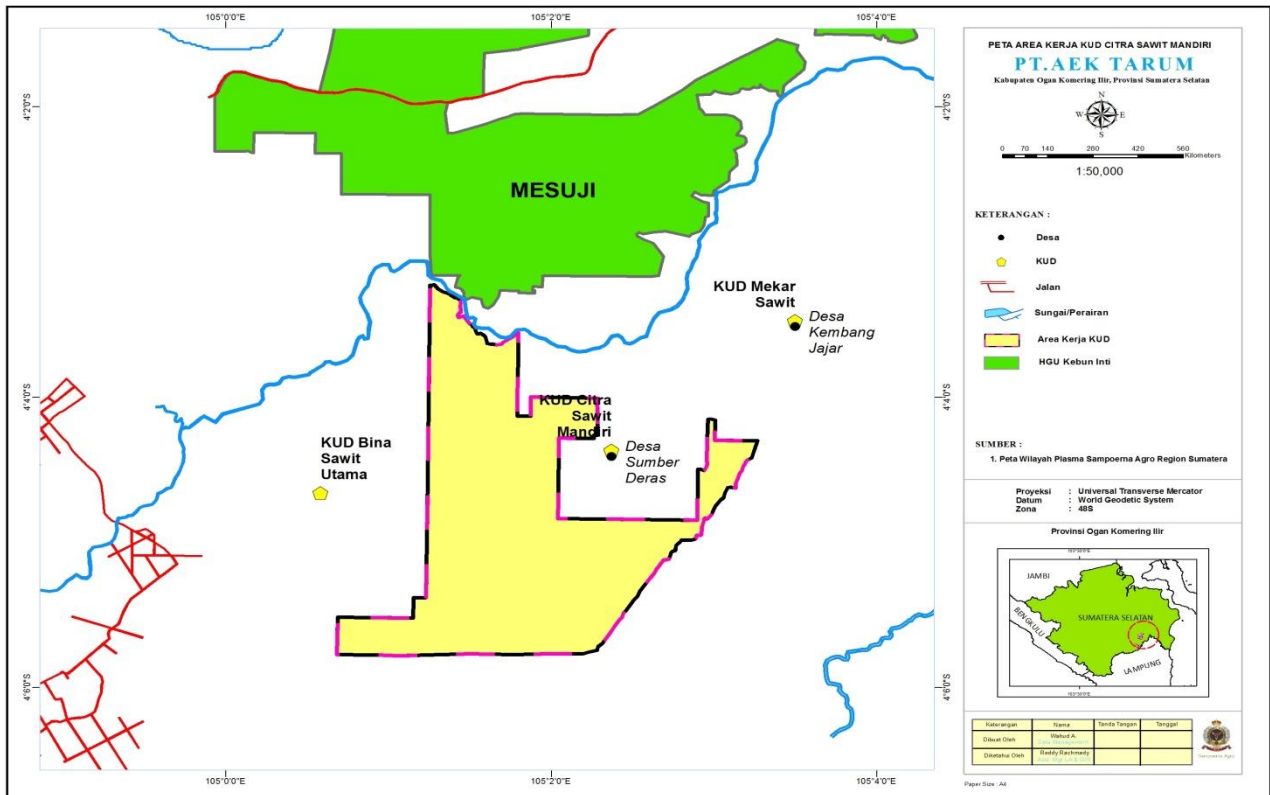


Figure 6: Location of Citra Sawit Mandiri KUD (PT Aek Tarum)

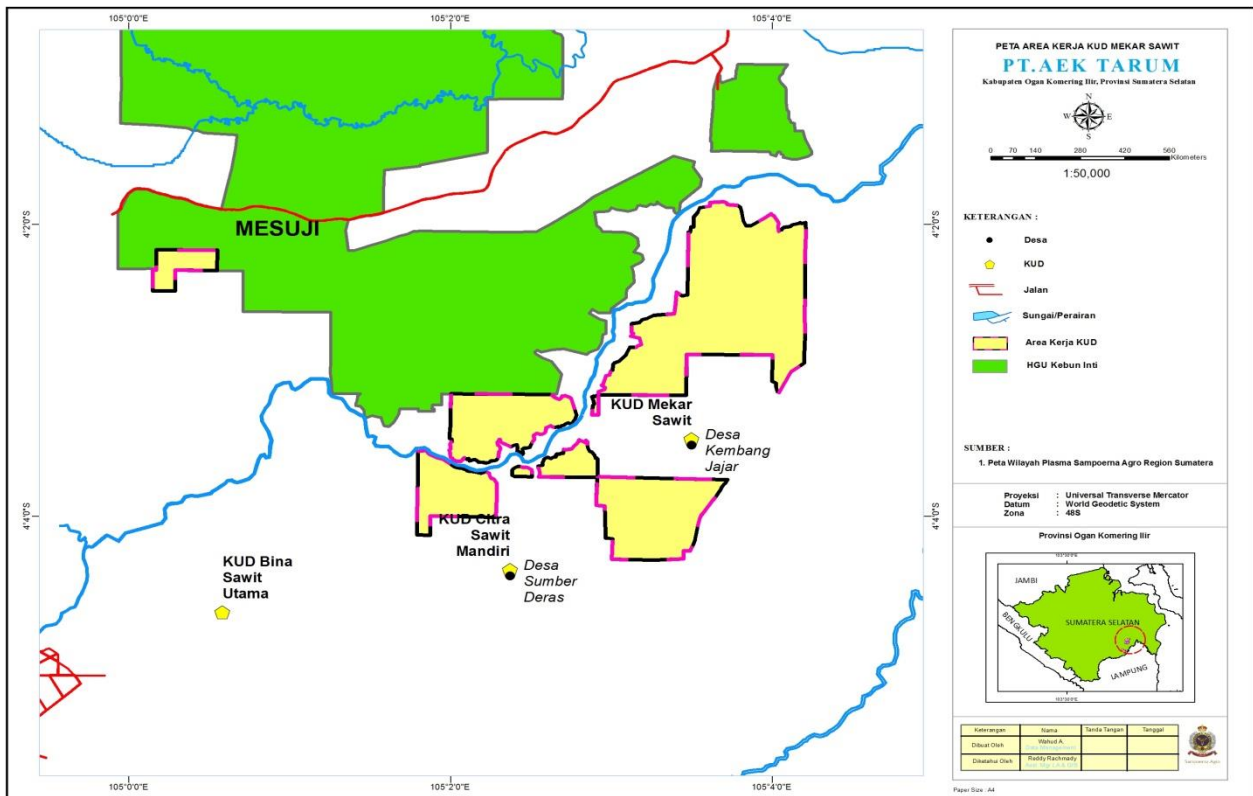


Figure 7: Location of Mekar Sawit KUD (PT Aek Tarum)

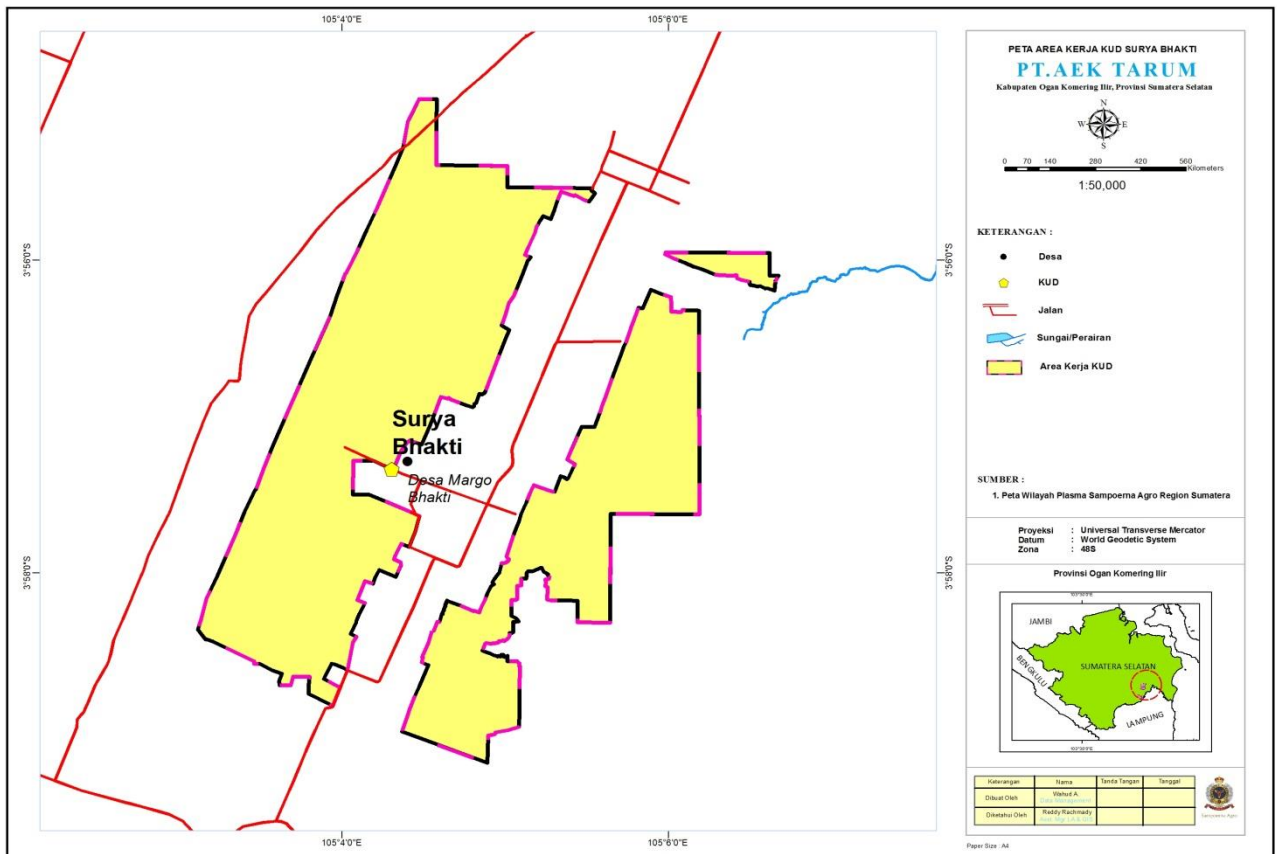
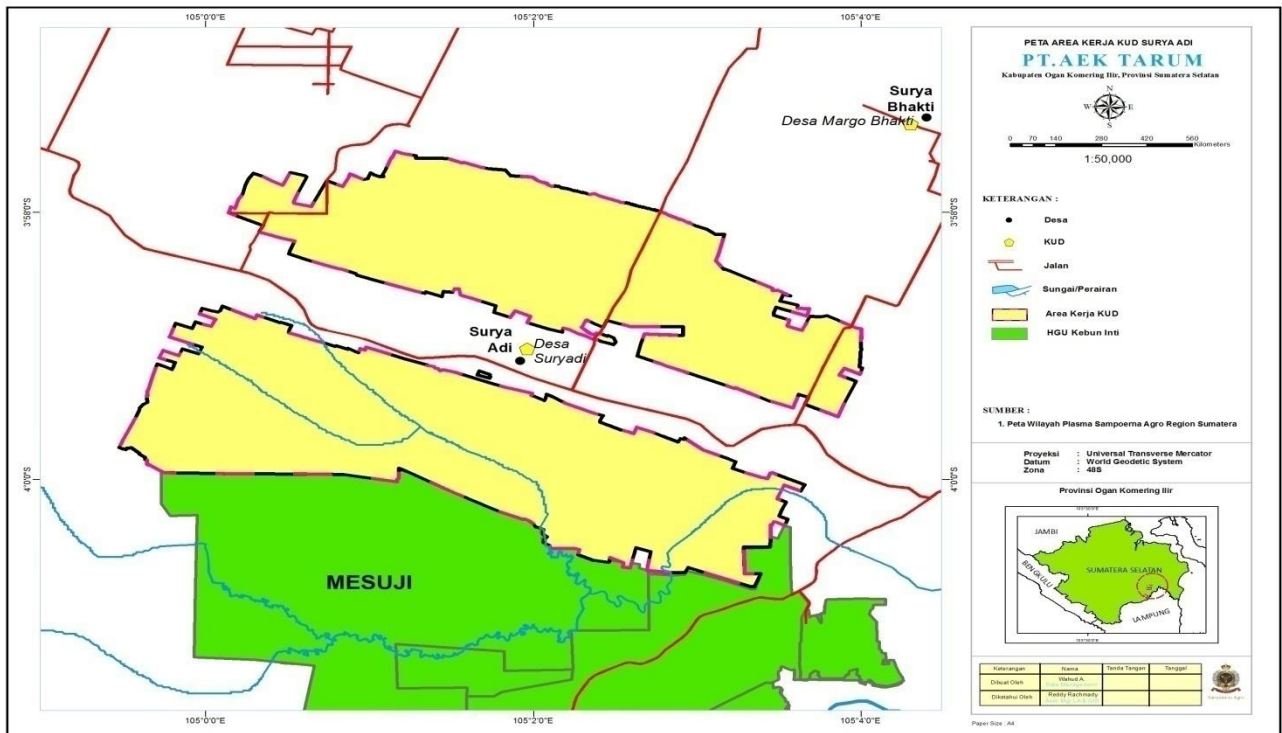




Figure 10: Location of Sinar Jaya KUD (PT Mutiara Bunda Jaya)

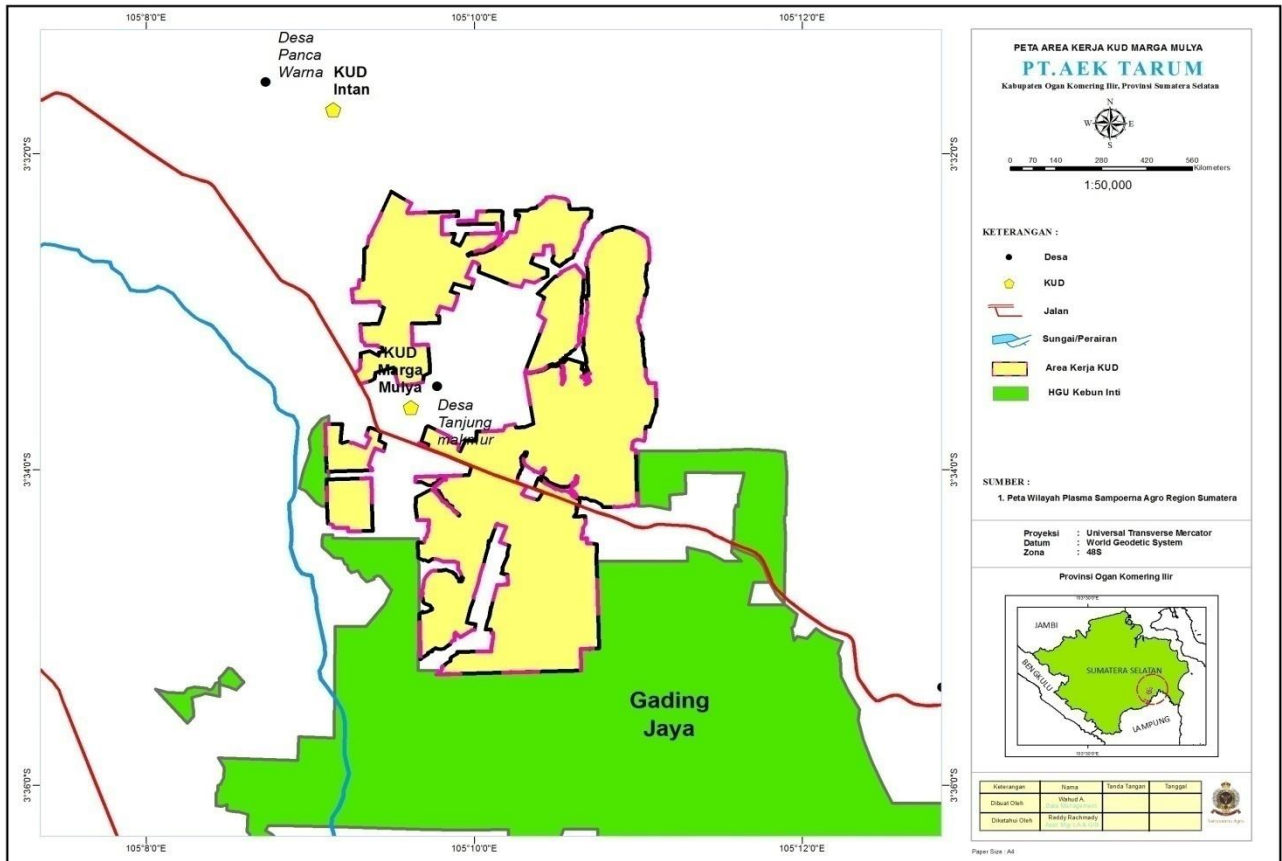


Figure 11: Location of Marga Mulya KUD (PT Mutiara Bunda Jaya)

1.4 Description of Supply Base

Table 2: FFB Supply Information for Permata BundaMill in year 2016 and 2017

FFB Contributor	FFB supplied year 2016 *		FFB supplied year 2017 (projection)**	
	Tonnes	%	Tonnes	%
Company owned (certified) estates :				
Mesuji Estate	24,999.79	10.95	13,495.00	5.09
Surya Adi Estate	8,888.16	3.89	11,543.58	4.36
Sub Total	33,887.95	14.84	25,038.58	9.45
Other's company estates :				
Belida Estate	3,744.04	1.64	0	0
IPBS Estate	429.82	0.19	0	0
Sumber Sawit Estate	169.15	0.07	0	0
Sub Total	4,343.01	1.90	0	0
Scheme Smallholder estates (include scope):				
KUD Tunas Harapan	10,937.61	4.79	11,847.52	4.47
KUD Citra Sawit Mandiri	14,243.92	6.24	15,469.12	5.84
KUD Mekar Sawit	9,675.61	4.24	10,793.85	4.07
KUD Surya Adi	31,567.94	13.83	39,659.15	14.97
KUD Surya Bhakti	28,028.69	12.28	37,478.24	14.15
KUD Sinar Jaya	29,720.33	13.02	40,450.32	15.27
KUD Marga Mulya	30,998.37	13.58	43,831.91	16.55
Sub Total	155,172.47	67.96	199,530.11	75.32
Scheme Smallholder estates (exclude scope):				
KUD Bina Sawit Utama	19,154.94	8.39	20,327.79	7.67
KUD Jaya Bersama	767.74	0.34	0	0
KUD Mulya Jaya	786.11	0.34	0	0
KUD Mekar Sari	738.84	0.32	0	0
KUD Sumber Rezeki	393.77	0.17	0	0
Sub Total	21,841.40	9.57	20,327.79	7.67
Independent Outgrower :				
Kelompok 192	1,445.47	0.63	20,000	7.55
Treekreasi Marga Mulia	3,876.85	1.70	0	0
KUD Makarti Jaya	289.07	0.13	0	0
Warsono	711.38	0.31	0	0
Agus Salim	3.57	0.00	0	0
WK 38 Pihak ke 3	1.1	0.00	0	0
KUD Trantang Jaya	326.34	0.14	0	0
Rahmad Sejahtera	4,955.28	2.17	0	0
Sinar Sasongko	1,470.52	0.64	0	0
KOPKAR SJ	5.89	0.00	0	0
Sub Total	13,085.47	5.73	20,000	7.55
TOTAL	228,330.30	100	264,896.48	100

Note: *)Data from January to December 2016

**)Data from January to December 2017 (projection)

Table 3a: CPO and PK production from Permata Bunda Mill in year 2016 (certified and non-certified)

FFB Contributor	FFB supplied in 2016(Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
Company owned (certified) estates :					
- Mesuji Estate	24,999.79	20.07%	5,016.43	5.10%	1,274.62
- Surya Adi Estate	8,888.16	20.07%	1,783.49	5.10%	453.17
Sub Total	33,887.95	20.07%	6,799.92	5.10%	1,727.79
Other's company estates :					
Belida Estate	3,744.04	20.07%	751.27	5.10%	190.89
IPBS Estate	429.82	20.07%	86.25	5.10%	21.91
Sumber Sawit Estate	169.15	20.07%	33.94	5.10%	8.62
Sub Total	4,343.01		871.46		221.43
Scheme Smallholder estates (include scope):					
KUD Tunas Harapan	10,937.61	20.07%	2,194.73	5.10%	557.66
KUD Citra Sawit Mandiri	14,243.92	20.07%	2,858.17	5.10%	726.23
KUD Mekar Sawit	9,675.61	20.07%	1,941.50	5.10%	493.31
KUD Surya Adi	31,567.94	20.07%	6,334.39	5.10%	1,609.50
KUD Surya Bhakti	28,028.69	20.07%	5,624.21	5.10%	1,429.05
KUD Sinar Jaya	29,720.33	20.07%	5,963.65	5.10%	1,515.30
KUD Marga Mulya	30,998.37	20.07%	6,220.10	5.10%	1,580.46
Sub Total	155,172.47		31,136.73		7,911.51
Scheme Smallholder estates (exclude scope):					
KUD Bina Sawit Utama	19,154.94	20.07%	3,843.61	5.10%	976.62
KUD Jaya Bersama	767.74	20.07%	154.05	5.10%	39.14
KUD Mulya Jaya	786.11	20.07%	157.74	5.10%	40.08
KUD Mekar Sari	738.84	20.07%	148.25	5.10%	37.67
KUD Sumber Rezeki	393.77	20.07%	79.01	5.10%	20.08
Sub Total	21,841.40		4,382.67		1,113.59
Independent Outgrower :					
Kelompok 192	1,445.47	20.07%	290.05	5.10%	73.70
Treekreasi Marga Mulia	3,876.85	20.07%	777.92	5.10%	197.66
KUD Makarti Jaya	289.07	20.07%	58.00	5.10%	14.74
Warsono	711.38	20.07%	142.74	5.10%	36.27
Agus Salim	3.57	20.07%	0.72	5.10%	0.18
WK 38 Pihak ke 3	1.10	20.07%	0.22	5.10%	0.06
KUD Trantang Jaya	326.34	20.07%	65.48	5.10%	16.64
Rahmad Sejahtera	4,955.28	20.07%	994.32	5.10%	252.65
Sinar Sasongko	1,470.52	20.07%	295.07	5.10%	74.97
KOPKAR SJ	5.89	20.07%	1.18	5.10%	0.30
Sub Total	13,085.47		2,625.72		667.17
GRAND TOTAL	228,330.30		45,816.50		11,641.48

Table 3b: CPO and PK production from Permata Bunda Mill in year 2016 (certified only)

FFB Contributor	FFB supplied in 2016 (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
Company owned estates:					
Surya Adi Estate	24,999.79	20.07%	5,016.43	5.10%	1,274.62
Mesuji Estate	8,888.16	20.07%	1,783.49	5.10%	453.17
TOTAL	33,887.95	20.07%	6,799.92	5.10%	1,727.79

Table 4: CPO and PK production from period 2016 and projected for year 2017 (certified and non certified)

FFB supplied in 2016 (Tonnes) - Certified	OER (%)	CPO (Tonnes)	KER	PK (Tonnes)
33,887.95	20.00	6,799.92	5.10	1,727.79
Projection FFB supplied in 2017 – Certified(Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
224,568.68	21.45	48,176.79	5.25	11,789.86
FFB supplied in 2016 (Tonnes) – Non Certified	OER	CPO (Tonnes)	KER	PK (Tonnes)
194,442.35	20.07	39,016.58	5.10	9,913.70
Projection FFB supplied in 2017 – Non Certified (Tonnes)	OER	CPO (Tonnes)	KER	PK (Tonnes)
40,328	21.45	8,652	5.25	2,117

1.5 Dates of Plantings and Replanting Cycles

The company follows a replanting cycle of 25 years for Mesuji estate and Surya Adi estate. Information on the dates of plantings are as per the table below.

Table 5a: Age and year of plantings of company estate supplying to Permata Bunda Mill

Age & Year of Plantings	Oil palm planted area at each estate(ha)				
	MesujiEstate	Surya Adi Estate	KUD Tunas Harapan	KUD Citra Sawit Mandiri	KUD Mekar Sawit
0 – 5 yrs (2012 – 2016)	459.87	0	0	0	0
5-10 yrs (2007 – 2011)	116.8	3.2	0	0	0
10-15 yrs (2002 – 2006)	44	5.5	85.47	0	0
15-20 yrs (1997 – 2001)	0	446.9	670.87	0	0
20-25 yrs (1992 – 1996)	111.9	93.20	0	649.40	627.1
25-30 yrs (1986-1991)	1,500	0	0	200	24
TOTAL	2,232.57	548.8	756.34	849.40	651.1

Table 5b: Age and year of plantings of company estate supplying to Permata Bunda Mill

Age & Year of Plantings	Oil palm planted area at each estate(ha)			
	KUD Surya Adi	KUD Surya Bhakti	KUD Sinar Jaya	KUD Marga Mulya
0 – 5 yrs (2012 – 2016)	0	0	0	0
5-10 yrs (2007 – 2011)	0	0	0	0
10-15 yrs (2002 – 2006)	0	0	0	0
15-20 yrs (1997 – 2001)	0	0	0	0
20-25 yrs (1992 – 1996)	2,205.9	1,996.52	2,092.28	2,089.4
25-30 yrs (1986-1991)	0	0	0	0
TOTAL	2,205.9	1,996.52	2,092.28	2,089.4

Table 6a: Planned and actual oil palm replanting activities for Mesuji & Surya Adi Estates

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)		Actual total area replanted (ha)
		Mesuji Estate	Surya Adi Estate	
2015	191.40	191.40	0	191.40
2016	433	433	0	433
2017	1,164.80	1,164.80	0	357.93 (up date to July 2017)
2018 - 2021	0	0	0	0

Table 6b: Planned and actual oil palm replanting activities for Smallholders

Year	Total planned replanting area (ha)	Oil palm planted area at each estate (ha)						
		KUD Tunas Harapan	KUD Citra Sawit Mandiri	KUD Mekar Sawit	KUD Surya Adi	KUD Surya Bhakti	KUD Sinar Jaya	KUD Marga Mulya
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	1,249	-	849	-	400	-	-	-
2020	2,457	-	-	651	1,806	-	-	-
2021	-	-	-	-	-	1,051	-	-

1.6 Area of Plantation (Total, Planted and Mature)

Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT MBJ

Estate Name	Total area(ha)	Oil Palm Planted area(ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production (tonnes)		Average yield year 2016 (tonnes/ha)
					2016	2017*	
Company Owned Estate							
Mesuji	2,439.80	2,232.57	2,232.57	0	24,999.79	5,992.26	11.20
Surya Adi	588.97	548.8	548.8	0	8,888.16	6,728.57	16.20
Sub Total	3,028.77	2,781.37	2,781.37	0	33,887.95	12,720.83	12.18
Smallholder's Scheme Estate							
KUD Tunas Harapan	756.34	756.34	756.34	0	10,937.61	5,769.53	14.46
KUD Citra Sawit Mandiri	849.4	849.4	849.4	0	14,243.92	7,190.60	16.77
KUD Mekar Sawit	651.1	651.1	651.1	0	9,675.61	5,035.88	14.86
KUD Surya Adi	2,205.90	2,205.90	2,205.90	0	31,567.94	19,537.10	14.31
KUD Surya Bhakti	1,996.52	1,996.52	1,996.52	0	28,028.69	18,460.33	14.04
KUD Sinar Jaya	2,092.28	2,092.28	2,092.28	0	29,720.33	19,930.44	14.20
KUD Marga Mulya	2,089.40	2,089.40	2,089.40	0	30,998.37	21,593.71	14.84
Sub Total	10,640.94	10,640.94	10,640.94	0	155,172.47	97,517.59	14.58
TOTAL	13,669.71	13,422.31	13,422.31	0	189,060.42	110,238.42	14.09

Remark: * January to June 2017

Table 8: Land use data for PT Mutiara Bunda Jaya

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	HCV/ Potential HCV areas (ha)		Land used for other purposes (ha)		
			Inside in the planted area	Outside planted area	Office, Housing & Road	Nur-sery	Other Land (Non Plantable)
Company owned estate							
Mesuji Estate	2,439.80	2,232.57	62.98	-	150.34	-	56.89
Surya Adi Estate	588.97	548.8	7.8	-	35.4	1.00	3.77
Total	3,028.77	2,781.37	70.78	0	185.74	1.00	60.66
Smallholder's Scheme estates							
KUD Tunas Harapan	756.34	756.34	-	-	-	-	-
KUD Citra Sawit Mandiri	849.4	849.4	0.16	-	-	-	-
KUD Mekar Sawit	651.1	651.1	0.24	-	-	-	-
KUD Surya Adi	2,205.90	2,205.90	75.06	-	-	-	-
KUD Surya Bhakti	1,996.52	1,996.52	-	-	-	-	-
KUD Sinar Jaya	2,092.28	2,092.28	-	-	-	-	-
KUD Marga Mulya	2,089.40	2,089.40	-	-	-	-	-
TOTAL	10,640.94	10,640.94	75.46	0	0	0	0

1.7 Organisational Information / Contact Person

Contacts details of the company are as follows:

Company Name:	PT Mutiara Bunda Jaya – Permata Bunda Mill
RSPO Membership no.	1-0031-07-000-00
Address:	Head office : Jl. Basuki Rachmat No. 788 Palembang 30127 Sumatera Selatan – Indonesia
	Site : Margo Bhakti Village, Mesuj Sub District, Ogan Komering Ilir District, South Sumatera Province - Indonesia
Contact Person:	Mrs. Yusi Rosalina
Telephone:	+6281-271-238226
Email:	yusi.rosalina@sampoernaagro.com

1.8 Time Bound Plan for Other Management Units

The time frame laid out below is considered to be both challenging and realistic. This time bound plan as stated on **Appendix 6** has so far been carried out according to plan. Some of time bound plan has been revised and the reason for the revisions are acceptable.

1.9 Compliance to Rules for Partial Certification

Compliance of the uncertified management units of PT Sampoerna Agro TBK against the rules for partial certification according to RSPO Certification System clause 4.2.4 was assessed by verification of company's internal audit.

A summary of findings is as stated below.

Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
(a) The parent organization or one of its majorities owned and / or managed subsidiaries is a member of RSPO.	PT Aek Tarum and PT Mutiara Bunda Jaya (Inti Permata Bunda Dua Estate) are subsidiary of PT Sampoerna Agro Tbk. Sampoerna Agro has been a member of RSPO since 10 January 10, 2007 With membership no 1-0031-07-000-00.	Comply
(b-d) A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified	A challenging time bound plan has been establish as determined by memorandum of PT Sampoerna Agro Management Commitment signed by CEO on March 19, 2017. (see appendix 6) This is the latest revision time bond plan of PT Sampoerna Agro Tbk. Considering the readiness of all subsidiaries palm oil mill and estates under PT Sampoerna Agro Tbk.	Comply
(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	There is no evidence of replacement primary forest in subsidiaries under sampoerna Argo. Some new development area under subsidiaries of PT Sampoerna Agro i.e. PT Sungai Rangit, PT Mutiara Bunda Jaya; PT Telaga hikmah and PT Sampoerna Agro are under verification process for New Planting procedure.	Comply
(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.	There is documented evidenced of land conflicts reslves in some subsidiaries of PT Sampoerna Agro such as: 1. PT Mutiara Bunda Jaya (MBJ) with community of Sungai Menang and Rantau Durian I Village. The conflict has mediated by government of District OKI & Sub District Lempuing Jaya, and Plantation Agency of OKI. Based on documents verification and fields observation, found that the Rantau Durian I Village is not located at PT MBJ, so Rantau Durian I village claim to develop plasma plantation can't accepted. This result was documented on letter of Government of OKI District No. 0645/III/2012, dated August 28, 2012, "Rantau Durian I Village is not located at location of PT MBJ.	Comply

Partial Certification Requirements	Audit Findings	Status (Comply/not Comply)
	<p>2. PT Aek Tarum with Mataram Jaya and Community of Kemang Indah Village. There are letters from Head of OKI District No. 0978/III/2016, dated December 01, 2016 and letter form Land Agency of OKI District No. 1.639/300-16.02/XII/2016 dated December 14, 2016. The spitulated letters confrmed that claim that was proposed by Mr. Prawiro Mulkti, S.H can't accepted and proved that letter proposed by claimer was false.</p> <p>3. Mega Terang Estate with community from Sungai Menang Village for 600 ha located at blocks 14, 15 & 16. This conflict has has been clear. For area ± 350 ha has been solved with all claimers. And for area ± 250 ha, claimer (Mrs. Ely Rosa) has verdicted fault by court.</p>	
(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	There is no labour dispute in all subsidiaries PT Sampoerna Agro Tbk for year 2016 and 2017.	
(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.	Some of management units under Sampoerna Agro have not complied with certain legal requirements, for example in PT Sungai Rangit, PT Mutiara Bunda Jaya and others, there is an issue with the land area stated in the land use right certificate (HGU). However, the company is taking action by inviting the National Land Agency (BPN) to re-measure the land and resolve the issue. The process is still ongoing.	

1.10 Compliance to other RSPO Procedure(this part not applicable)

RSPO NPP	-
RSPO Compensation and Remediation procedure	-
Areal Subject to sanction	-

1.11 Compliance to RSPO Guidance on GHG calculation

During the audit, the audit team verify and confirm that

The RSPO PalmGHG Calculator used	Version 3.01
Accurate data has been put into the RSPO PalmGHG Calculator	Monitoring of the Emission are using ISCC Methodlogy.as per Standard operation procedure (<i>Inventarisasi and Mitigasi rumah Kaca 20 March 2016</i>). In the SOP has been mention on the data that need to use, i.e.: data of usage chemical, fertilizer, use of electricity, waste water, fossil fuel consumption, soil information, and EFB transportation. Reporting is using data of last 12 month and will reporting once per year. Data that has been use for GHG calculation is from January 2016 untill December 2016and data has been put into RSPO PalmGHG Calculator. The data consist of FFB received by mill, milling production, milling extraction rate, mill fuel consumption, and etc.The calculation has been send to RSPO Secretariat to approval thru email dated May 16, 2017. The secretariat RSPO has responded the email on the same date.
Net GHG Emission Figure (tCO ₂ e/tCPO)	1.1 tCO ₂ e/tCPO

1.12. Plan for certification of associated smallholders

As seen from data in Table 2, the mill has no received FFB from smallholdershas not associated with the mill and independent out grower since 2017. Year of 2017, all FFB received by the Mill 32.38% from owned estates and 67.62% supplied bysmallholders associated with the mill.

The mill has developed a plan for certification of associated smallholders as explained on time bound plan.

1.13 Approximate Tonnages Certified

The approximate tonnages certified, based production in 2017for company owned estates and certified smallholders only are as follows:

- Crude Palm Oil (CPO) : 48,176.79 MT
- Palm Kernel (PK) : 11,789.86 MT

1.14 Recommendation for Certification

PT Aek Tarumhas established and maintains an effective system to ensure compliance with the RSPO principles and criteria. The audit team has confirmed through the audit process that the company’s practices complies with, adequately maintains and implements the requirements of RSPO Principles and Criteria INA-NI 2016 PT TUV Rheinland Indonesia recommends that PT Mutiara Bunda Jaya be approved as a producer of RSPO Certified Sustainable Palm Oil.

1.15 Date of Certificate Issued and Scope of Certificate

The scope of the certificate covers production of palm oil from PT Mutiara Bunda Jaya (Permata Bunda Mill) (a subsidiary of PT Sampoerna Agro, Tbk) and its supply base, which includes:

1. Mesuji estate, under PT Aek Tarum (owned estate)
2. Surya Adi estate, under PT Bina Sawit Makmur
3. KUD Tunas Harapan,
4. KUD Citra Sawit Mandiri
5. KUD Mekar Sawit

6. KUD Surya Adi
7. KUD Surya Bhakti
8. KUD Sinar Jaya
9. KUD Marga Mulya

The date of certificate (recertification) issued is August 12, 2016. Further details of the certificate are as per Appendix 1.

1.16 Other Achievements and Certification Helds

Table 9: Details of other certifications or awards held by PTMutiara Bunda Jaya

Name of mill / estate	Certification Standard/Award achieved	Certification Body / Awarder	Date Achieved
PT. Mutiara Bunda Jaya – Permata Bunda Mill	1. ISCC 2. ISPO 3. ISO 14001 4. ISO 9001	1. Gut Cert 2. TUV Nord 3. TUV Nord 4. TUV Nord	1. 01-10-2013 2. 07-12-2014 3. 23-10-2007 4. 24-09-2010
Mesuji Estate, PT Aek Tarum	1. ISCC 2. ISPO 3. ISO 14001 4. ISO 9001	1. Gut Cert 2. TUV Nord 3. TUV Nord 4. TUV Nord	1. 01-10-2013 2. 16-01-2014 3. 13-03-2006 4. 13-06-2006
Surya Adi Estate, PT Bina Sawit Makmur	1. ISCC 2. ISO 18001 3. ISO 14001 4. ISO 9001	1. Gut Cert 2. TUV Nord 3. TUV Nord 4. TUV Nord	1. 01-10-2013 2. 22-09-2010 3. 23-10-2007 4. 14-02-2005
KUD Tunas Harapan,	-	-	-
KUD Citra Sawit Mandiri	-	-	-
KUD Mekar Sawit	-	-	-
KUD Surya Adi	-	-	-
KUD Surya Bhakti	-	-	-
KUD Sinar Jaya	-	-	-
KUD Marga Mulya	-	-	-

2.0 ASSESSMENT PROCESS

2.1 Certification Body

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TÜV Rheinland Group was established in 1872 with offices located in over 490 locations in 62 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, as well as CDM Validations and Verifications. PT TUV Rheinland Indonesia's office is located in Jakarta, Indonesia.

2.2 Qualifications of Lead Assessor and Assessment Team

Name	Position	Qualifications / Experience
Wahyu	Lead Auditor	<p>Education: Bachelor degree of Mechanical Engineering - University of Indonesia and Magister of Manufacturing - Pancasila University</p> <p>Trainings attended: ISO 9001 and ISO 14001 IRCA Lead Auditor Training, Training of ISO 28000, TOT of Maritime Security, ISO 22000, and OHSAS 18001, SVLK Lead Auditor Training, COC – LEI Lead Auditor Training, VLO & RIL Training, ISPO Lead Auditor Training, and RSPO Lead Auditor Training.</p> <p>Working experience: Around 8 (eight) years as technician and engineer at manufacturing industries, 3 (three) years as QHSE Head at independent surveyor and inspection services company, 3 (three) years as QHSE Consultant, and 6 (six) years as auditor of ISO 9001, ISO 14001, OHSAS 18001, SVLK, COC – LEI, SVLK for Industry, ISPO and RSPO.</p>
Ibnu Satria P.	Auditor	<p>Education: Bachelor of STIPER Agriculture Institute, Yogyakarta.</p> <p>Training attended: ISPO Auditor, Lead Auditor RSPO Training, Inhouse training HACCP, Lead Auditor ISO 9001;2008, OHS Expert Training</p> <p>Working experience: Auditor in PT MutuAgung Lestari (2010-2015), Internal Auditor in PT AEP Tasik Raja (2015-2017), and Auditor in PT TUV Rheinland Indonesia (2017-present).</p>
Andreas Rahutomo	Auditor	<p>Education: Forestry Undergraduate – Universitas Gadjah Mada.</p> <p>Relevant trainings: RSPO LA Training, Upgrading ISO 9001:2015; Lead Auditor IRCA Approved ISO 9001, ISPO Lead Auditor Training, IFCC Auditor Training, RSPO Supply Chain Auditor Training, FSC FM/CoC Auditor Training.</p> <p>Professional experience: 5 years of working experience. Consultancy in several environmental projects (forestry and climate change) i.e. Forest Carbon Partnership Facility (Ministry of Forestry – World Bank), UNDP REDD+, and Indonesian Palm Oil Pledges (IPOP). Auditing experiences as palm oil and forestry auditor for several certification bodies i.e. Control Union, Bureau Veritas, and currently as permanent auditor at TUV Rheinland.</p>
Panggading H. Nainggolan	Auditor	<p>Education: Sarjana Bachelor of Social Science, Jakarta Institute of Social & Politic Science</p>

		<p>Training Attendaed:, ISPO by ISPO Commision, RSPO Lead Auditor (Pro-Forest, Daemeter), Quality Management System (QMS) Auditor/Lead Auditor (ISO 9001: 2015) IRCA by Neville Clarke, RSPO in house training by MAL Awareness of QHSE (management system review & integrated management system concept ISO 9001, 14001, OHSAS).</p> <p>Working experience: National Commission for Child Protection (KOMNAS Perlindungan Anak) as Staff, Common Ground Indonesia as Staff Education Program Division - Reporter at Global Quality Information (Golbal TV), Producer at Netwave Multimedia, Producer at satu Visi Perkasa Production, Project Supervisor at PT. Surya Solusi Informasi and Auditor at PT TUV Rheinland Indonesia.</p>
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2.3 Assessment Methodology

The 1stsurveillanceassessment was conducted on July 17 - 20, 2017 as per the assessment program below. The assessment was carried out in accordance with PT TUV Rheinland Indonesia's RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

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

All 6 (six) estates and 1 (one) mill were visited and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and mill.

The company proposed the correction and corrective action for all identified non conformities raised to the certification body 30 days after the closing meeting. Verification of closure of major non-conformances was conducted 2 months after the closing meeting of the main assessment and implementation of corrective actions for minor non-conformities will be verified during the next surveillence audit. The certification assessment agenda is as explained below.

1st Surveillance Assessment Agenda

Date	Location/ Main sites	Main activities
17-07-2017	- Permata Bunda (PB) Mill	07.30 – 12.00 - Travelling to site (PT Mutiara Bunda Jaya) 13.00 – 13.30 - Opening meeting 13.30 – 17.30 - Verification of previous audit findings - Document verification of PB Mill (GMP procedures, SCCS procedures, Training, OHS, EIA, SIA, Legality, Waste & Hazardous Waste, Internal Audit and etc.)
18-07-2017	PB Mill, Mesuji estate, KUD Surya Adi, and KUD Surya Bhakti	08.00 – 12.00 - Continues document verification and field visit to PB Mill (Mill processes, hazardous waste, POME, FFB receiving, Emergency Equipments, and etc.) 13.00 – 17.30 - Document verification of Mesuji Estate, KUD Surya Adi, and KUD Surya Bhakti (GMP procedures, EIA, SIA, Trainings, OHS, IPM, Manuring, Harvesting, Conservations, Maintenance, Spraying, Chemical Storage and etc.)

19-07-2017	Mesuji estate, KUD Surya Adi, and KUD Surya Bhakti, Surya Adi estate, KUD Sinar Jaya, and KUD Marga Mulya.	<p>08.00 – 12.00</p> <ul style="list-style-type: none"> - Field observation to Mesuji Estate, KUD Surya Adi, and KUD Surya Bhakti (spraying activities, buffer zones, local communities, harvesting, spraying, FFB Transport, Chemical Storage, Housing, OHS Implementation, Hazardous Waste Storage, and etc.) <p>13.00 – 17.30</p> <ul style="list-style-type: none"> - Document verification of Surya Adi estate, KUD Sinar Jaya, and KUD Marga Mulya. (GMP procedures, EIA, SIA, Trainings, OHS, IPM, Manuring, Harvesting, Conservations, Maintenance, Spraying, Chemical Storage, Fuel Store, and etc.)
20-07-2017	Surya Adi estate, KUD Sinar Jaya, and KUD Marga Mulya.	<p>08.00 – 12.00</p> <ul style="list-style-type: none"> - Field visit to Surya Adi estate, KUD Sinar Jaya, and KUD Marga Mulya. (spraying activities, buffer zones, local communities, harvesting, spraying, FFB Transport, Chemical Storage, Housing, OHS Implementation, Hazardous Waste Storage, and etc.) <p>13.30 – 15.30</p> <ul style="list-style-type: none"> - Confirmation of audit findings <p>15.30 – 16.30</p> <ul style="list-style-type: none"> - Closing meeting preparation <p>16.30 – 17.30</p> <ul style="list-style-type: none"> - Closing meeting

2.4 Stakeholder Consultation and Stakeholders Contacted

The stakeholder consultation involved both external and internal stakeholders. External stakeholders were notified to make comments on the certification assessment by placing an invitation to comment on the RSPO website. Stakeholders included those immediately linked with the operation of the company such employees, out-growers, the local government, NGO's, trade and labour unions and local communities.

Stakeholder consultation took place in the form of meetings and interviews. Meetings with stakeholders were held to seek their views on the performance of the company with respect to the sustainability practices outlined in the RSPO Principles & Criteria, and to comment on aspects where improvements could be made. Meetings with local communities were held at their respective premises within and near the company's area.

In all the interviews, the objectives of the RSPO and the purpose of the assessment was clarified at the outset followed by an evaluation of the relationship between the stakeholders and the company before discussion proceeded to obtain the stakeholders feedback on the company's compliance to different aspects of the RSPO Principles & Criteria. Although several stakeholders were not familiar with RSPO but they agreed with its objective and expressed their willingness to collaborate in the promotion of sustainable palm oil in South Sumatera province. In all interviews, the assessment team did not restrict discussion of both the positive and negative aspects of operations conducted by PT Mutiara Bunda Jaya estates and mill and smallholders.

2.5 Date of Next Surveillance Visit

The next surveillance visit is planned for July 2018.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

During the 1st surveillance assessment, 12 nonconformities were assigned against Major Compliance indicators while 8 nonconformities were assigned against Minor Compliance Indicators. 5 observations or opportunities for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in Section 3.2. The observations & opportunities for improvement are listed in Appendix 5.

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria November 2013 (INA-NI September 2016) and RSPO SCCS 2014 for detail information about company's compliances to RSPO P & C. Appendix

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

Findings:

Companies (PT. Mutiara Bunda Jaya – Permata Bunda Mill, PT. Aek Tarum, PT. Bina Sawit Makmur) and Cooperatives have commitment to provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders, it was stated on the IMS Procedure P-SAG-RO-CAS-08 rev.08. Relevant stakeholder that affected to operational plantation and also mills, such as plantation Agency, Environment Agency, head of villages, head of sub district, community leaders, tributary leaders, NGO, Contractors, representative from workers, FFB suppliers, smallholder representative, etc. The list of stakeholder will be updated every 6 months.

All records of incoming request of information keep maintained by Corporate, Affair and Legal (CAL) department and notified on Log Book of Stakeholder Communication (LB-SAG-RO-CAS-080001).

Unit head records incoming letter from external parties, CAL department distribute to relevant section in plantation or mill regarding the information requested or relevant issue. Sustainability department is responsible to handle issue related to product quality, environment, safety and health. CAL will response to requesting parties after get confirmation from respective section. The response for incoming request of information will be given 14 days after request come as stated on IMS procedure P-SAG-RO-CAS-08 rev.08 dated November 01, 2015.

Until the final audit most of incoming letter related to request of donation, there is no letter regarding request of information.

Some records related information requisition, some of them mostly request for aid. i.e.:

Mesuji

Letter 005/2136 / SAMES / 2016 29/11/2016 from the Head of Surya Adi Village concerning the aid for road repair, response from the management by providing 4.6 m3 of gravel from the Mesuji estate to Surya Adi Village Head on December 14, 2016.

Surya Adi

Letter No. 04/6 / SA-Mes / 2017 dated January 3, 2017 from Surya Adi Village Chief to Surya Adi Estate management regarding heavy equipment aid for move the

Compliance status: Yes No

NCR No: -

<p>trash , response from management with the providing heavy equipment to Surya Adi Village on 25 January 2017.</p>	
<p>Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>	
<p>Findings:</p> <p>The IMS Porcedure P-SAG-RO-CAS-08 rev.2 dated November 1st, 2015 section 7.1.4 state informations and document that can publicly available include but not limited to:</p> <ul style="list-style-type: none"> - Land titles/user rights Legal boundaries ,land use, classification, total area, grant title, permit validity, - Occupational health and safety plans risk assessment and mitigation ,emergency response plan, training, accident records - Plans and impact assessments relating to environmental and social impacts main social and environmental impacts and mitigation measures, - Identification on HCV areas, maps, management and monitoring HCV - Identification of pollutants, management and reduction measures - Nature of complaints, parties involved, status of case - SOP, consultative, neutral, inclusiveness, timeframe, Audit report - Human Rights Policy <p>Cooperatives also have their list of publicly document such as:</p> <ul style="list-style-type: none"> - Deed of establishment of KUD - Property Title - Business Place License (SITU) - Business and trade licenses (SIUP) - Tax ID Number (NPWP) - KUD Board of Directors - Pricing Mechanism of FFB Prices - List of Rules Cooperative Procedures Cooperative Policy - Accountability report - All information about all available for public upon request 	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>
<p>Criterion 1.3. Growers nd millers commit to ethical conduct in all businessoperations and transactions</p>	
<p>Findings:</p> <p>The Companies and Cooperatives have a general policy set associated with the management of the Ethical Commitment in Business "Our commitment is to behave ethically and with integrity in all business operations and transactions. Complying with the practice of fair business, the prohibition of all forms of corruption and other diversion, as well as openness to information in accordance with applicable laws and regulations. The policy has been available on the Bahasa and was communicated to all workers. Dissemination Code of Ethics in business on January 20, 2017 to all employees in Estate, at PermataBunda Mill August 14, 2015, to all stakeholders at group Office Belidaand clearly understood by staff from all level, including local business, contractor and suppliers (3rd party conducted at April 05, 2017)</p> <p>Records of communication and socialization were available such as list of participant, photograp and minutes of meeting.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>

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

Findings:

Evidence of compliance with relevant legal requirements available both Permata Bunda Mill, Mesuji estate, Surya Adi estate and KUD's and copies of legal requirements are also available in each site. Some records and documents were reviewed i.e.:

- The Company has adjusted the minimum payment for workers in 2017 with Memorandum from Managing Director No. 011/MD/II/2017 dated February 25, 2017 in accordance with the South Sumatera Governor's Decree NoNo. 117/KPTS/DISNAKERTRANS/2017 on Minimum Wage of South Sumatera 2017, i.e.: IDR.2,430,000.00,-. Staff and workers receive salary payment receipts (monthly pay slips) in a timely manner.
- Documentation of wage in June 2017 on behalf **Benjamin DanangKusumo**-Harvester (Surya Adi Estate) - IDR. 2,250,000 (25 day), **EfrinKenedy** – Harvester (Mesuji Estate) IDR 2,250,000,-, Fardiansyah (harvester) wages IDR. 2,430,000
- PT MBJ's licensing list that consisting of 4 (four) fields, i.e.: land and buildings; quality, environmental, health and safety; mill machineries and equipments; and certification of competency for operators. The documents were updated on May 2017.
- Document of evaluation of compliance with laws and regulations on OHS, dated July 30, 2016.
- Document of evaluation of compliance with laws and regulations on environment, dated July 30, 2016
- Document of evaluation of compliance with laws and regulations on plantation, dated July 30, 2016
- Document of evaluation of compliance with laws and regulations on other (e.g.: human resources, social, and etc), dated July 30, 2016. Next evaluation will be performed on August 2017.
- Integrated Management System Procedure Hukum dan Persyaratan Lainnya (No. P-SAG-RO-SUS-07, Rev.02, dated October 30, 2015). The procedure distributed to all sections and estates and mills under PT Sampoerna Agro Group.
- Memorandum No 071/SUS/VII/2017, dated July 13, 2017 and System & Certification Manager addressed to all manager of estate and mill, plasma manager IL Manager, CRM, Manager of CE, Manager of PM& DA, Manager of OPSM, Manager of Proc, Manager of FQA, Manager of IR, Manager of Seed Processing, coordinator of SI, RT&GA Asst Manager, P&PA Asst Manager, subject update form of identification of laws and regulation of OHS, environment, and other year of 2017.
- Document of identification of laws and regulations of OHS, environment, Plantation, and others (document no. FM-SAG-RO-SUS-07000, Revision 2). Structure of the document is consist of law (UU), government regulation (PP), Regulation/decree of president, regulation/decree of ministry, provincial regulation, and other regulations.

KUD Surya Bhakti

- Document identification of regulations of OHS, environment, plantation and others (FM-SAG-RO-SUS-07000, Revision 2)
- Evaluation of compliance with regulations related to OHS, Plantation, environment, and others, dated July 11, 2017

Compliance status:

Yes No

NCR No:
RSPO01279 – Indicator 2.1.1

- Legalization of change certificate (akte perubahan) of Koperasi Unit Desa (KUD) “Surya Bhakti” Marga Bhakti village, Mesuji Sub District, OKI district from Department of “Koperasi dan Pembinaan Pengusaha Kecil RI” dated July 15, 1996, No. 00399/BH/PAD/KWK.6/VII/1996, Board of management (Susunan Pengurus) : Chairman/Ketua: Bambang Sumarno.
- Letter No. 029/KUD-SB/MB-MES/III/2017, dated March 02, 2017, about election of board of management of KUD Surya Bhakti for period 2017 – 2019 held on Tuesday February 01, 2017, was attended by 729 of 809 members. In this letter described elected board of management and supervisors.
- Recommendation letter from Head of Environmental Agency of OKI District about environmental permit (SPPL) No.660/116/KEP.SPPL/DLH/2017, dated March 14, 2017. Name: KUD Surya Bhakti, located Margo Bhakti village, Blok D RT.07, RW.04, Sub district Mesuji, District of OKI, South Sumatera Province.
- Letter of permit of business location or Surat Izin Tempat Usaha (SITU) – large, No. 501/PTSP-BPPM/SITU/XI/2013, dated November 18, 2013. Validity period November 18, 2013 until November 17, 2018. The permit issued by licensing and investment agencies (Badan Perizinan dan Penanaman Modal) of Ogan Komering Ilir District Government.
- Business license or Surat Izin Usaha Perdagangan (SIUP) No. 454/PTSP-BPPM/SIUP/XI/2013, dated November 18, 2013, issued by licensing and investment agencies (Badan Perizinan dan Penanaman Modal) of Ogan Komering Ilir District Government. Kegiatan usaha Dagang Pupuk, Saprodi, Jual Beli TBS, Simpan Pinjam dan Angkutan.
- Disturbance permission (Izin Gangguan) No. 503/PTSP-BPPM/IG/XI/2013, dated November 18, 2015, issued by licensing and investment agencies (Badan Perizinan dan Penanaman Modal) of Ogan Komering Ilir District Government.
- Company registration license of cooperation (Tanda Daftar Perusahaan Koperasi) No.476/PTSP-BPPM/TDP/XI/2013, dated November 18, 2013, issued by licensing and investment agencies (Badan Perizinan dan Penanaman Modal) of Ogan Komering Ilir District Government.
- Certificate registration (Surat Keterangan Terdaftar) No. PEM-03550/WPJ.03/KP 1003/2013, dated November 20, 2013, issued by Pratama Tax Services Office of Kayu Agung, regional office (Kantor Wilayah) of DJP South Sumatera and Babel Islands – Directorate General of Taxation, Ministry of Finance of RI.

KUD Surya Adi

- Certificate of establishment of cooperative (Akta pendirian Koperasi Unit Desa) “Surya Adi” located at Unit I Pematang Panggang, dated May 25, 1980 which was approved on May 26, 1980 with no. 002158/BH/XX by head of Regional office of Cooperation South Sumatera province.
- Endorsement of certificate of change cooperation of “KUD Surya Adi” located on Surya Adi village, Mesuji sub district, OKI District. The certificate was passed by State Minister for cooperative, small and medium enterprises of the Republic of Indonesia, with decree no. 00351.b/BH/VII.5/PAD/D.PPK/VIII/2009, dated August 24, 2009. The change in accordance with law/UU No. 25 year 1992.
- Report of monitoring and inspection of KUD Surya Adi Supervisory Board on the performance of KUD Surya Adi of Book year 2016.

However, still found non conformity as stated on NCR No.RSPO01279 below.

The organization has established a documented system which include personnel in charge to manage, set a legal documents, list of international, national, provincial laws which detail requirements and relevant sections within the law that is identified

and linked to activities i.e.: "Procedure laws and other legal requirement, document no. P-SAG-RO-SUS-07, revision 02, effective date of October 30th, 2015". The procedure prepared by sustainability team, checked by MR Corporate and approved by Chief Executive Officer. This procedure applies to all related functions that have potential hazards and risks of OSH, aspects and environmental impact, plantations and other related requirements that include:

- a. All Regulation of OSH, environment, plantation and other related Requirements, published by the Central Government, local governments and the National board/International as well as other relevant institutions.
- b. Access to institutions and organizations that issues and publish legal regulations and other requirements of the OSH, environment, plantation and other related Requirements.
- c. Evaluation of compliance with Legal Regulations concerning fulfillment of OSH, environment, plantations and other related requirements.

In the procedure described person in charge, sources of info, frequency of update, and etc as follows:

- Sustainability team is responsible for:
 - a. Identify the Legal Regulations about the OSH, environment, plantation and other related Requirements periodically.
 - b. Evaluate adherence to regulatory compliance legislation about OSH, environment, plantation and other related requirements which must be executed by the company.
 - c. Inform the result of evaluating adherence with the regulatory compliance Legislation about OSH, environment, plantation and other requirements Related to their respective work units.
- Work Units Manager is responsible for creating a compliance program of laws and regulations.
- Updating of law and regulation will be performed once in 1 (one) year as minimal. Sources of information can come from for example internet browsing, government agencies, related associations, and etc.

Meanwhile, KUD Surya Bhakti, KUD Sinar Jaya, KUD Marga Mulya, KUD Surya Adi, have mechanism for identify and evaluation of laws and regulations on Plasma was defined in the "SOP Hukum & Persyaratan, Nomor SOP SA-PLASMA-PP-SUS-04, Revision date April 01, 2017". The SOP prepared by Plasma Manager (Wayan Saren), reviewed by General Manager Plasma (Ridwan Sibuea) and approved by Managing Director (Parluhutan Sitohang).

The SOP described mechanism for identify laws and regulations associated with OHS, environment, plantation, and others published by central government, local government, and others related with Plasma farmers of PT Sampoerna Agro, Tbk. And, also describe mechanism of compliance evaluation with OHS, plantation, environment and other related regulations.

There is evidence that copies of laws and regulations available on each stipulated KUD's a evidenced document of Memorandum No 071/SUS/VII/2017, dated July 13, 2017. The memo was issued by System & Certification Manager and addressed to all manager's of estates, mills, plasma, IL manager, CRM, CE manager, PM& DA manager, OPSM manager, proc. manager, FQA manager, IR manager, Seed Processing manager, SI Coordinator, RT&GA asst manager, P&PA asst manager ,

NCR No. ISPO01279 - Major Indicator 2.1.1:

The organization (PT MBJ and KUD) have not fulfilled some of the following laws

and regulations:

- Some of welders at Permata Bunda Mill have not license (SIO), i.e.: Sono Arian-to, Sulam, Dwi Susanto, and Arsedin Sukri Ali
- Some of Boiler operators at Permata Bunda Mill have not license (SIO) i.e.: Ujang Sapri, Setyo Danang Prasunu, Paryadi, and Indra Lesmana
- A Crane operator at Permata Bunda Mill has not license (SIO) i.e.: Acep Unen
- Some of electricians at Permata Bunda Mill have not got OHS training on Electric i.e.: Adi Tia dan Hermanto
- License of OHS of electrician assistant (Uli Yuliana) at Permata Bunda Mill) has been expired on December 21, 2015.
- First aider officers on Permata Bunda Mill, Mesuji Estate, Surya Adi Estate, KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya and KUD Marga Mulya have not license as required on regulation of Permenakertrans No. 15 Tahun 2008.
- Fire officer of Permata Bunda Mill have no qualification as required by decree Kepmenakertrans No 186 Tahun 1999.
- The members (farmers) of KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya and KUD Marga Mulya have not document of Surat Tanda Daftar – Budidaya (STD-B) – as required by agriculture ministry regulation Permentan No.98 OT.140/9/2013.
- Permata Bunda mill, Mesuji Estate, Surya Adi Estate have not reported activities of OHS committee (P2K3) for period January – June 2017 to authority agencies as required by regulation no. Permenaker No. 04 year 1987).
- KUD Surya Adi and KUD Surya Bhakti have not been able to show the working agreement between cooperative management and harvesters.

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

Findings:

The company has documents showing legal ownership as evidenced by following documents:

- Decree of the State Minister of Agrarian / Head of National Land Agency with the number: 19/HGB / BPN / 2001 on the granting of Hak Guna Bangunan Building Use Rights ('Hak Guna Bangunan' (HGB)) Certificate No. 1 dated August 7, 2001, total area 732.060m² (73,206Ha).
- Decree of the State Minister of Agrarian / Head of National Land Agency with the number: 31/HGU / BPN / 2002 on the granting of Hak Guna Usaha, dated September 4, 2002 Land Use Rights ('Hak Guna Usaha' (HGU)) Certificate No. 1 dated September 21, 2002, total area 588,97 Ha
- Decree of the State Minister of Agrarian / Head of National Land Agency with the number: 85 /HGU / BPN / 2005 on the granting of Hak Guna Usaha, dated July 5, 2005
- Land Use Rights ('Hak Guna Usaha' (HGU)) Certificate No. 22 dated July 29, 2005, total area 95,6 Ha
- Land Use Rights ('Hak Guna Usaha' (HGU)) Certificate No. 21 dated July 29, 2005, total area 67,5 Ha
- Land Use Rights ('Hak Guna Usaha' (HGU)) Certificate No. 20 dated July 29, 2005, total area 87 Ha.
- Decree of the State Minister of Agrarian / Head of National Land Agency with the number: 10/HGU/BPN/2001 on the granting of Hak Guna Usaha, dated July 3, 2001,
- Land Use Rights ('Hak Guna Usaha' (HGU)) Certificate No. 1 dated August 16,

Compliance status:

Yes No

NCR No:
RSPO01280

2001, total area 2.189,7Ha

All area has been certificate HGU and HGB. Total area in area statement 3.101,976 Ha. Meanwhile, total area as stated on HGU certificates and HGB 3.101,976 Ha.

Company has work instruction for maintenance and builds the boundary stone with document number WI-SAG-KBN-PML-0206 Rev.0 issue date 02/03/2015. The procedure stated that boundary stones maintenance will conducted once a year through the cleaning around the pillars and replace if any missing.

The company has established a document HGU Pillars Monitoring. Data of latitude and longitude points are available. Based on fields observation to Mesuji and Surya Adi estates, found that HGU pillars well maintained, easy to access, and Procedure of participatory mapping of dispute area contained in indicator 6.4.

KUDs

Documents showing legal ownership in KUD's are right of ownership certificate or sertifikat hak milik (SHM). However, some of legal ownership documents are not available and stated as a nonconformity with NCR No. RSPO01280. Herewith summary data of SHM individual members:

1. KUD Citra Sawit Mandiri: 1 (one) member has not SHM.
2. KUD Marga Mulya: 48 members have not data of SHM
3. KUD Mekar Sawit: all of individual members have SHM
4. KUD Sinar Jaya: 18 members have not data of SHM
5. KUD Surya Adi: 4 members have not data of SHM
6. KUD Surya Bhakti: 82 members have not data of SHM
7. KUD Tunas Harapan: all of individual members have SHM

There is no FPIC process at Mesuji Estate and Surya Adi Estate or In cooperative. Based on the study Social Impact Assessment documents, there are land issues that occurred in Mesuji Estate, It was personal land ownership in the core area of the company on behalf of **H. Abdu Roni** and **Ibrahim**. However, land issues have been resolved at 2002.

Letter agreement between the company's management with **Ibrahim** on September 03, 2002, with the result that all the problems of land claims on all parts of the Mesuji Estate PT AekTarum has been completed and no charges legally in the future, and the parties have agreed to resolve the problem with the consensus agreement peacefully.

The companies also has a conflict resolution procedure contained in the indicator 6.3.

There are no land dispute in area of Companies (Mesuji Estate and Surya Adi Estate). Procedure of participatory mapping of dispute area contained in indicator 6.4

NCR No. ISPO01280 - Major Indicator 2.2.1:

Some of documents of legal ownership of the land of KUD's members are not available, i.e.:

- KUD Marga Mulya: Karsi (02), H. Djafar Shodiq (03), Siti Hajar (04), and etc
- KUD Sinar Jaya: Evi Maiselma (44), Wetti (44), and etc

Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.

Findings:

Based on the study of the social impact assessment document there is no customary or traditional rights in companies area. The land was set by local governments

Compliance status: Yes No

NCR No: -

as a location PIR Trans (The nucleus estate community for transmigration) according to Governor of South Sumatera Decree No. 40/KPTS/BKMD/91. (Mesuji Estate dan Surya Adi Estate).

All information related to oil palm development, social-economic and environmental impact assessment, HCV assessment and procedure for land compensation is available in Bahasa Indonesia.

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

Findings:

The organization has business management plan in place, which are divided into each companies. i.e. Permata Bunda POM, Surya Adi Estate, Mesuji Estate, and smallholders.

The business plan for Permata Bunda POM is stated on the document of Rencana Bisnis PT Mutiara Bunda Jaya dated 8 January 2015. The plan includes both historical OER for 2010 – 2014 and the projected OER for 2015 – 2019. The POM utility rate is also stated on the plan, which are based on production capacity and throughput. The figures consist of 2009-2014 data and 2015 – 2019 projection, which vary between 77 – 99% of utility rate. The area statement of 2 suppliers to the POM i.e. Mesuji and Surya Adi Estate are included in the plan, which consists of planting year and hectareage. The FFB and CPO production projection for 2015 – 2019 are also available in the plan. There are data for 2009 – 2014 CPO and PK prices, which vary between Rp 6,208.- and Rp 8,262.-.The POMhas also recorded historical sales volume for 2009-2014 and conducted projection of 2015 – 2019 production which are expected to vary between 43,722 – 67,545 ton CPO. The document also states the CPO buyers, which are Sinar Alami Permai (Wilmar) and Asianagro Agung Jaya (Asian Agri). The business plan also includes SWOT analysis for reference in order to expand the business in the future. It also includes financial report for 2010 – 2014 regarding company’s profit/loss, which had been positive since the company had profited during the 2010-2014 period. The projection of future’s profit/loss for 2015-2019 are in place, with an expected continuous profit growth within the period. Assumptions used to forecast the profit/loss are stated also in the plan, e.g. CPO price, inflation rate, production cost, etc. The management plan is reviewed annually through Sampoerna Group’s annual review, encompasses the whole Sampoerna Agro entities including PT MBJ.

Business plan for Mesuji Estate is conducted under PT Aek Tarum, while for Surya Adi Estate is under PT Binasawit Makmur. The estate area statement is included in the plan. There are data of 5 years historical FFB production from 2010 – 2014. There is also productivity (ton/ha) for 2010-2014. The projected 2015-2019 FFB production are also stated. There is also financial projection for 2015-2019 for both companies along with profitability ratio projection for 2015 – 2019 and assumption used for this projection i.e. maintenance cost, FFB prices, inflation rate, etc.

All sampled KUD (Surya Adi, Surya Bhakti, Sinar Jaya, and Marga Mulya) has business plan document in place for 2017 – 2019 period. There are FFB production for 2012 – 2016 and projection for 2017 – 2021 along with potential yield of (ton/ha). The business plan already includes map of KUD location. The projection of FFB price and production cost are available in the KUD Budget Planning (RAB) for budget year 2017-2019. The FFB price uses Rp 1,700.-/kg for 2017-2019 projection, based on projected operational and production cost, the forecasted profit/loss can be de-

Compliance status: Yes No

NCR No: -

terminated both for KUD level and farmers, all data are available on the budget plan. The KUDs conduct annual member meeting (Rapat Anggota Tahunan) which will evaluate the production result and plan for the next budget. The determination of FFB price is based on the price decision by local authority plus 10% inflation rate for projected prices.

In the business plan of PT MBJ there is an explanation regarding replanting program. It is stated that the Mesuji and Surya Adi Estate are dominated by young palm planted in 2008. On the table at page 10 stated that the old palm exist at Mesuji Estate, which planted in 1989, 1991, and 1992. The replanting program is stipulated on the document of Ha-Replanting Inti dan Plasma 2017.xlsx. The data is reviewed annually by department of Management Operation Support (MOS) which monitors the replanting progress along the way. The Mesuji estate has been going through replanting activity since 2015, 2016, and currently in 2017 the program is still on going. The replanting activity data is for Mesuji Estate for 2015 – 2017 are 191.4; 433; and 1,164.8 ha respectively. There is no peat land within the certification are. The plasmas have not going through replanting program yet and it will be conducted in 2021.

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

Findings:

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

During the audit (ASA-01) there is no changes of Estate's SOPs.

Based on field observations (Block 26C and Block 24B – Mesuji Estate, Block 043 and Block 063 – Surya Adi Estate) and interviews with workers it known that workers could explain the work steps in accordance with the SOPs.

The company has also developed SOPs for its smallholders. The SOPs covers all aspect of oil palm planting and management. The document has documented on master list SOPs of smallholders. For example:

- Seeding (No. Doc: SA-PLASMA-PP-KS-01 dated October 1, 2015).
- Pest and Disease Control (No. Doc: SA-PLASMA-PP-KS-02 dated April 1, 2017).
- Manuring (No. Doc: SA-PLASMA-PP-KS-03 dated October 1, 2015).
- Harvesting (No. Doc: SA-PLASMA-PP-KS-04 dated October 1, 2015).
- Pruning (No. Doc: SA-PLASMA-PP-KS-05 dated October 1, 2015).
- Weeds Control (No. Doc: SA-PLASMA-PP-KS-06 dated October 1, 2015).
- Legume Planting (No. Doc: SA-PLASMA-PP-KS-07 dated April 1, 2017).
- Road and Bridge Maintenance (No. Doc: SA-PLASMA-PP-KS-08 dated April 1, 2017).
- Manuring Recommendation (No. Doc: SA-PLASMA-PP-KS-09 dated April 1,

Compliance status: Yes No

NCR No: -

2017).

- Soil and Water Conservation (No. Doc: SA-PLASMA-PP-KS-10 dated April 1, 2017).
- HCV Identification (No. Doc: SA-PLASMA-PP-KS-11 dated April 1, 2017).
- HCV Management and Monitoring (No. Doc: SA-PLASMA-PP-KS-12 dated April 1, 2017).
- Replanting (No. Doc: SA-PLASMA-PP-KS-13 dated April 1, 2017).

Based on field observations (Surya Adi Smallholder and Surya Bhakti Smallholder) and interviews with workers it known that workers could explain the work steps in accordance with the SOPs.

The Oil Mill has SOPs covering all mill operations such as FFB Grading, Sterilization Station, Press Station, Threshing Station, Oil Room, Kernel Plant, Laboratory, CPO & PK Despatch, Engine Room, Boiler Room, Electrical, Workshop as well as Raw and Boiler Water Treatment Plant, e.g.:

- The procedure related to Mill activity includes Recording and weighing of FFB, Loading Ramp, Sterilization, Press Station, Water Treatment and also Permit System, with no documents start to P-SAG-MCC-PRS-01 until P-SAG-MCC-PRS-16
- SOP Supply Chain System & Traceability (No. P-SAG-PKS-PRS-14 dated February 1, 2017 Rev.02). SOP changes related to additional responsibilities of each staff, changes related to the definition of TBS Sustainable, ISCC, ISPO, RSPO, Book & Claim etc

During the audit (ASA-01) the company changes some SOPs such as:

- SOP of Registration and Weighing (No. P-SAG-PKS-PRS-01 dated January 1, 2017 Rev.03). Changes in the SOP relates to the responsibilities of the Mill Manager, KTU, Security and Weighing Officers to ensure the implementation of RSPO, ISPO and ISCC requirements has implemented.
- SOP Supply Chain System & Traceability (No. P-SAG-PKS-PRS-14 dated February 1, 2017 Rev.02). SOP changes related to additional responsibilities of each staff, changes related to the definition of TBS Sustainable, ISCC, ISPO, RSPO, Book & Claim etc.

Based on field observations (Weight Station, Grading Station, Sterilizer Station, Boiler Station and Generator Set Station) and interviews with workers it known that workers could explain the work steps in accordance with the SOPs.

In order to ensure consistent implementation of the SOPs among all levels of the workforce in the field, the following mechanisms are utilized

- Assessment of internal audit Integrated Management System for Permata Bunda POM, Surya Adi Estate and Mesuji Estate conducted in April 2017. Evidence of the implementation submitted to the auditor team is a list of attendance opening and closing meeting, internal audit results in the form of Corrective Action Request and Observation as well as checklist audit.
- Assessment of internal audit Integrated Management System for Smallholder conducted in June 10 – 17, 2017. Evidence of the implementation submitted to the auditor team is a list of attendance opening and closing meeting, internal audit results in the form of Corrective Action Request and Observation as well as checklist audit.

Records of monitoring and any actions taken has/has not maintained and available, as appropriate.

It has been verified that there are 3rd party FFB received by the Mill. The mill has record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Permata Bunda POM has a list of 3rd party FFB suppliers from Smallholders and independent smallholder. There were 7 (seven) FFB suppliers coming from Smallholders and 8 (eight) suppliers from independent smallholder. The suppliers are as follows:

Smallholders	Independent Smallholder
1. KUD Bina Sawit Utama	1. Kelompok 192
2. KUD Jaya Bersama	2. Treekreasi Marga Mulia
3. KUD Mulya Jaya	3. Warsono
4. KUD Mekar Sari	4. Agus Salim
5. KUD Sumber Rezeki	5. WK 38
6. KUD Makarti Jaya	6. Rahmad Sejahtera
7. KUD Trantang Jaya	7. Sinar Sasongko
	8. KOPKAR SJ

All of suppliers has a contract. The contract of supply of FFB is made for 1 year period.

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

Findings:

Practices that maintain or enhance soil fertility to ensure sustained yield are contained in Recommendation of Oil Palm Fertilizer (No. Doc: P-SAG-RST-ASE-01 dated September 1, 2009). In addition to SOP, the company has also prepared work instructions (WI) related to fertilization techniques in the field. The WI includes: Single Fertilizer Application at Immature (WI-SAG-KBN-PML-2101 dated March 2, 2015 rev.02), Single Fertilizer Application in Mature (WI-SAG-KBN-PML-2501 dated March 2, 2015 rev. 02).

Actual fertilizer applications are recorded monthly and compared against fertilizer recommendations in the monthly estate manager's report with summary of reconciliation of fertilizer application schedule in the document of plan and realization of fertilizer. Fertilizer application schedule and records for each field is available and maintained at the respective estate offices. Sampled records for year 2017 showed that fertilizer application is done according to the Expert recommendation. Details of sample records as follows:

Type of Fertilizer	Realization (Kg)			
	Surya Adi Estate	Mesuji Estate	KUD Surya Adi	KUD Surya Bhakti
1. Urea *)	132,687	155,757	543,000	242,700
2. Rock Phospate *)	82,472	87,242	-	-
3. MOP *)	149,115	187,966	325,000	-
4. Dolomite	66,739	32,633	-	-
5. Borate	6,550	11,189	-	-
6. NPK	41,980	2,015	-	-

*) Recommended by Company Research Team to be applied in First Semester of 2017

Compliance status:

Yes No

NCR No:
RSPO01281

All of Smallholders (Surya Bhakti, Surya Adi, Sinar Jaya and Marga Mulya) are sampling during the audit has showed recording of fertilizer use. But some of them do not do fertilization activities in 2016 and 2017 (todate Semester I) in accordance with fertilizer recommendations provided by the company. **This condition raised as non-conformity (NCR RSPO01281).**

Foliar sampling is conducted on an annual basis and its results and corresponding fertilizer recommendations. The leaf nutrient assessment to determine the levels of nitrogen, phosphorus, potassium, calcium, magnesium and boron in the palms was conducted. The results of foliar sampling 2016 provided the input for fertilizer recommendations for 2017 which is now being followed by the estates. For example result of foliar sampling 2016:

Mesuji Estate

Year Planting	Foliar Analysis 2016						Rachis Analysis 2016			
	Macro Nutrient (%)						Nutrient (%)			
	N	P	K	Ca	Mg	B (ppm)	P	K	Ca	Mg
Bts Bwh	2.40	0.150	0.90	0.50	0.25	15	-	-	-	1.30
Bts Ats	2.80	0.190	1.20	0.75	0.40	25	-	-	-	1.60
TT 1991	2.43	0.161	0.92	0.38	0.20	17	0.087	1.49	0.19	0.09
TT 1995	2.40	0.161	0.80	0.43	0.24	18	0.105	2.06	0.22	0.08
TT 1996	2.49	0.171	0.96	0.36	0.23	16	0.098	1.90	0.16	0.07
TT 2002	2.42	0.161	0.84	0.37	0.21	19	0.099	1.79	0.20	0.04
TT 2010	2.51	0.165	0.88	0.57	0.29	24	0.084	1.93	0.29	0.15
TT 2012	2.62	0.168	1.17	0.50	0.29	22	0.091	1.82	0.21	0.09
Rerata	2.48	0.164	0.93	0.43	0.25	19	0.091	1.82	0.21	0.09

Source: Integrated Laboratory SGRO, Palembang – South Sumatra, 2016

Based on document observation, it known that foliar analysis for Smallholder was inconsistent every year according to SOP which has been determined by the company. **This condition raised as non-conformity (NCR RSPO01282).**

Soil analysis was also conducted on 5 (five) years by an internal lab with soil samples taken from each estate field. The last analysis conducted in 2014 and will be analyzed again in 2019.

As part of the nutrient recycling strategy the company implement use of Empty Fruit Bunches (EFB). The EFB Application utilized in Immature Areas and used as mulch for beneficial planting.

NCR No.: RSPO01281 (indicator Minor 4.2.2)

All of Smallholders (Surya Bhakti, Surya Adi, Sinar Jaya and Marga Mulya) are sampling during the audit has showed recording of fertilizer use. But some of them do not do fertilization activities in 2016 and 2017 (todate Semester I) in accordance with fertilizer recommendations

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

Findings:

The company has maps of soils detailing their soil profile. As seen on the map the soil types in PT Aek Tarum (Mesuji Estate), PT Bina Sawit Mandiri (Surya Adi Estate) and Smallholders as follows:

Compliance status: Yes No

NCR No: -

Mesuji Estate

- *Typic aquic kandiudults/ aquic dystrodepts* with an area of 172.43 Ha.
- *Plinthaquic kandiudults* with an area of 113.11 Ha
- *Plinthic kandiudults* with an area of 1,449.04 Ha
- *Typic Kandiudults* with a an area of 705.22 Ha

Kebun Surya Adi

- *Typic kandiudults* with an area of 250.2 Ha
- *Typic dystrodepts* with an area of 60.90 Ha (sedimentary rock, clay gravel and loam rock)
- *Plinthic kandiudults* with an area of 237.70 Ha

Smallholders / KUD

- *Typic Kandiudults / Hapludult* with a an area of 5,453.20 Ha
- *Plinthaquic kandiudults* with an area of 1,609.98 Ha
- *Rhodic Kandudult* with an area of 1,708.52 Ha
- *Typic / Aquatic Dystrodept, Typic endoaquept* with an area of 1,869.24 Ha

All identified soil types are the soils of medium fertility category (not fragile soil) because the soil type is not sandy soil (bad drainage), acid sulphate soils, peat and others.

Based on observation of soil analysis document (2014) it known that there is no area with steep slope category. The topographic rating of the entire plantation area (Nucleus and Plasma) is included in the flat to wavy category with a slope angle (0 - 8%).

There is a road maintenance programme that is rigorously adhered to. The road maintenance programme covers the distribution of gravel stones, grading and compacting and levelling of estate roads, construction and maintenance of bridges as well as construction of silt pits especially near slopes to allow for water run-off into the pits and prevent erosion of access roads. Some examples road maintenance realization on 2017 (until Semester I) as follows:

Unit	Plan (m)	Realization (m)
Mesuji Estate	131,250	26,250
Surya Adi Estate	31,685	15,842.5
KUD Surya Adi	91,250	9,125
KUD Surya Bhakti	61,834	7,420
KUD Sinar Jaya	73,567	11,035
KUD Marga Mulya	72,317	9,531

Based on observation of soil analysis document (2014), there is no peat land areas on operational estate (nucleus and plasma).

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

Findings:

The company has conducted corrective action against previously identified non-conformity, which is evidenced by certificate of water analysis. The company has gain legal permit for water utilisation.
 The company also has developed water management plan for mill, which is stated on the document of Program Efisiensi Sumber Daya Air PKS Permata Bunda dated

Compliance status: Yes No

NCR No: -

20 July 2017. The mill uses water from reservoirs sourced from river. There are data of water usage for the last month (June 2016 – June 2017) i.e. 309,665 m³ of raw water as input. The annual program for water efficiency are leakage repair on steam pipeline, heat isolator repair on pipeline, and water usage for condensate sterilizer as diluents at pressing station.

In plasma level, To monitor and protect water course, there is a procedure for HCV management and monitoring, namely SOP Pengelolaan dan Pemantauan KBKT di KUD (SA-PLASMA-PP-KS-12 dated 1 April 2017). The identified HCV value is HCV 4, i.e. riparian zone. Thus, the SOP states that the plantation near riparian zone are not to be treated with agrochemicals. The palm near riparian zone are to be let to grow naturally without any maintenance activity either manual or chemical. The palms on 2nd, 3rd row and so on are allowed to be treated manually (circle and path) without agrochemicals. Not all KUD within the certification scope have river flows through their area. KUD with river flow are KUD Surya Adi, Mekar Sawit, and Citra Sawit Mandiri. The river distribution map are stated on each HCV assessment document.

Watercourse protection in the nucleus estates is conducted based on SOP Pengelolaan dan Pemantauan KBKT (no. P-SAG-KBN-NKT-02 issued on 1 Dec 2015 rev.1). The document states the details of HCV management and monitoring. The SOP states that the plantation near riparian zone are not to be treated with agrochemicals. The palm near riparian zone are to be let to grow naturally without any maintenance activity either manual or chemical. The palms on 2nd, 3rd row and so on are allowed to be treated manually (circle and path) without agrochemicals

Other procedure is for identification of HCV which is SOP Identifikasi Nilai Konservasi Tinggi (No. P-SAG-KBN-NKT-01 issued on 1 July 2012 rev.0).

Based on field verification to rivers at Mesuji Estate, Surya Adi Estate, and KUD Surya Adi it was evidenced that the riparian zones are well protected with coloured poles as identification of non agrochemical zone.

To manage mill effluent, the company has developed environmental management plan based on the mandatory EIA (AMDAL). Based on document Laporan Pelaksanaan RKL dan RPL PT Mutiara Bunda Jaya Semester II 2016 it is known that the effluent management is conducted by reducing effluent debit through increasing in-house keeping and drainage separation and effluent channel. The mill discharges the waste water into the river, thus there is a permit to conduct such activity, namely Keputusan Bupati OKI no: 369/KEP/D.LH/2017 tentang Izin Pembuangan Air Limbah Industri Minyak Sawit kepada PT MBJ dated 12 Juni 2017 valid for 5 years. The company conducts monitoring activity to ensure that the chemical substances in the effluent do not exceed the threshold, evidenced by the 2016 and 2017 certificate of analysis. The analysis were conducted by outsourced laboratory i.e. UPTD Laboratorium Lingkungan Dinas Lingkungan Hidup dan Pertanahan Pemerintah Provinsi Sumatera Selatan.

The mill keeps the data of water usage per tone FFB processed. For process consumption from January – June 2017 is 1.16 m³/ton FFB, while for domestic consumption is 0.61 m³/ton FFB for the same period. On the document of Program Efisiensi Sumber Daya Air PKS Permata Bunda dated 20 July 2017, the mill uses water from reservoirs sourced from river. There are data of water usage for the last month (June 2016 – June 2017) i.e. 309,665 m³ of raw water as input. The amount is used as boiler (133,918 m³) and process water (72,105 m³), thus the normal mill water usage rate is 0.83 m³/Ton FFB.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

<p>Findings:</p> <p>The Company was managed using appropriate Integrated Pest Management (IPM) techniques. Some evidences showed to auditor team are:</p> <ol style="list-style-type: none"> The Company has made procedure related IPM such as: P-SAG-KBN-PML-16 Rev-01 dated March 16, 2012 regarding Leaf Pest Control, P-SAG-KBN-PML-17 Rev-01 dated March 16, 2012 regarding <i>Thirataba's</i> Pest Control, P-SAG-KBN-PML-18 Rev-01 dated March 16, 2012 regarding Rat's Pest Control, P-SAG-KBN-PML-19 Rev-01 dated March 16, 2012 regarding Introduction and Development of <i>Tyto Alba</i>. This procedure described that before pest and diseases growing rapidly, the company should be conducted the Early Warning System (EWS). EWS implementation conducted with routine census activity. This result of census activity would be used for IPM recommendation. If the result of census showed level of pest and diseases attacking under the economic level, so control of pest and diseases were not use chemical material (can be use biological and or manual control). But if the result of census showed of pest and diseases almost and or over the economic level, control of pest and diseases could be use chemical material. But control with the chemical material should be accordance with the dosage recommendation from supplier. Based on global telling report and pest & disease monthly report (January to December 2016 and January to Juni 2017) that there was not a significant attacked based on the SOPs requirements (level of pest and diseases attacking medium category). So that to control attack it by manual/hand picking and using agro-chemical accordance recommendation. The use of pesticides only done for weed control especially for circle weeds control. The Company was also developed beneficial plant such as <i>Turnera subulata</i>. <i>Sp</i>, <i>Antigono</i>. <i>Sp</i> and developed natural predator for rat (<i>Tyto alba</i>). Based on field observation at Mesuji Estate, Surya Adi Estate, Plasma Estate (KUD Surya Adi and Surya Bhakti) it known <i>Turnera subulata</i>. <i>Sp</i> has developed along on main road. The Company has delivered IPM training on March 20, 2017 (refreshment) for all workers being person in charge in pest management or early warning system. Material issues on training were handling of pest and disease (caterpillar) by manual (hand picking and beneficial plant) or chemist and telling mechanism. The records of training were invitation letter, minute of meeting, attendance list and photograph. 	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>
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Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.

<p>Findings:</p> <p>The company has a policy on safe use of pesticides, i.e.: Memorandum No. 0049 / GM1/ V / 2014, dated May 31, 2014 concerning the application and use of pesticides is limited.</p> <p>The company has a procedure for the use of selective products specific to target pest, weed or disease and which have minimal effect on non-target species, among others:</p> <ul style="list-style-type: none"> - SOP No. P-SAG-PML-KBN-12 Weed Control (March 16, 2012) - SOP No. P-SAG-KBN-PML-18 Pest Control of Rat (March 16, 2012) - SOP No. P-SAG-KBN-PML-17 Pest Control of Tirataba (March 16, 2012) - SOP No. P-SAG-KBN-PML-16 Pest Control of Leaf (March 16, 2012) <p>The company has a pesticides application program and records of pesticides uses,</p>	<p>Compliance status: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>NCR No:</p> <ul style="list-style-type: none"> - RSPO01283 - 4.6.2 - Major - RSPO01284 - 4.6.3 - Major - RSPO01285 - 4.6.4 - Minor - RSPO01286 - 4.6.5 - Major - RSPO01287 - 4.6.10 - Minor
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<p>as documented on Pesticides Toxicity Unit Monitord documents both on Mesuji and Surya Adi estate. However, the records has no contain detail the active ingredient use and their LD50, area treated, amount of active ingredient applied per ha and number of application. This fact rised as a nonconformity (NCR No. RSPO01283 – Major indicator 4.6.2).</p> <p>The company's list of chemicals as seen from the company's agrochemical consumption summary includethefollowing:</p> <ul style="list-style-type: none"> ▪ GARLON 480 EC (a.i. triklopir butoksil etil ester 670g/L) ▪ GRAMOXONE (a.i. parakuat diklorida 276 g/L) ▪ STARANE (a.i. floroksifir metil heptil ester 295g/L) ▪ ELANG (a.i. isopropil amina glifosat 480g/L) ▪ METSULINDO (Methyl Metsulfuron) <p>IPM plan and implementation has been explaind in the criterion 4.5. Effectiveness of IPM plan monitored and proved there is no prophylactic use of pesticides. However, a non conformity rised due to reduction of pesticides/chemical uses as a part of IPM both of Mesuji Estate, Surya Adi Estate, KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya, and KUD Marga Mulya (NCR No. RSPO01284 – Major indicator 4.6.3)</p> <p>Complete listing of WHO class 1A, calss 1B and Stockholm or Rotterdam conventions pesticide are available. There is the use of “Ratgone” pesticideswith active ingredient brodifacum (included in WHO class 1A) on KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya and KUD Marga Mulya. However, there is no policy, commitment and management plan to reduce the use of the pesticides (ratgone). This fact rised as a non conformity under minor indicator 4.6.4 (NCR No. RSPO01285).</p> <p>The organization has defined a documented procedure for safe chemical/pesticide handling i.e.: IMS Procedure Handling of Material B3 (P-SAG-RO-PCR-05, Revision 01, issue dated October 01, 2012). The procedure was cover risk and impacts pesticides applications. The records of training for workers who apply or handle pesticides are available, for example certificate of training of limited pesticides use on behalf: Amirudin, Aam Amirudin, Ahmad Roji, M. Ridwan, Waris, Yono, Hasim, Suyono, Jumair, Tugianto, A Taufik, M. Zuhdi, M. Saepudin, Nur Ahmad Jumiko, Suyono, Agus Suprianto, Yasun Permata, Dwi Lestari, Sutrisno, Ahmad Romadoni, Sudarto, (Surya Adi estate), and etc. The training was provided by the authorised agency. However, during field visit to Group 4 of KUD Surya Bhakti, activities spray “anak kayu” found some deficiency i.e.: MSDS of material (Garlon) not available, some of workers not apply PPE (gloves) during handling the pesticides material, there is no chemical drip container when pouring the pesticides into Cap. These facts rised as a non conformity to Major indicator 4.6.5 (NCR No. RSPO01286).</p> <p>The company has define a documented procedure for pesticides storage i.e.: IMS Procedure Hamdling of Material B3 (P-SAG-RO-PCR-05, Revision 01, issue dated October 01, 2012). There is evidence that the company stored chemicals on the appropriate store, e.g: secure, good ventilation and lighting, equipped with storage racks, provided labels and signage appropriately, spill kits and emergency equipments are available, first aid kits and PPE also available, there is clear separation between pesticides, and also equipped with spill container to accommodate the spill if any. All of pesticides containers are disposed in accordance with applicable regulations. There is no found any pesticides containers usefor other purposes.</p> <p>The company has no applied aerial spray of pesticides.</p>	<ul style="list-style-type: none"> - RSPO01288 4.6.11 - Major - RSPO01289 4.6.12 - Major
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The company has licensed temporary hazardous waste store and has agreement with licensed company for disposed out the hazardous waste (including pesticides containers). Records of disposed out pesticides containers are available. However, there is no records of pesticide/chemical containers in KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya and KUD Marga Mulya. This facts rised as a non conformity to Minor indicator 4.6.10 (NCR No. RSPO01287)

Records of updated list of pesticides operators and records of annual medical surveillance of pesticides operators are available and maintained both on Surya Adi estates and Permata Bunda Mill. However, there is no evidence that annual medical check up for workers who handling pesticides at KUD Surya Bhakti, KUD Sinar Jaya, and KUD Marga Mulya and Mesuji estate has been performed. This facts rised as a non conformity to Major indicator 4.6.11 (NCR No. RSPO01288).

The organization (Permata Bunda Mill, Surya Adi and Mesuji estates) have established a policy on preventing pregnant and breast-feeding women from handling pesticides, i.e.:Memorandum No. 0044/MD/VIII/2010, dated August 31, 2010, dari Managing Director and addressed to all manager of estate/RS/OPA, ASE SR, subjected Prohibition of employing pregnant and breast-feeding women for handling (e.g.: spraying) and fertilizing. The memo was signed by ditandatangani oleh Yasin Chandra. Updated list of female workers handling pesticides available. System to identify pregnant and breast-feeding women has been established and records of its implementation are available. However, there is no evidence that KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya and KUD Marga Mulya has defined a policy for preventing pregnant and breast-feeding women from handling chemical and a system to identify and prevent pregnant and breast-feeding women handling chemical. This fact rised as a non conformity to Major indicator 4.6.12 (NCR No. RSPO01289)

NCR No.: RSPO01283 (major indicator 4.6.2)

The records of pesticides use has no contain detail the active ingredient use and their LD50, area treated, amount of active ingredient applied per ha and number of application.

NCR No.: RSPO01284 (major indicator 4.6.3)

The reduction of pesticides/chemical uses has not as a part of IPM both of Mesuji Estate, Surya Adi Estate, KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya, and KUD Marga Mulya.

NCR No.: RSPO01285 (minor indicator 4.6.4)

There is no policy, commitment and management plan to reduce the use of the pesticides (ratgone) which include category WHO class 1A at KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya dan KUD Marga Mulya.

NCR No.: RSPO01286 (major indicator 4.6.5)

During field visit to Group 4 of KUD Surya Bhakti, activities spray “anak kayu” found some deficiency i.e.: MSDS of material (Garlon) not available, some of workers not apply PPE (gloves) during handling the pesticides material, there is no chemical drip container when pouring the pesticides into Cap.

NCR No.: RSPO01287 (minor indicator 4.6.10)

There is no records of pesticide/chemical containers in KUD Surya Bhakti, KUD

Surya Adi, KUD Sinar Jaya and KUD Marga Mulya.

NCR No.: RSPO01288 (major indicator 4.6.11)

There is no evidence that annual medical check up for workers who handling pesticides at KUD Surya Bhakti, KUD Sinar Jaya, and KUD Marga Mulya and Mesuji estate has been performed.

NCR No.: RSPO01289 (major indicator 4.6.12)

There is no evidence that KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya and KUD Marga Mulya has defined a policy for preventing pregnant and breast-feeding women from handling chemical and a system to identify and prevent pregnant and breast-feeding women handling chemical.

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

Findings:

The organization (Permata Bunda Mill, Mesuji and Surya Adi estates) has defined a policy of occupational health and safety (OSH) signed by Marc Louette (Chief Executive Officer) in Jakarta on July 01, 2015. The policy has been written in Bahasa, so can easy to understand by all personnels at all levels and functions within the organization. The policy was included the mitigation of risks to health and safety of workers in all work activities. The contents of the policy as following as sampled:

- a. Prioritize and do the continuous improvement of aspects of quality, environment, safety and occupational health and safety products.
- b. In optimum prevent work accident and occupational diseases, which are caused by the conditions and unsafe acts

The policy has been socialized to all personnels within the organization and third parties who visit to the organization's location, e.g.: socialization at Permata Bunda Mill, Surya Adi and Mesuji estates dated April 28, 2016, April 10, 2017, and June 12, 2017. The Based on sampled interview with some workers found that they are aware about the policy. OHS's policies also available on KUDs.

The organization and KUD have established OHS plan including targets for improving OHS performances. There are sufficient evidences that the plan has been implemented and monitoring, e.g.: "Program K3", monthly OHS meeting, emergency equipments inspection, OHS inspections, accident analysis, training of first aid kit dated July 13, 2017 at Permata Bunda Mill, OHS socialization and PPE maintenance dated February 06, 2017, socialization of MSDS dated July 10, 2017, briefing of OHS and PPE dated April 20, 2016. There is evidence that the effectiveness of the OHS plan monitored periodically at monthly based and reported to authorized agencies periodically at three monthly based.

The organization (Mesuji and Surya Adi estates and Permata Bunda Mill) has defined a IMS procedure of "Identifikasi Aspek Lingkungan dan K3, Penentuan Tujuan, Sasaran dan Program Lingkungan dan K3", document no. P-SAG-RO-SUS-08, Revision 01, dated June 01, 2012. The procedure explained on how to conduct identify of hazards, assess of risks and and risk controls. Result of hazard identification, risk assessment and controls documented on document "Identifikasi Penilaian Terhadap Aspek Dampak Lngkungan, Potensi Bahaya dan Resiko serta Pengendaliannya". The last updated of the document was June 11, 2016. Document of risk assessment

Compliance status: Yes No

NCR No:

- RSPO01290 – 4.7.4 - Major
- RSPO01291 – 4.7.7 – Minor

also available on the KUD.

The organization has defined OHS training programs where the records of training available both on Mesuji and Surya Adi estates, Permata Bunda Mill and also KUD. Some records of training were reviewed, e.g.: training of first aid kit dated July 13, 2017 at Permata Bunda Mill, OHS socialization and PPE maintenance dated February 06, 2017, socialization of MSDS dated July 10, 2017, briefing of OHS and PPE dated April 20, 2016. Based on field observations found that the workers was provided appropriate PPE such as safety helmet, safety shoes and gloves for harvester. Apron, mask, helmet, safety shoes, rubber glove, and safety goggles are PPE provided for pesticides sprayer. There is sufficient evidence that PPE provide to all workers at the place of work to cover all potentially hazardous operations and replaced when damaged.

The company has established OHS committee namely P2K3 as functioned to plan and implement OHS. Regular meeting of OHS was performed each month as required by laws are available for year 2016. Records of OHS meetings are available such as attendance list and minute of meeting. Based on minute meeting records found that all parties concern about health and safety. However, there is no evidence that routine meeting of OHS for period January to June 2017 has performed. This facts rise as a nonconformity to Major indicator 4.7.4 (NCR No. RSPO01290)

The organization has established documented procedure dealt with accidents and emergencies, i.e.:

- a. Procedures of emergency preparedness and response, document no. P-SAG-KBN-DRR-01, revision 2, dated September 14, 2015. This procedure applied for estates.
- b. Procedures of emergency preparedness and response, document no. P-SAG-PKS-DRR-01, revision 0, dated September 1, 2009. This procedure applied for Mill.

This procedure includes all operations that involve all employees within the company, contractor employees, and as well as all parties within the area of responsibility of the company. The procedure written in Bahasa so easy to understand by all workers at all levels and functions within the organization.. The SOP was cover all major potential emergencies, such as, fire, chemical spillage, and potential flood. There is evidence that accidents investigated and action taken to prevent recurrence. Accident records provided to the local authority in accordance with local legal requirements, i.e.: Manpower agency of OKI District. The organization has assigned first aider team (under emergency response team). Records of training of first aider available both on Permata Bunda Mill, Mesuji estate Surya Adiestate and KUD. Based on field visit found that first aid kits available appropriately, for example on Permata Bunda Mill, KUD Surya Adi, KUD Surya Bhakti, and KUD Sinar Jaya. The organization also provided free clinic for all workers and their family.

There is sufficient evidence that all workers of the companies provided medical care, include accident insurance in accordance with applicable regulations, i.e.: BPJS (health and employment). Payment slips of BPJS insurance are available. Meanwhile, KUD has agreement with local clinic (Puskesmas) to cover accident risks.

The organization was recorded occupational injuries using lost time accident (LTA) metrics, as sample on Permata Bunda Mill, Mesuji and Surya Adi estates. However, injuries records on KUD Sinar Jaya and KUD Marga Mulya not include LTA metrics.

<p>This facts rised as a non conformity to minor indicator 4.7.7 (NCR No RSPO 01291)</p> <p>NCR No. RSPO01290 – Major indicator 4.7.4 There is no evidence that Permata Bunda Mill, Surya Adi and Mesuji estates and KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya and KUD Marga Mulya has performed routine OHS meeting for period January to June 2017.</p> <p>NCR No. RSPO01291 – Minor indicator 4.7.7 Record of accidents has no contained LTA metric as sample in KUD Sinar Jaya and KUD Marga Mulya.</p>	
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Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

<p>Findings:</p> <p>The company has formal training programme for all staff/worker including contractor workers that covers all aspects of the RSPO Principles and Criteria, as seen on document name</p> <ul style="list-style-type: none"> - Training Plan Form (FM-SAG-HO-HR-020001 dated December 1, 2015). - Training Results Form (FM-SAG-HO-HR-020002 dated December 1, 2015). - Training Evaluation Form (FM-SAG- HO-HR-020003 dated December 1, 2015), Training Recapitulation Form (FM-SAG-HO-HR-020004 dated December 1, 2015) and - Participant Training Form Personal Data (FM-SAG-HO-HR-020002 dated December 1, 2015) <p>Some of the training that has been given to staff, employees, contractor workers and Smallholder management i.e.:</p> <ul style="list-style-type: none"> - Awareness RSPO and ISCC. - Training for crane operator. - IPM training - Sterilizer operator training - Sprayers calibration training and sprayers operator - Security training - Safety driving <p>Training records for each employee has been maintained such as list of participant, materials and certificates.</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NCR No: -</p>
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Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

<p>Findings:</p> <p>The company has an environmental impact assessment (EIA) documented. Details of EIA document as follows:</p> <p>PT Mutiara Bunda Jaya (Permata Bunda POM and Plasma) PT MBJ has an EIA document which has received approval from the authorized institution through Decree No. 157 / BA.5 / V / 1996 dated May 6, 1996 by the Central AMDAL Commission, Ministry of Agriculture of the Republic of Indonesia. The AMDAL document covers all of operational activities including: mobilization of heavy equipment and materials, labor utilization, infrastructure development such as roads, housing and public facilities, land clearing, soil conservation such as land cover and</p>	<p>Compliance status: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>NCR No: RSPO01292 – Minor indicator</p>
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drainage, wildlife prevention, FFB and waste management. The scope of the EIA study covers of 1,000 ha nucleus estate area and 10,000 Ha of Plasma with 1 unit of POM with a capacity of 60 tons FFB / hour.

PT Aek Tarum (Mesuji Estate).

PT Aek Tarum (Mesuji Estate is part of PT Aek Tarum) has an EIA document which has received approval from the authorized institution through Decree dated 28 October 2005 by the Ministry of Agriculture of the Republic of Indonesia. The EIA document covers plantation operational activities including: mobilization of heavy equipment and materials, labor utilization, infrastructure development such as roads, housing and public facilities, land clearing, soil conservation such as land cover and drainage, wildlife prevention, FFB and waste management. The scope of EIA study covers of nucleus area of 4,769.6 Ha, 6.669.6 Ha of Plasma, Other Area (infrastructure etc) of 1.615.5 Ha with 1 unit of POM with a capacity of 60 tons FFB / hour. At the time of the previous assessment (Stage-2) there were findings on the scope of EIA studies that did not match the actual extent of the managed. To that matter the company can show evidence of explanation letter from the authorized institution (Environment Agency of Ogan Komering Ilir Regency) Number: 660/197 / B.LH / 5.1 / 2016 dated May 23, 2016. In the letter explains that the EIA document of PT Aek Tarum does not require a revision because the scope of the EIA study has been based on a Location Permit of 15,000 Ha so that the EIA document is still relevant until present.

PT Bina Sawit Mandiri (Surya Adi Estate)

PT Bina Sawit Makmur (Surya Adi Estate) has an EIA document in the form of Environmental Management Efforts and Environmental Monitoring Efforts (UKL-UPL) approved by the authorized institution in 2006 where the scope of the document covers seedling activities and oil palm activities in the pre-construction, construction, operation and post operation phase located in Mesuji Subdistrict, Ogan Komering Ilir Regency, South Sumatera Province with an area of 588.97 Ha.

The preparation of EIA documents has considered national and local regulations and has been in consultation with all affected stakeholders. This is done as a requirement in the preparation of EIA documents regulated in legislation related to the preparation of environmental impact assessment documents

The document has described the types of impacts arising from plantation operations, the management is carried out, the monitoring methods to be performed, the management and monitoring arrangements to be performed, the personal in charge responsible for environmental management and monitoring, the agency that oversees the environmental management and monitoring and reporting period to authorized agencies. But, based on document observation of Management and Monitoring Report for the period of Semester I and II of 2016, it known that the report does not cover the operational activities of plasma / KUD which are included in the EIA documents. This condition rised as a non-conformityto minor indicator 5.1.2 (NCR RSPO01292).

The company already has a document of environmental management and monitoring plan. The document is an inseparable document of an EIA document. The plan has reviewed as every 1 (one) year to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. The last reviewed was conducted on Dec 2016.

NCR No. RSPO01292 – Minor Indicator 5.1.2

Report of implementation of environmental management plan and environmental monitoring plan (RKL – RPL) for period Semester I & II 2016 not cover operational activities of KUD that are part of the assessment in the analysis of environmental impact assessment.

Criterion 5.2: The status of rare, threatened or endangered species (ERTs) and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

Findings:

During this audit it was verified that the smallholders which apply scope extension have also conducted the HCV assessment. The HCV assessments for KUD were conducted according to each of their respective parent companies. The reports are as follow:

- Report of High Conservation Value of Plantation of Plasma of PT Mutiara Bunda Jaya (Laporan Penilaian Nilai Konservasi Tinggi Perkebunan Kelapa Sawit Plasma PT Mutiara Bunda Jaya), by ReMark Asia on March 2017. The Lead Assessor was Sutji Rahaju Shinto (ALS1502355). The scope consist of plasma plantation under PT MBJ, i.e. KUD Marga Mulya, Surya Bhakti, Surya Adi, Sinar Jaya, Tanjung Mesayu, Sari Makmur, and Sumber Makmur. However the ones that get into the certification scope are only KUD Marga Mulya, Surya Bhakti, Surya Adi, and Sinar Jaya. The identified HCV is only HCV 4 (environmental services) which is happened to be rivers flowing through KUD Surya Adi area, i.e. Ulak River (3-5 m width) and Songkeh River (2-5 m width). With riparian buffer zone of 5 m on each river sides, the total HCV constitutes an area of 6.54 ha (2.97 ha at Ulak River and 3.57 ha at Songkeh River).
- Identification of High Conservation Value (Identifikasi Nilai Konservasi Tinggi) on Plantation Area of Plasma of PT Aek Tarum by Bioref Faculty of Forestry IPB, on February 2017. The Lead Assessor was Ahmad Faisal Siregar (ALS15005AS). The scope consist of plasma plantation under PT Aek Tarum i.e. KUD Bina Sawit Utama, KUD Mulya Indah Permai, KUD Mekar Sawit, KUD Citra Sawit Mandiri, KUD Tekad Mandiri, KUD Panca Sawit Makmur, and KUD Jaya Bersama. However the ones that get into the certification scope are only KUD Mekar Sawit and KUD Citra Sawit Mandiri. The identified HCV is only HCV 4 (environmental services) which is happened to be rivers flowing through KUD Mekar Sawit and KUD Citra Sawit Mandiri, i.e. Deras River. The riparian buffer zone implemented is 10 m, based on the RSPO Best Management Practice 2013, thus the total riparian buffer zone is 0.4 ha (0.16 ha at KUD Citra Sawit Mandiri and 0.24 ha at KUD Mekar Sawit).
- For KUD Tunas Harapan there is the document of Assessment of NKT/HCV Full Assessment of PT Telaga Hikmah (Balian Sejahtera Abadi, Dewa Makmur, Harapan Jaya Mandiri, Ipoh Raya, Puger Mulya, Tunas Harapan) by PT Fodec Khatulistiwa 2017. The team leader was Iksal Yanuarsyah (ALS150381Y). The identified HCV is HCV 4 (Badak Mati Riparian Zone), however it is not located in KUD Tunas Harapan, but in KUD Ipoh Raya which is outside the certification scpoe.

The KUD area are generally located in Komering, Padang Mas, and Mesuji Ulu Sub-Watershed (Sub-DAS) with the Songkek and Ulak River flow through the KUD areas all the way to the downstream Mesuji River. This watershed area has become land-

Compliance status: Yes No

NCR No:

- RSPO01293 – Major indicator
- RSPO01294 – Major indicator
- RSPO01295 – Minor indicator

scape boundary for HCV assessment. Based on contour map the whole KUD areas have a relatively flat landscape i.e. 0 – 8 % of slope. KUD Marga Mulya, Surya Bhakti, Surya Adi, Sinar Jaya, and Tunas Harapan are located outside forest area (APL) based on Minister of Forestry Decision namely SK Menhut No: 76/Kpts-II/2001 dated 15 March 2001. However KUD Mekar Sawit and KUD Citra Sawit Mandiri are located inside the production forest area based on SK Menhut no. 866/Menhut-II/2014. Although the 2 KUD areas are classified under forest area, this is not relevant anymore with actual site condition, because since 1998 (prior to the ministerial decision) the area had already become location for government's transmigration project with community nucleus estate scheme (PIR), thus each individual, by right, has attained land title certificate which make it a non forest area.

On the other hand, similar with previous audit result, the nucleus company has conducted HCV assessment. HCV Report for Mesuji Estate is included under PT Aek Tarum, i.e. Laporan Identifikasi NKT di Areal Perkebunan Kelapa Sawit PT Aek Tarum year 2014. HCV assessment for PT Aek Tarum (Mesuji Estate) was conducted on 6 - 8 May 2010 (field/ground assessment) followed by desktop study for assessment scoping on April 2010. Field assessment was conducted with 4 sample plots in river zones and 5 villages within the coverage area of 2891.15 ha which includes nucleus and plasma. This HCV assessment has been carried out by a combination of independent consultant and internal staff which responsible for HCV, consists of RSPO registered team leader (Mr Siswoyo), 2 registered and 2 non registered team members and supported by a GIS expert. HCV document is also already peer reviewed by accredited independent consultant (Mr. Kresno Santosa) on April 2014. The HCV Map is available i.e. HCV Map KUD Mesuji Estate scale 1:60.000.

For Surya Adi Estate there is Laporan Akhir Identifikasi dan Analisa Keberadaan NKT di Areal Perkebunan PT Binasawit Makmur 2012. The existing HCV is 4.1 i.e. Riparian zone of Ulak River as wide as 7.8 ha located at Surya Adi Estate block 033, 043, and 053 with HCV map available. Based on the HCV assessment result there are several protected species found within the area (refer to previous audit report). The company has conducted protection measure against those species and the HCV area which stated on the SOP Pengelolaan dan Pemantauan KBKT (P-SAG-KBN-NKT-02 tanggal 1 Des 2015 rev.1). In the SOP besides protecting the species with no hunting policy, there is also protection measure for riparian zone at Surya Adi and Mesuji Estate.

In total, the HCV area in Mesuji estate is 62.98 ha consist of HCV 1.1, 1,3, and 4.1 in form of riparian zone of Ulak River, whilst 7.8 Ha of HCV 4.1 and potential HCV 1.1 found in Surya Adi estate. The 7 KUD area have 6.85 ha HCV of riparian zone. The entire HCV assessments were conducted on both the planted area itself and relevant wider landscape-level considerations, in this case the watershed area (DAS). All HCV assessment activities have been conducted with stakeholder consultation, which is evidenced by attendance list as part of the documents' annexes.

The Mesuji and Surya Adi estates have already established HCV management plan. Several management activities are inter alia HCV boundary marking, boundary maintenance, installation of hunting prohibition and HCV identification signage, HCV rehabilitation and enrichment. During the audit it was evidenced that the company has established series of management and monitoring program (phasing) for 2016 – 2020 in the form of matrix which consist of activity type, unit of measurement, activity volume, and year of execution. The implementation progress of the abovementioned

planning is conducted continuously. Annual activities are continue to be carried out such as boundary marking, area, flora and fauna protection through installation of sign boards, riparian rehabilitation, and HCV dissemination to employees. During field verification to Mesuji Estate at Blok 12 there was replanting activity which is done adjacent to the riparian zone of Deras River. The palms as far as 50 m from the river bank were not cut down in order to protect the riparian zone. For plasma level, based on the respective HCV assessment reports, it can be concluded that there is no significant RTE species identified, the existing HCV criteria is only for HCV 4 i.e. riparian zone. The HCV assessment has generated management and monitoring recommendation for the riparian zone based on its potential threat, e.g. pollution by agrochemicals, unsustainable fishing practice, and river bank abrasion. The recommended mitigation measure are establishing protection procedure and sign board on field with routine monitoring. These efforts have been conducted by plasma management, based on field visit to Songkeh riparian zone at Group 44 and Ulak riparian zone at group 22/23 of Surya Adi Estate it was evidenced that the KUD have installed perimeter poles every 200 m interval with 5 m width from the river bank to protect the riparian zone from agrochemical application.

As mentioned above, the landscape of assessed MU both nucleus and plasma do not include areas with significant RTE Species. Nonetheless efforts are made to protect existing HCV are i.e. riparian zone, for example KUD Surya Adi has appointed person in charge for HCV maintenance. The nucleus and plasma have established policy for protection of wildlife and biodiversity. The KUDs have conducted awareness dissemination on protected wildlife evidenced by several attendance list. The Mesuji and Surya Adi Estate have established procedure for HCV management and monitoring which includes efforts to maintain riparian zones and protection of existing biodiversity along with local species enrichment planting. In line with the HCV monitoring and management plan Mesuji state has conducted revegetation activity with ketapang (*Terminalia catapa*) species for an area of 26.6 ha with 1,000 seeds. There are also several evidences of awareness dissemination at Mesuji and Surya Adi Estate. Based on interview with farmers and nucleus company staffs there is no finding of any party capturing/harming RTE species. Based on field verification and interview it is concluded that There is no HCV area overlapping with local communities land.

NCR No. RSPO01293 – Major Indicator 5.2.1

- KUD Surya Adi: Existing HCV's map (scale 1:15:000) of Surya Adi estate has not shown distribution of river flow and riparian.
- The data presented on the attachment of flora and fauna of Final Report of Identification and Analysis of HCV on Plantation Area of PT Bina Sawit Makmur 2012 are use data PT Sawit Selatan..

NCR No. RSPO01294 – Major Indicator 5.2.2

KUD Tunas Harapan, KUD Citra Sawit Mandiri, KUD Mekar Sawit, KUD Surya Adi, KUD Surya Bhakti, KUD Sinar Jaya & KUD Marga Mulya have been not able to shown HCV's management plan and monitoring plan.

NCR No. RSPO01295 – Minor Indicator 5.2.4

KUDs has not performed monitoring HCV as recommended by HCV study and management plan and monitoring plan.

Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

Findings:

The company has conducted corrective action against previously identified minor non-conformity, which is evidenced by :

- Memorandum no: 559/MI/V/2016 dated 21 May 2016 regarding Field Burning Prohibition
- Attendance list of fire prohibition dissemination at warehouse area on 23 May 2016 attended by 17 participants.

POM, nucleus estates, and KUDs have identified sources of wastes, e.g. used lubricants, used battery, electronic wastes, used rug, printer/photocopy machine toner/catridge, contaminated goods, medic waste, used fluorescent light bulb, used chemical container, and laboratory waste. On the identification document there are impact analysis, risk level, and risk mitigation measure. Based on field verification to KUD Surya Adi, Surya Bhakti, Sinar Jaya, and Marga Mulya and also to Surya Adi Estate it was evidenced that chemicals and their empty containers are disposed off responsible. For Surya Adi Estate the chemical containers are stored inside the TPS LB3 (registered hazardous waste storage). During filed visit to the plantation there was no evidence of indiscriminate disposal of hazardous waste. For plasma (KUDs), the empty chemical containers are managed properly by putting them into chemical warehouse with segregation between new and used chemical container.

To dispose the hazardous waste Permata Bunda POM, Mesuji, and Surya Adi Estate implement a cooperation with hazardous waste handling contractor. The waste management plan for Surya Adi and Mesuji Estate are stipulated in Integrated Management System Procedure Pengendalian Limbah di Kebun (P-SAG-KBN-LMB-01 dated 30 October 2015 rev.2). The document consists of means to handle hazardous and domestic waste. Mesuji Estate has a permit to keep the hazardous and toxic waste with Regent of Ogan Kemiring Ilir Decree No.680/KEP/BLH2015 date on September 10th, 2015, whilst Surya Adi has permit No. No. 378/KEP/BLH2015 date on September 10th, 2015. Both licenses are valid for three years. Permata Bunda POM also has a valid hazardous storage licence namely Keputusan Bupati Ogan Komeri ng Ilir no: 681/KEP/BLH/2015 tentang Izin Penyimpanan Sementara Limbah B3 kepada PT Mutiara Bunda Jaya dated 10 September 2015 valid until 3 years.

The plasma plantations also have been given permit to establish their hazardous waste storage, i.e. Keputusan Bupati Ogan Komeri ng Ilir no: 383/KEP/D.LH/2017 tentang Izin Pengelolaan Limbah B3 untuk Kegiatan Penyimpanan Sementara Limbah B3 kepada Pengelolaan Kebun Plasma PT MBJ dated 19 June 2017 valid for 5 years. This permit is issued for 6 locations i.e. for KUD Marga Mulya, Surya Bhakti, Surya Adi, Sinar Jaya, Tunas Harapan, and Makarti Jaya. Other permit for other KUD is Keputusan Bupati Ogan Komeri ng Ilir no: 384/KEP/D.LH/2017 tentang Izin Pengelolaan Limbah B3 untuk Kegiatan Penyimpanan Sementara Limbah B3 kepada Pengelolaan Kebun Plasma PT Aek Tarum dated 19 June 2017 valid for 5 years. The permit is for 8 locations, i.e. KUD Bina Sawit Utama, Citra Sawit Mandiri, Mekar Sawit, Tekad Mandiri, Panca Sawit Makmur, Jaya Bersama, Mulya Indah Permai, and Jadi Mandiri. Therefore, all 7 KUDs included in the certification already have valid hazardous storage licences.

In general the plasma have conducted proper and responsible handling of hazardous waste with the establishment of procedure namely SOP Penanganan B3 dan Pengendalian Limbah di KUD (SA-PLASMA-PP-LMB-01 dated 1 April 2017), wich consist of ways on handling hazardous material and waste and domestic waste without using open fire. The domestic waste are classified into organic and an-organic, this scheme has been implemented at the KUD office premises. It is also mentioned that efforts to minimise domestic waste are conducted by everyone's commitment to re-

Compliance status:

Yes No

NCR No:

- RSPO01296 – Major Indicator
- RSPO01297 - Minor indicator
-

duce waste production. Hazardous waste from plantation activities are to be put into chemical storage while waiting for the completion of registered hazardous waste storage.

NCR No. RSPO01296 – Major Indicator 5.3.2

Belum terdapat bangunan TPS Limbah B3 di KUD sample (KUDs Surya Bhakti, Surya Adi, Sinar Jaya, dan Marga Mulya have permit to build Temporry Hazardous Waste Store, however they have not yet built it. Currently, hazardous waste still store at pesticides store temporary.

NCR No. RSPO01297 – Minor Indicator 5.3.3

- KUDs Surya Bhakti, Surya Adi, Sinar Jaya, and Marga Mulya have not records of hazardous waste appropriately (including type, sources, quantity/volume, time and etc).
- Based on field visit to KUD Surya Bhakti found that management of an-organic waste not according to procedure (e.g.: domestic waste littered in the fertilizer warehouse).

Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimized.

Findings:

As of the previous NCR regarding biofuel usage monitoring, based on the interview with Mr. Ilham Dwi Putra (GHG and HCS Analyst) since 2016 the company has not utilised biofuel anymore, thus there is no monitoring against biofuel usage. Nonetheless the company still conducts monitoring on fossil fuel usage. Several evidence on monitoring for PT Aek Tarum are Monitoring Penggunaan Bahan Bakar Fosil (Solar) Bulan Mei 2016 dated 2 June 2016 which monitors the usage of diesel fuel compared to the total amount accepted from supplier. There is also program and monitoring to make an efficient use of fuels i.e. Program dan Monitoring Efisiensi Pemakaian Bahan Bakar Fosil (BBM) at Mesuji Estate on May 2016 and Surya Adi Estate on June 2016, the program is broken down for each vehicle type, e.g. dump truck, electrical engine, and heavy equipment. Several efforts conducted to make efficient fuel usage are maximising delivery tonnage, reducing electicity burden, reducing over-time, conducting vehicle and road maintenance. Several of those items are also relevant to plasma level, e.g. vehicle and road maintenance.

Fossil fuel usage are being monitored regularly for mill, nucleus and plasma. Based on the monitoring data it is known that the direct fossil fuel use per tonne of FFB and CPO at Permata Bunda POM in 2016 are 0.32 L/ton and 1.59 L/ton respectively. The updated data in 2017 cover the period from January – June which are 2.26 L/ton FFB and 10.7 L/ton CPO.

Compliance status: Yes No

NCR No: -

Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.

Findings:

Nucleus and plasma estates implement zero burning policy. There is a policy document namely Kebijakan dated 5 July 2015 signed by Chief Executive Officer. On point number 9 state the commitment of environmental destruction and land clearing without burning. The dissemination of Mesuji Estate policy was conducted evidenced by Daftar Hadir dated 20 January 2016 attended by 36 participants. Other than that there were also disseminations on 20 January, 2 February 2016 and 16 March 2017 (54 participants) at several locations. Dissemination Surya Adi Estate Policy was ev-

Compliance status: Yes No

NCR No: -

idenced by Daftar Hadir Sosialisai Kebijakan Berkelanjutan di Kebun Surya Adi dated 10 January 2017 attended by 36 participants. There was also dissemination given to outside stakeholder evidenced by Daftar Hadir Stakeholder Meeting (review dampak social, sosialisasi NKT, sosialisasi prosedur komunikasi, Sosialisasi CSR, Sosialisasi Wistle Blowing & Sosialisasi Kebijakan) Inti dan Plasma T Aek Tarum, PT Mutiara Bunda Jaya, & PT Binasawit Makmur on 16 March 2017 attended by 54 participants.

At KUD Surya Bhakti there is a policy on fire prohibition, i.e. Kebijakan & Komitmen Bersama dated 12 May 2017 specifically under point 9. This policy had been disseminated on 13 May 2017 attended by 53 participants. For protection measure against land fire the KUD had conducted several awareness training for its members with evidenced as follow:

- Daftar Hadir Peserta Pelatihan Sertifikasi Pemadam Kebakaran dated 7 April 2017 with subject of Perundang-undangan, Teori Dasar Metode Pemadaman dan SPBK. There are 4 representatives of KUD Surya Bhakti.
- Simulasi Pemadaman Kebakaran/Formasi Regu Pemadaman dated 9 April 2017, with 4 4 representatives of KUD Surya Bhakti
- P3K, Gelar Gulung Selang, GPS, Peralatan Pemadam dated 8 April 2017 with 4 representatives of KUD Surya Bhakti.

At KUD Surya Adi based on interview with KUD members the land preparation during planting in 1995-1996 were not using fire. The land preparation used chipping of exisited plants, which was dry land agriculture plants (palawija). Several evidences of fire protection awareness dissemination are:

- Attendance List of Rapat Triwulan ke Satu dated 26 April 2017, attended by 37 participants. In this occasion there was also dissemination of fire prohibition.
- Policy on fire prohibition is stated on Kebijakan & Komitmen Bersama dated 11 April 2017 at point 8.

At KUD Sinar Jaya there is a policy document namely Kebijakan dan Komitmen Bersama dated 1 January 2017 signed by KUD Treasury, KUD Secretary, KUD Head. Under point 8 stated a commitment to prevent environmental damage and land preparation without fire. This policy had been disseminated evidenced by Daftar Hadir dated 22 May 2017 attended by 50 participants. The same situation also happen at KUD Marga Mulya where there is policy in place namely Kebijakan dan Komitmen Bersama dated 1 January 2017 signed by KUD Treasury, KUD Secretary, KUD Head. Under point 8 stated a commitment to prevent environmental damage and land preparation without fire. This policy had been disseminated evidenced by Daftar Hadir Sosialisasi Mekanisme Komunikasi Serta Kebijakan Bersama dated 20 May 2017 attended by 56 representatives of farmer groups.

Based on the field verification to Mesuji and Surya Adi Estate, also to KUD Surya Bhakti, Surya Adi, Marga Mulya, and Sinar Jaya it was evidenced that no fire has been used in the purposes of plantation management. This is already in line with the company and KUD policies.

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

Findings:

Consistent with previous audit result, the nucleus company has identified activities that produce greenhouse gas emissions either in the estate or mill. The documented evidence are divided into 3 documents each serves for each companies, i.e. PT Aek Tarum (Mesuji Estate), PT Binasawit Makmur (Surya Adi Estate), and Permata Bunda POM. At the estate several identified activities are FFB production, fertilizing application, pesticide and herbicide application, electronic usage, and fossil fuel, meanwhile at the mill the activities are electricity for powerplant, fossil fuel, CPO

Compliance status: Yes No

NCR No: -

transportation, effluent (POME), and chemical usage. The identification are stipulated on the document of Rencana Manajemen & Mitigasi Gas Rumah Kaca PT Bina Sawit Makmur by July 2017, GHG Management and Mitigation Plan PT Aek Tarum by May 2017, and Laporan Pemantauan Emisi Gas Rumah Kaca June 2017 for Permata Bunda POM. The sources of pollution and emission for Plasma/KUD level are included in the document of Laporan Pemantauan Emisi Gas Rumah Kaca June 2017 for Permata Bunda POM since the plasma supply to Permata Bunda POM. Plans to reduce GHG emission are in place for plantation and mill. This is evidenced by the document of Rencana Manajemen & Mitigasi Gas Rumah Kaca PT Bina Sawit Makmur by July 2017, GHG Management and Mitigation Plan PT Aek Tarum by May 2017, and GHG Management and Mitigation Plan for Permata Bunda Mill and its suppliers by June 2016.

The targeted GHG emission mitigation for POM suppliers which are PT Bina Sawit Makmur (Surya Adi Estate) is 74.95 kgCO₂e/Ton FFB, meanwhile the GHG emission mitigation target for Mesuji Estate is 74.95 kgCO₂e/Ton FFB. Both of the targets are based on 5 year plan (2017 – 2021). To achieve such target, GHG emission reduction & mitigation program conducted by estates and plasma are as follow:

- GHG Awareness training which will be conducted twice a year
- Conservation area maintenance as carbon sink which will be conducted annually
- Efficient use of an-organic fertilizer (annually)
- An-organic fertilizer substitution with EFB (annually)
- Efficient use of pesticide and herbicide (annually)
- Efficient use of fossil fuel (annually)
- GHG emission monitoring (annually)

The evaluation against the abovementioned program will be conducted annually based on GHG emission monitoring report. Evaluation result will be put into annual GHG emission monitoring report which will become an input for any program adjustment in the following years.

The company records GHG emission data of Permata Bunda POM suppliers, including Inti Permata Bunda Satu (IPBS), Sumber Sawit, Belida, 3rd party, and KUD Bina Sawit Utama which are outside this certification scope but send their FFB to Permata Bunda POM. The MU has implemented GHG monitoring and reporting by using RSPO Palm GHG Calculator version 3.0.1. The result of such calculation has been sent directly by the company to RSPO Secretariat, evidenced by e-mail from Ilham Dwi Putra to devaladevi@rspo.org dated 5 June 2017 with e-mail subject “GHG for Permata Bunda POM, PT. Mutiara Bunda Jaya subsidiary of PT.Sampoerna Agro.Tbk”.

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

Findings:

The companies (PT. Aek Tarum, PT. MBJ), PT BSM have social impact assessment (SIA) documents, the assessment was conducted in year 2012. The document prepared by Faculty of Forestry, Bogor Agriculture Institute (IPB) held on 01-19 September 2012. Cooperatives are include in companies SIA document. Villages surrounding PT. AekTarum (Mesuji Estate and Surya Adi Estate) according to attendant list such as PematangPanggang (5 participants), SumberDeras (6 participants), Kali Deras (11 participants), Surya Adi (10 participants), Tegal Sari (4 participants), workers (25 participants). Villages surrounding PT. MBJ (PermataBunda Mill) according to attendant list such as Margo Bhakti (6 participants), MakartiMulya (8 participants), DabukMakmur (13 participants), Mill workers (15 participants). There

Compliance status: Yes No

NCR No: -

are also the result of FGD during the assessment process there are also some issues that arise during consultations such as : Problems tenure, environment, social economy. , Affected parties are represented by local government officials, community leaders, representatives of employees, KUD plasma.Aspects contained in the SIA document such as:Population, Education facilities, Public health, Religion, Ethnicity, Work, Public Facilities, Transportation and Security, Land ownership and legality by the Community, Livestock Husbandry and Moving Asset ,Community Income and Expenditure .

1. The positive impacts include the availability of employment opportunities, opening up opportunities sought assistance in the field of education, assistance in health, assistance in the fields of religion, aid in the social, accessibility becomes easier, the village is growing (public welfare and rural development) and transfer technology to the community through the cultivation of oil palm plasma program.
2. Negative impact people's perceived pollution of air, reduced availability of groundwater, and the negative impact on social conditions.

Companies have a social program management plans for 2017 have been adjusted to the results of the current review in 2015. Entire social management plan has been prepared in accordance with some of the plan that are not currently relevant such land issues. However some plan still relevant for actual to increase the positive impact such monitoring the management of industrial waste, planting around the pond waste, improving road infrastructure, assistance for religious activities, agri-business training for farmers, the socialization of PPE usage, conducting sports interests and talents for workers. plans have been prepared in accordance with a defined time and the person in charge of each activities to be conducted.

Companies already conducted stakeholder meeting held on August March 16, 2017 at Belida the group's office, it was attended by Cipta Sari Head Village, Mekar Wangi Head Villages, Surya Adi Head Village. Review document have been completed on February 2016 with result that social management plan is required in accordance with the consultation and aspirations with stakeholders , some of plan do not relevant with actual conditions , there will be adjustments to social management plan. There are also the result of FGD during the assessment process there are also some issues that rise during consultations such as : Problems tenure, environment, social economy. , Affected parties are represented by local government officials, community leaders, representatives of employees, KUD plasma. There is described in the documents that include analysis of the impact of SIA plantation activities against smallholder, the effects are positive impact on improving the economy for the community members smallholder.

There is described in the documents that include analysis of the impact of SIA plantation activities against smallholder, the effects are positive impact on improving the economy for the community member smallholder.

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

Findings:

The company has Consultation and communication procedures, it is documented on P-SAG-RO-CAS-08. There is a management official letter regardsing assignment of responsible person for sosial issues, it was stated on decree letter No. 063/HRS/SK/P/II/2015 dated March 08, 2015, Purwoto as Community Relation Manager and decree No. 035/AEKT/II/2015 dated January, 05 2015, ArifHendrawan as CSR assistant .

A list of stakeholders is well maintained, the list contain, representative from small-

Compliance status: Yes No

NCR No: -

holders, head of village, FFB Suppliers, local institution, NGO, Sub Contractors, FFB suppliers, housing contractor, community leaders from affected parties. Stakeholder consultation to inform Company's communication procedure, HCV, CSR socialization conducted on March 16, 2017.

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

Findings:

The open system regarding dispute resolution is available integrated with the communication and complaint procedure on P-SAG-RO-CAS-08, the company also established policy to protect anonymity of complainants and whistle-blowers. There is record related complaint from worker at Surya Adi Estate, NurcahyoIndarto, complaints about the leaking roofs, broken doors and windows submitted Dec 29, 2016. Response from management by repairing those broken things on April 22, 2017.

Compliance status: Yes No

NCR No: -

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

Findings:

A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation have been in place, it is determined on IMS Procedure P-SAG-RO-CAS-03 rev2 dated December 2, 2013. However there is no evidence that procedure are jointly developed, agreed and accepted by local communities. The company explained that the draft was made by company and was communicated to stakeholder's especially local community by August 14, 2015. The procedure include for calculating and distributing compensation (monetary or otherwise)

Compliance status: Yes No

NCR No: -

Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Findings:

The Company has adjusted the minimum wage payment for employees in 2017 with Memorandum from Managing Director No. 008/MD/II/2017 dated January 24, 2017 in accordance with the South Sumatera Governor's Decree NoNo. 772/KPTS/DISNAKERTRANS/2016 on Minimum Sectoral Wage South Sumatera 2017 IDR. 2,430,000,- or. 97,200 / day. Staff and workers receive salary payment receipts (monthly pay slips) in a timely manner. (June 2017)

Companies Workers

M. BahtiarRifai, (Sorting team, daily paid) earn IDR. 1,846,000 for 19 days.

Ryan Giovani (warehouse checker, permanent) earn IDR 2,434,000

Kasiono(Harvester, Permanent) earn IDR 2,757,050.

Suharjono(Harvester, Daily paid Worker/BHL) earn 2,602,000.

Cooperatives also have payment documentation for their workerseg KUD MargaMulya and SinarJaya, however KUD Surya Adi and KUD Surya Bhakti can not show the payment documentation for harvester and sprayer. This condition raised non conformity for those two cooperatives. **NCR RSPO01298 (Major 6.5.1)**

The company has documented working agreements called Collective Labour Agreement ('PerjanjianKerjaBersama' or PKB) 2015-2017 that regulate the rights and obligations of employees/workers signed by the Director and Chairman of the

Compliance status: Yes No

NCR No:
RSPO01298 – Major indicator

Worker Union , approved by South Sumatera Social, Labour and Transmigration Office. effective from Nopember 23, 2015 for a period of 2 (two) years, with a renewal period of 1 (one) year.

Collective Labour Agreement (PKB) contained working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc and company already distributed the PKB pocket book to all workers

All units (Mill and Estates) has a adequate facilities for the welfare of workers.This can be proved, on the results of interviews with union, most of workers already receiving housing facilities, water supplies gained from wells in the housing and other facilities has provided by the company. Medical facilities also available in all units.

NCR No: RSPO01298 – Major indicator 6.5.1

KUD Surya Adi and KUD Surya Bhakti can not show the payment documentation for harvester and sprayer.

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

Findings:

There is a published statement in local languages recognising freedom of association shall be available. It is stated on Sampoerna Agro Policy issued on July 21, 2015 section 4. The policy has been publish in all public area, such as meeting room, loading ramp, sport hall and housing area. A workers union has been established, it is called “SerikatPekerjaSampoerna Agro (SPSA)”. Registration apporval from local Labour Office OganKomerlingllir. It was sight letter of registration No. 18/D.Naker-Trans/Cat/IV/2016 February 05, 2016.

Sampoerna Agro Worker Unions (SPSA) Minutes dated May 17 2017 ,in the office of the secretary of SPSA PUK Mesuji district , discusses about renewal of Collective Labor Agreement and administration of membership in the Union (SPSA), attended by all representatives of the all union's unit .

Compliance status: Yes No

NCR No: -

Criterion 6.7: Children are not employed or exploited.

Findings:

Company has commitment that children are not employed or expoited, it is stated on Sampoerna Agro Policy dated July 21, 2015 section 5. The minimum age to be employed is 18 years.

It was sight from the list of workers both casual and permanent workers including subcontractor workers, there is no workers under 18 years both in the estate and the mill. It was also confirmed by the workers during visited on the field (Div I Mesuji Estate and Surya Adi Estate)

Based on employees database there are no workers under 18 years , example the youngest worker eg:

- Diana Sari, Checker-Mesuji Estate, date of birth October 16,1993.
- Isa Al As`ari Harvester-Surya Adi Estate, date of birth December 26, 1996

Compliance status: Yes No

NCR No: -

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

<p>Findings:</p> <p>There is a company policy on non-discrimination and equal opportunity, it is stated on Sampoerna Agro Policy issued on July21, 2015 section 4. The commitment about equal opportunity was stated also in new working agreement. The policy was communicated to all workers especially during morning briefing. There is evidence about morning briefing on July 8, 2015 and October 24, 2015. All policy will be distributed to all staff, casual worker and permanent staff. There is no discrimination to the workers in company's estate and mill as confirmed by the workers during field checking.</p> <p>The company demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>There is standard operation procedure for recruitment process i.e. IMS No. P-SAG-ADM-KTU-04 Rev.01 dated September 01, 2014. There is also Standard Operation procedure for employee promotions. (PPK) P-SAG-RO-HRS-03.</p> <p>Mesuji</p> <p>Memorandum No. 0133 / MI / III / 2015 dated March 12, 2015 regarding the promotion from Permanent worker become Monthly worker on behalf OpikSutisna (bookkeeping), RahayuPurmaningsih (Division Admin). Worker Recapitulation (June 2107) , in Employee table below :</p> <p>Mill</p> <table border="1" data-bbox="212 1104 748 1243"> <tr><td>Staff</td><td>13</td></tr> <tr><td>Monthly Worker</td><td>96</td></tr> <tr><td>Permanent worker</td><td>65</td></tr> <tr><td>Daily Paid Worker</td><td>12</td></tr> </table> <p>Surya Adi</p> <table border="1" data-bbox="212 1310 748 1449"> <tr><td>Staff</td><td>7</td></tr> <tr><td>Monthly Worker</td><td>24</td></tr> <tr><td>Permanent worker</td><td>65</td></tr> <tr><td>Daily Paid Worker</td><td>62</td></tr> </table> <p>Mesuji</p> <table border="1" data-bbox="212 1516 748 1655"> <tr><td>Staff</td><td>5</td></tr> <tr><td>Monthly Worker</td><td>42</td></tr> <tr><td>Permanent worker</td><td>148</td></tr> <tr><td>Daily Paid Worker</td><td>198</td></tr> </table>	Staff	13	Monthly Worker	96	Permanent worker	65	Daily Paid Worker	12	Staff	7	Monthly Worker	24	Permanent worker	65	Daily Paid Worker	62	Staff	5	Monthly Worker	42	Permanent worker	148	Daily Paid Worker	198	<p>Compliance status: <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>NCR No: -</p>
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Staff	5																								
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Permanent worker	148																								
Daily Paid Worker	198																								

Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.

<p>Findings:</p> <p>The company established a policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce, as stated on Sampoerna Agro corporate policy was communicated to all workers including workers from subcontractor. Such evidence of socialization about corporate policy is list of participant on July 08, 2015.</p> <p>There is a policy Memo No.044 / MD / VIII / 2010 August 31, 2010 regarding the pro-</p>	<p>Compliance status: <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>NCR No: -</p>
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hibition of employing pregnant or lactating women to spray and fertilize.
 To protect the reproductive rights of all, especially of women, the policy has been documented, implemented and communicated clearly to all levels of the workforce. During morning briefing, and other informal session. The implementation can be seen i.e.:

- The company provide maternity leaves 1.5 month before and 1.5 month after deliver.
- The company provide additional 15 minute to the workers especially for woman workers to give breastfeeding to their kid.
- Protection of reproduction also found on new working agreement document period 2015 to 2017 article 21 regarding Maternity, periodic leave and sick leave.

There are Gender Committee at companies which handling the gender issues, example at Mesuji Estate Chairman : Sri Mawaddati, Secretary : SitiMaimunah, Coordinator : Medawati, Rita Haryati, Anan Astuti.

Similarly at the Cooperative, there are officers who have been set to deal with gender issues or complaints and sexual harassment .

KUD Surya Bhakti (Tinuk). KUD Surya Adi (Suprihatin), KUD Sinar Jaya (Komariah), KUD MargaMulya (AtinPratiwi).

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

Findings:

Available FFB price list is for 2nd period July 2017 planting year 10-20 IDR 1,647.19 and for the 1st period of July 2017 planting year 10-20 IDR 1,566.16

FFB supply agreement between PT. MBJ with KUD Surya Adi, SPKNo. 01/KUD-SA/V/2014, that the cooperatives have understood and understand the contractual agreements they agreed to do, and that contracts are fair, legal and transparent. plus the pricing and payment terms. the company has made payment in accordance with the FFB plantation agency price and timely manner (receipts).

The contracts were legal and fair according to Indonesia government regulation and both parties keep the copy of contract.

The payment condition and mechanism were agreed and stated in the contract commitment and company pays their responsibilities in a timely manner.

Compliance status: Yes No

NCR No: -

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

Findings:

The company actively contributes to local community development programmes where each estate has allocation for such activities and there are a number of documented CSR programme activities, such as road maintenance, donations to local community (upon request),

According to discussion with Village leaders and community elder (Mesuji Head Sub Distric, Surya Adi village secretary, PematangPanggang Village, MakartiMulya Village, Margi Bhakti Village, SumberDeras Village) company also contributes other services such as water supply, contribution to mosques, church, school etc.

Contribution records such as :

Company

- Material assistance for construction of badminton and futsal in the village of Surya Adi dated August 8, 2015.

Compliance status: Yes No

NCR No: -

<ul style="list-style-type: none"> - Donation for building Mosque IDR. 7.821,000 to the construction of the mosque committee Mesuji district office. - Donation for the construction of NurulFalah Mosques, Surya Adi Village IDR. 15,000,000 dated 16 September 2015. <p>Cooperatives/KUD :</p> <ul style="list-style-type: none"> - Donation aid for the construction of MushollaDesa Jaya Bhakti on 23 Oct 2014. - Donation aid for “PersaudaraanSetiaHati” OganKomerlinglirbranch amount IDR. 300,000 dated 31/03/2017. - Donation aidfor infrastructure and learning aids at Kindergartenat Block G of Rp 960,000 on June 18, 2017. <p>The Company allocates resources to accompany smallholders with allocated resources 1 General Manager, 2 Manager, 3 Staff, 3 Clerk, 4 Foreman , also provide FFB QC training for smallholder farmers on January 08, 2016 in Training Center in Mesuji Estate and attended by 29 representatives of smallholder farmers.</p>	
<p>Criterion 6.12: No forms of forced or trafficked labour are used.</p>	
<p>Findings:</p> <p>There is Sampoerna Argo corporate policy issued on July 2015, it was stated that company in all aspect protect all workers from forced activities and trafficked labour shall not used. The policy was communicated to all workers level on August, 2015. Based on document review and field obsevation there is no foreign or illegal worker in companies and cooperatives.</p>	<p>Compliance status: <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>NCR No: -</p>
<p>Criterion 6.13: Growers and millers respect human rights.</p>	
<p>Findings:</p> <p>There is a company’s policy on human rights as stated on Sampoerna Agro Policy section 4 “The Company has a policy related to human rights "Respect for human rights, including the right of all workers to organize and bargain collectively, and provide opportunities and equal treatment in employment” dated Juli 2015. It communicated to workers on April 14,2016 (mill),Januari 13, 2016 at Surya Adi Estate attended by all workers.Also in cooperatives conducted at KUD Surya Bhakti May 13, 2017, KUD Surya Adi April 26, 2017 and May 11, 2017.</p> <p>Along audit activities there is no any outstanding issue on human right in PT Sampoerna Agro and other subsidiaries.</p>	<p>Compliance status: <input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>NCR No: -</p>
<p>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>	
<p>Findings:</p> <p>Based on social impact assessment document, there is no customary or traditional rights within company’s area. The land was set by local governments as a location PIR Trans (The nucleus estatecommunity for transmigration) according to Governor of South Sumatera Decree No. 40/KPTS/BKMD/91(Mesuji Estate and Surya Adi Estate). And there is no plans for the expansion of the plantation.</p>	<p>Compliance status: <input type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>NCR No: -</p> <p>Not Applicable</p>
<p>Criterion 7.2: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>	

<p>Findings: PT Bina Sawit Makmur (Surya Adi estate), PT Aek Tarum (Mesuji estate) and All of Smallholders / KUD have no new plantation development area nor proposed any new area to develop. Both of the company only manage the existing plantation area within the concession right.</p>	<p>Compliance status: <input type="checkbox"/> Yes <input type="checkbox"/> No NCR No: - Not Applicable</p>
<p>Criterion 7.3: New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p>	
<p>Findings: Consistent with previous audit result, there is no new planting activity taken place in nucleus estates. Mesuji estate is an old plantation where oil palm started being planted in 1989. Several oil palms had been replanted in 2010 and so on. Based on Land use change analysis and satellite imagery data acquired on March 2005, it was evidenced that no primary forest even secondary forest existed in the area prior to November 2005. Surya Adi estate generally consists of old oil palm from 1996 to 2007. On the other hand the plasma also did not conduct new planting/new development since all plasma area were planted before 2005. Below are the planting year of each KUD within the certification scope: KUD Citra Sawit Mandiri : 1991-1992 KUD Mekar Sawit: 1991 – 1992 KUD Marga Mulya: 1995 – 1996 KUD Surya Bhakti: 1995 – 1996 KUD Surya Adi : 1995 – 1996 KUD Sinar Jaya: 1995 – 1996 KUD Tunas Harapan: 2000 – 2004 Thus, no planting since November 2005 therefore this indicator is not applicable.</p>	<p>Compliance status: <input type="checkbox"/> Yes <input type="checkbox"/> No NCR No: - Not Applicable</p>
<p>Criterion 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p>	
<p>Findings: PT Bina Sawit Makmur (Surya Adi estate), PT Aek Tarum (Mesuji estate) and All of Smallholders / KUD have no new plantation development area nor proposed any new area to develop. Both of the company only manage the existing plantation area within the concession right.</p>	<p>Compliance status: <input type="checkbox"/> Yes <input type="checkbox"/> No NCR No: - Not Applicable</p>
<p>Criterion 7.5: No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	
<p>Findings: There is no new planting activity at companies plantation area or at cooperatives plantation area and there is no FPIC process for land acquisition. However this indicator considered not applicable.</p>	<p>Compliance status: <input type="checkbox"/> Yes <input type="checkbox"/> No NCR No: - Not Applicable</p>
<p>Criterion 7.6: Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreement</p>	
<p>Findings: There is no new planting activity at companies plantation area or at cooperatives plantation area and there is no customary right are compensated for any agreed land</p>	<p>Compliance status: <input type="checkbox"/> Yes <input type="checkbox"/> No NCR No: - Not Applicable</p>

acquisition, however this indicator not applicable.	
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Criterion 7.7: Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

<p>Findings:</p> <p>Consistent with previous audit result, there is no new planting activity taken place in nucleus estates. Mesuji estate is and old plantation where oil palm started being planted in 1989. Several oil palms had been replanted in 2010 and so on. Based on Land use change analysis and satellite imagery data acquired on March 2005, it was evidenced that no primary forest even secondary forest existed in the are prior to November 2005. Surya Adi estate generally consists of old oil palm from 1996 to 2007. On the other hand the plasma also did not conduct new planting/new development since all plasma area were planted before 2005. Below are the planting year of each KUD within the certification scope:</p> <ul style="list-style-type: none"> - KUD Citra Sawit Mandiri : 1991-1992 - KUD Mekar Sawit: 1991 – 1992 - KUD Marga Mulya: 1995 – 1996 - KUD Surya Bhakti: 1995 – 1996 - KUD Surya Adi : 1995 – 1996 - KUD Sinar Jaya: 1995 – 1996 - KUD Tunas Harapan: 2000 – 2004 <p>Thus, no planting since November 2005 therefore this indicator is not applicable.</p>	<p>Compliance status: <input type="checkbox"/> Yes <input type="checkbox"/> No NCR No: - Not Applicable</p>
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Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.

<p>Findings:</p> <p>Consistent with previous audit result, there is no new planting activity taken place in nucleus estates. Mesuji estate is and old plantation where oil palm started being planted in 1989. Several oil palms had been replanted in 2010 and so on. Based on Land use change analysis and satellite imagery data acquired on March 2005, it was evidenced that no primary forest even secondary forest existed in the are prior to November 2005. Surya Adi estate generally consists of old oil palm from 1996 to 2007. On the other hand the plasma also did not conduct new planting/new development since all plasma area were planted before 2005. Below are the planting year of each KUD within the certification scope:</p> <ul style="list-style-type: none"> - KUD Citra Sawit Mandiri : 1991-1992 - KUD Mekar Sawit: 1991 – 1992 - KUD Marga Mulya: 1995 – 1996 - KUD Surya Bhakti: 1995 – 1996 - KUD Surya Adi : 1995 – 1996 - KUD Sinar Jaya: 1995 – 1996 - KUD Tunas Harapan: 2000 – 2004 <p>Thus, no planting since November 2005 therefore this indicator is not applicable.</p>	<p>Compliance status: <input type="checkbox"/> Yes <input type="checkbox"/> No NCR No: - Not Applicable</p>
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Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

<p>Findings:</p> <p>The organization aslso has division of Research and Development (R&D) that allows improvement programs to be created, implemented, monitored and improved. The company has commitment and program for improvement, some of sample are com-</p>	<p>Compliance status: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No NCR No: -</p>
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mitment to reduce GHG by building Methane Capture, implement IPM to minimize pesticides/chemicals, use of FFB to replace anorganic fertilizer, realizing the revegetation of the river in the Mesuji estates, and etc.
 Audit internal has been performed to ensure effectiveness of implementation of all program

The following is a summary of findings made for the criteria listed in the RSPO Supply Chain Certification 2014 with selected supply chain model Mass Balance (MB) according to nature of Mill FFB supply condition. The following is a description of the company's supply chain management system according to the RSPO SCCS requirements (it was assessed/audited against Module E), including status of compliance of the company and their outsourced third parties to RSPO SCCS requirements. Results of audit/assessment as describe on the explanation bellows:

Module E - CPO Mills: Mass Balanced

E1 – Definition

Findings:

Permata Bunda Palm Oil Mill is one of mill under Sampoerna Group. Located in Margo Bhakti village, Mesujisudistrict, OKI District, South Sumatera Province. Permata Bunda palm oil mill will implement the RSPO SCCS MB. This model will allowed the mill mix the certified and uncertified FFB, CPK and PK with control by massbalance records and evaluated in every three months.

Permata Bunda mill has record of incoming FFB supplied to the mill. Based on data year of 2016 and 2017 until June, FFB incoming into the mill is came from owned estate and FFB from out growers/third party.

During the 1st surveillance assessment, for 2016 total incoming FFB from owned estate under (scope certification) i.e.: Mesuji estate is 24,999.79MT and Surya Adi estate was 8,888.16 MT. Then, total incoming FFB from owned estate was 33,887.95 MT. And total incoming FFB from owned estates until June 2017 was 12,720.83 MT.

While the uncertified FFB, for 2016 is 194,442.35 MT and for 2017 until June is 97,517.59MT (come from smallholder and independent outgrower).

Compliance status: Yes No

NCR No: -

E2 – Explanation

Findings:

The estimated of tonnage CPO and PK products has been recorded in to the public summary of the P&C certification report. The actual data of 2016 and potentially of 2017 of FFB received, CPO & PK produced by Permata Bunda Mill as follows:

Year	FFB Received (MT)	CPO Produced (MT)	PK Produced (MT)
2016	33,887.95	6,799.92	1,727.79
2017*	224,568.68	48,176.79	17,789.86

*projection, with assumption of extension scope

The company has registered for the MB supply chain models and has licensed of RSPO IT Platform (RSPO_PO1000004548).

Compliance status: Yes No

NCR No: -

E3 – Documented Procedures

Findings:

The Permata Bunda Palm Oil Mill has established documented procedures, work instruction and others work references to ensure effective implementation of RSPO SCCS MB models, such as:

1. P-SAG-PKS-PRS-01 Rev01 dated on August 1, 2012 about recording and weighing and FFB incoming.
2. WI-SAG-PKS-PRS-0101 Rev01 dated on August 1, 2012 about recording of transportation unit for FFB, CPO and PK Loading.
3. P-SAG-PKS-PRS-14, Rev.2 dated on February 01, 2017, namely supply chain system and traceability. This procedure has explained about identification of certified FFB, traceability process for FFB certified, identification for certified product (CPO dan PK), handling incoming FFB certified and uncertified from truck, weighing, loading ramp until storage tank and transportation process, and others. Handling incoming FFB was set in that procedure i.e weighing operator will ensure the FFB document (FM-SAG-KBN-PRD-020005) for sustainable and unsustainable FFB, while the sustainable FFB will record in mass balance record and will be reported. This procedure also has set the CPO and PK sustainable and unsustainable (RSPO SCCSMB), such as in sales contract and document, delivery order and others related document should state the CPO and/or PK Sustainable certified SCCS MB. And all document related the RSPO SCCS MB will keep in 10 years.

During this 1st surveillance assessment Permata Bunda mill has carry out the RSPO SCCS MB training for all persons will responsible for RSPO SCCS implementation evidenced by training attendant list on 1 until 2 April 01 – 02, 2015 and January 29, 2016 and was attendant by 4 person i.e. sustainability assistant, QC assistant, process assistant and maintenance assistant. The company has decree of Managing Director No.115/MBJ/MD/X/2015, dated October 08, 2015 about appointed of RSPO, ISPO, and ISCC team.

Compliance status: Yes No

NCR No: -

E4 – Purchasing & Goods In

Findings:

Permata Bunda Palm Oil Mill has separate records between certified FFB and non-certified FFB; also include the certified and un-certified palm oil product (CPO and PK) through the mass balance record control.

Especially for FFB certified and un-certified will marked use stamp in form slip FFB in weighbridge. And for FFB from outside that estate not marked this is mean the FFB is not certified. Amount of FFB and palm oil product certified and un-

certified was explained in principle and criteria 1 above. Permata Bunda mill has procedure and mechanism to inform the overproduction into the CB by document no. P-SAG-PKS-PRS-14, Rev.2 date issue February 01, 2017, mentioned "if over production projected, the marketing unit will inform to the CB related that over production",

Compliance status: Yes No

NCR No

E5 – Records Keeping

Findings:

Permata Bunda mill has record of mass balance template, with mass balance template was consist of certified and uncertified FFB incoming information,

Compliance status: Yes No

NCR No

FFB production, CPO and PK production, OER and KER, delivery information, and stock condition in every three months.
 Permata Bunda mill also has established the procedure about three months evaluation, when the mill will carry out sell activity when the stock was positive, in document number P-SAG-PKS-PRS-14, Rev01 dated on April 1, 2016. There is no sale of CPO and PK claimed as RSPO certified until June 2017.

3.2 Status of Previous Nonconformity

Agenda for Verification of Closure of Major Non-conformities

Date	Location / Main sites	Auditor	Main activities
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 2.1.1. – Major Indicator NCR No. RSPO 00252</p> <p>Some of the the provisions of laws and regulations that has not fulfill by the company such as:</p> <ul style="list-style-type: none"> • Mesuji estate and Surya Adi estate has a regulations list contained identification form of legislation about the occupational and safety health, environmental, plantation and other requirements but not yet up to date. Examples of regulations that have not been identified and has not entered into the list of legislation, such as: <ol style="list-style-type: none"> a. Government regulation (PP) No.78 year 2015 about wage b. Decree of labor and transmigration minister (Kepmenakertrans) No 609 year 2002 about guidelines for the completion of cases of occupational accidents and occupational diseases • Rinse off houses (Mesuji estate), harvesting foreman, empty bunch foremen equipped first aid box but the content of first aid box is not yet complete and no card checks (Rinse off at Mesuji estate) (Permenaker 15/2008). • Not yet provided evidence that all daily employees in the estate bonded in a written employment agreement (Decree 100/2004). • The use of groundwater is not in accordance with the permit in which the maximum usage limit is 100 liters / min or 1.66 liters / sec. Usage at the well 1 in the Mesuji estate is very high from January to December 2015 exceeded the permit where the lowest in February as much as 1.87 liter/sec and the highest in March 2015 at 3.29 liters/sec and the use of water at Surya estate in seed preparation exceed the provisions (25M³ for 4 hours) or 104 liter/min (Decree of head of Mining and Energy Regency / Head of Mining inspection of Ogan Komering Ilir District No.540.135.A / Kep / DPE / 2013 dated June 24, 2013 and Decree of head of Mining and Energy Regency / Head of Mining inspection of Ogan Komering Ilir District No. 540.34.A / Kep / DPE / 2013 dated June 24, 2013). • Warehouse of temporary storage of hazardous and toxic wastes in the Mesuji estate unavailable fire extinguisher and also in adjacent areas (warehouse/ workshop) (PP 101 2014) <p>Verification findings:</p> <ul style="list-style-type: none"> • The updated laws registered was cover almost all related laws and regulations. • First aid box and their contents in accordance with Permenaker 15/2008.

			<ul style="list-style-type: none"> Replacing the memorandum Regional Head of Human Resource Service No 0484 / HRS / II / 2012 HRS with Memorandum No. 0191 / HRS / VI / 2016 dated June 1, 2016 has been placed upon signature daily employee replaced the employment contract. Fire extinguisher in the temporary storage of hazardous and toxic wastes, warehouse and workshop available. <p>Compliance Status: Closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 2.2.2 – Minor Non-conformance: RSPO 00253</p> <p>Surya Adi Estate and Mesuji Estate has procedure of construction and maintenance of HGU pillars but actual in the field still founded that size of HGU pillars not accordance with procedure and still many weed around the pillars.</p> <p>Verification Findings:</p> <p>Based on field visit to HGU Pillar No. BPN 14 at Block 034, BPN 15 at block 024, BPN 18 at block 15, found that the pillars well maintained and in accordance with the procedures.</p> <p>Compliance Status: Closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 4.1.1 – Major Non-conformance: RSPO 00254</p> <p>During field visit to Permata Bunda mill found:</p> <ul style="list-style-type: none"> - Temperature gauges in the storage tanks CPO No. 2 is not available so can not be known the temperature is maintained in accordance with existing procedures between 40-45 ° C (P-SAGPKS-PRS-06 Clarification) - Not conducted recording the daily reports on Kernel station in accordance with the form FM-SAGPKS-PRS-070101) - Work instruction (WI) or procedure is not found in the loading ramp station <p>Verification Findings:</p> <p>Storage tank #2 has been equipped with temperature gauge, daily records of Kernel station available and The company has identified water sources and working instruction has been provided in the Loading Ramp station.</p> <p>Compliance Status: Closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 4.4.1 – Minor Non-conformance: RSPO 00255</p> <p>There is no evidence of monitoring the quality of water consumption at the engine room wells and seed preparation wells</p> <p>Verification Findings:</p> <p>Monitoring of water quality has been conducted by third party laboratory “UPTD Laboratorium Lingkungan Badan Lingkungan Hidup Pemerintah Provinsi Sumatera Selatan”. Sample taken from ground water on engine room and Seed preparation.</p> <p>Compliance Status: Closed</p>

July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 4.7.2 – Major Non-conformance: RSPO 00256</p> <p>Mesuji estate and Surya Adi estate has document of risk assessment of environmental impact aspect hazard potential dan occupational safety health risk and controlling but not yet identification for activities such as:</p> <ul style="list-style-type: none"> - Transporting of seedlings to the planting location - BTS tower (mill) - Biogas area (mill) <p>Verification findings: There is updated documents of risk assessment revision 4 , dated June 11, 2016 both of Mesuji estate, Surya Adi estate, and Permata Bunda mill. The risk assessments was cover Transporting of seedlings to the planting location, BTS tower (mill), and Biogas area (mill)</p> <p>Compliance Status: Closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 4.7.3 - Major Non-conformance: RSPO 00257</p> <p>Local work agreements (SPK) not yet stated clause about occupational Health and Safety. Sample of local work agreement (SPK) No.0001/SPK-L/SA/X/2015(Surya Adi Estate).</p> <p>Vrification findings: There is revised SPK that include OHS matters, as shown on SPK no. No.0001/SPK-L/SA/X/2015.</p> <p>Compliance Status: Closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 4.7.5 - Minor Non-conformance: RSPO 00258</p> <ul style="list-style-type: none"> - The company not conducted a safety briefing to the visitor who come to the area of the mill and estate - There is no mechanisms or procedures regulating of lifetime of the PPE and the provision PPE periodically - Safety not yet carried out on cylinders for welding gases <p>Verification findings: The organization has conducted safety induction prior fields visit both of Mill and estates. The documented procedure addressed for PPE has been defined.</p> <p>Compliance Status: Closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 5.1.1 - Minor Non-conformance: RSPO 00259</p> <p>The scope of the EIA study area in 2005 covering an area of 13,054.7 ha not cover all of the actual areas (current condition of 13,907.4 ha that includes Belida and Mesuji) include in Mesuji estate where the Mesuji estate has the latest land title i.e.:</p> <ul style="list-style-type: none"> • Land title certificate (HGU) No. 20 dated 29 July 2005 an area of 87 ha

			<p>located in Tegal Sari village, Mesuji subdistrict, Ogan Komering Ilir District, South Sumatera Province that expired on 6 July 2040.</p> <ul style="list-style-type: none"> • Land title certificate (HGU) No. 21 dated 29 July 2005 an area of 67.5 ha located in Tegal Sari village, Mesuji sub district, Ogan Komering Ilir District, South Sumatera Province that expired on 6 July 2040. • Land title certificate (HGU) No. 22 dated 29 July 2005 an area of 95.6 ha located in Tegal Sari village, Mesuji sub district, Ogan Komering Ilir District, South Sumatera Province that expired on 6 July 2040 <p>Verification findings: There is a letter from authorized environmental agency government of OKI District No. 660/197/B.LH/5.1/2016, dated May 23, 2016. In this letter stated that the environmental documents (RKL & RPL) no need to revised. The organization should be make a report of RKL-RPL implementation in accordance with area as location permit.</p> <p>Compliance status: Closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 5.1.3 - Minor Non-conformance: RSPO 00260</p> <p>The company has no plans relating to the monitoring of operational changes that should be implemented to monitor the effectiveness of the measure where the plan must be reviewed at least every 2 years.</p> <p>Verification findings: There are documents of official report regarding result of evaluation of RKL-RPL on Permata Bunda Mill, Surya Adi estate and Mesuji estate.</p> <p>Compliance status: closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 5.2.1 - Major Non-conformance: RSPO 00261</p> <ul style="list-style-type: none"> • Qualification of HCV assessor team is not clear and the team leader is not listed in the RSPO approval HCV assessor (Surya Adi Estate). • HCV assessment does not cover a general landscape context where there are no coverage aspects of the status of regional / regional spatial plans, aspects of the region biological diversity and not yet provided the maps (Surya Adi Estate) • Methodology of socio-economic aspects submitted not in accordance with its implementation where there is no evidence of a Focus Group Discussion (FGD) and no dependency analysis to determine the presence of HCV 5 and HCV 6 (Surya Adi Estate). <p>Verification findings: The organization has keep and maintained records of :</p> <ul style="list-style-type: none"> - Curriculum vitae of Iswanda Hasibuan that the person who attended training of HCV performed by Proforest - Revised HCV document on chapter 3 about condition of location such as physical aspects of the region, aspects of environmental services and socio-economic and cultural society aspects. This chapter also was equipped with maps.

			<ul style="list-style-type: none"> - Revised HCV document on chapter 4 about identification and analysis the existence of highconservation value. - The attendance list of focus group discussion (FGD) and photo documentation that has been conducted on 23 until 25 May 2016 at Surya Adi estate, leader of local society of Pematang Panggang village, where the participant comes from employees, cooperatives, local communities and village officials <p>Compliance status: closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 5.3.2 - Major Non-conformance: RSPO 00262</p> <p>Recording of hazardous and toxic waste has not been conducted in an orderly manner, the handover of hazardous and toxic waste from the station to a temporary storage area does not follow the procedure, and there are items (wastewater) are not recorded. In the field observation visible there are 3 packs of exchemical containers placed outside a temporary storage area without recording (mill).</p> <p>Verification findings:</p> <p>During field visit to temporary hazardous waste storage at Permata Bunda Mill found that all hazardous waste (including pesticides or chemical containers) was placed appropriately. There is sufficient evidence that records of hazardous waste handover and materials balance available.</p> <p>Compliance status: closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 5.3.3 - Minor Non-conformance: RSPO 00263</p> <p>During a visit to a field on the empty fruit bunch application in Block 24, the year of planting 1995 Division 2 found employees doing the burning in the field.</p> <p>Verification findings:</p> <p>There is no found any use fire/burning within estates anymore</p> <p>Compliance status: closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 5.4.1 - Minor Non-conformance: RSPO 00264</p> <p>Not yet conducted monitoring of biodiesel fuel use as an effort to efficiency of fossil fuel consumption (Surya Adi estate and Mesuji estate).</p> <p>Verification findings:</p> <p>Record of biodiesel and fossil fuels consumption are available as part of monitoring of fossil fuel efficiency.</p> <p>Compliance status: closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 6.9.1 - Major Non-conformance: RSPO 00265</p> <p>There is no available a female committee in the unit as evidence of the</p>

			<p>implementation of policies to prevent sexual harassment and violence and the protection of reproductive rights of women workers yet.</p> <p>Verification findings:</p> <p>There are documents as follows:</p> <ul style="list-style-type: none"> - Memorandum No.575/MI/V/2016 dated on May 30, 2016 from Estate Manager of Mesuji Estate to Dewi Astuti about appointment as chairman of committee gender. - Membership structure of committee gender of Mesuji estate. - Memorandum No.014/SA/VI/2016 dated on June 6, 2016 from Estate Manager of Surya Adi Estate to Shervinia Dwi Ayundra about appointment as chairmen of committee gender - Membership structure of committee gender of Mesuji estate <p>Compliance status: closed</p>
July 17, 2017	Permata Bunda Mill	Wahyu	<p>P&C 8.1 - Major Non-conformance: RSPO 00266</p> <p>The Company not yet shown continuous improvement effort related to the recommendations of the social management plan form SIA document, i.e:</p> <ul style="list-style-type: none"> • All of daily workers (KHL) not yet have labor contracts. • Not yet available a female committee in the unit of company. • Not yet available a procedure related to the provision of PPE by observing the life time of PPE <p>Verification findings:</p> <ul style="list-style-type: none"> - The company has revised contractual agreement with KHL employee. - Committee gender has been assigned both of Mesuji and Surya Adi estates. - Mechanism for PPE provision has been established. <p>Compliance status: closed</p>

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

A total of 20 non-conformances were identified during the 1st surveillance assessment. These consisted of 12 major non-conformities and 8 minor non-conformities. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this was verified by the audit team through checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

3.3.1. Major non-conformities

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

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
2.1.1	RSPO01279	<p>Some documents of correction and corrective actions were reviewed i.e.:</p> <ul style="list-style-type: none"> - Letter of application for OHS training of PB Mill - Letter of application for SIO of turbine steam operators training - Decree letter of Salary Adjustment on behalf Paryadi - Monthly Report of Manpower of Permata Bunda Mill per August 31, 2017. - Letter of application for OHS trainings of Weldersm, Steam turbine, Cranes, Electricity, Fire Fighters. - Letter of application for First Aider (PB Mill, Mesuji & Surya Adi estates, and KUDs) - Response letter from HRD to Surya Adi and Mesuji estates - Training plan of Mesuji and Surya Adi estates - Letter of application of Fire Expert Training of PB Mill. - Letter of application for STD-B from KUDs - Report of OHS 	October 20, 2017	<p>Corrections:</p> <ul style="list-style-type: none"> - Propose training for welders, crane operators, boiler operators, and etc. - Propose for renewal of OHS operator licenses - Made decree letter of Salary Adjustment on behalf Paryadi - Deliver Monthly Report of Manpower of Permata Bunda Mill per August 31, 2017. - Deliver Letter of application for OHS trainings of Welders, Steam turbine, Cranes, Electricity, Fire Fighters. - Deliver Letter of application for First Aider (PB Mill, Mesuji & Surya Adi estates, and KUDs) - Defined Training plan of Mesuji and Surya Adi estates - Deliver Letter of application of Fire Expert Training of PB Mill. - Deliver Letter of application for STD-B from KUDs - Deliver Report of OHS Committee (P2K3) Triwulan I & II 2017 of Surya Adi and Mesuji estates and Permata Bund Mill. - Revised Working agreement of KUD Surya Adi and members - Revised Working agreement KUD Surya Bhakti and members. <p>Corrective action:</p> <ul style="list-style-type: none"> - Updated data of welders and Mill's operators including licenses of each operator. - Appoint responsible persons to monitor expired date of each license. 	Closed

		<p>Committee (P2K3) Triwulan I & II 2017 of Surya Adi and Mesuji estates and Permata Bund Mill.</p> <ul style="list-style-type: none"> - Working agreement of KUD Surya Adi and members - Working agreement KUD Surya Bhakti and members. 			
2.2.1	RSPO01280	<ul style="list-style-type: none"> - List of land ownership of KUD Marga Mulya - List of land ownership of KUD Sinar Jaya - Letter of application of SHM documents 	October 20, 2017	<p>Correction: Re-arrange list of land ownership of each KUD, especially KUD Surya Bhakti, KUD Surya Adi, KUD Sinar Jaya and KUD Marga Mulya.</p> <p>Corrective action: Assign person in charge to maintain and updated records of land ownership.</p>	Closed
4.6.2	RSPO01283	<p>Mesuji and Surya Adi estates: Documents of pestidetoxyicity unit monitored periods January – July 2017 (contained LD50 data of each pesticides)</p>	October 20, 2017	<p>Correction: Revised the list of pesticides usage by completed with LD50, area treated and etc.</p> <p>Corrective action: Appoint responsible persons to update data every month.</p>	Closed
4.6.3	RSPO01284	<ul style="list-style-type: none"> - Policy and program of pesticide reduction on KUD Surya Adi, KUD Sinar Jaya, KUD Surya Bhakti, KUD Marga Mulya and KUD Tunas Harapan - Official letter of the <i>Tyto alba</i> cages installation on KUD Surya Adi, KUD Sinar Jaya, KUD Surya Bhakti, KUD Marga Mulya and KUD Tunas Harapan. 	October 20, 2017	<p>Correction: Determined the reduction of pesticides usage as a part of purpose of IPM</p> <p>Corrective action: Monitor and evaluate the use of pesticides regularly every month.</p>	Closed

		- Official letter of the turnera subulata planting on KUD Surya Adi, KUD Sinar Jaya, KUD Surya Bhakti, KUD Marga Mulya and KUD Tunas Harapan and Surya Adi estate.			
4.6.5	RSPO01286	<ul style="list-style-type: none"> - Official letter of application of secondary containment and mixing of chemicals - Official report of MSDS and PPE on KUD Surya Bhakti - MSDS of Garlon 480 EC in Bahasa. 	October 20, 2017	<p>Correction:</p> <ul style="list-style-type: none"> - Provide MSDS to all mandore of spraying. - Re-socialize the use of PPE to all spraying operators - Re-socialize hazardous waste handling to related workers - Complete the pesticides/chemical pouring so that no spillage to the environments. <p>Corrective action:</p> <ul style="list-style-type: none"> - Perform regular inspection to ensure that MSDS and PPE available during spraying activities. 	Closed
4.6.11	RSPO01288	<ul style="list-style-type: none"> - Letter of application for routine medical checkup for KUD - Response letter from Hyperkes of South Sumatera Province dated 8 August 2017. - Annual medical checkup report of Mesuji estate. - Special medical checkup report of Mesuji estate. - Follow up of special medical checkup of Mesuji estate 	October 20, 2017	<p>Correction:</p> <p>Coordinate with Hyperkes and conducted medical check up for workers who handling chemical both KUDs and Mesuji estate.</p> <p>Corrective action:</p> <p>Identify medical check up need, arrange medical check up schedule and conduct medical check up as scheduled.</p>	Closed
4.6.12	RSPO01289	Policy of reproduction protection of KUD Surya Adi, KUD Sinar Jaya, KUD Surya Bhakti,	October 20, 2017	<p>Correction:</p> <p>Established a written policy on prohibition for pregnant and breast-feeding women to perform chemical-related work. And, a written policy on preg-</p>	Closed

		KUD Marga Mulya and KUD Tunas Harapan.		nancy checking for women performing chemical related work. And, conduct pregnancy checks on female workers prior to spraying. Corrective action: Ensure that pregnant and breast-feeding women do not work on chemical-related work and documenting the results of pregnancy checks on female workers.	
4.7.4	RSPO01290	Records of OHS Committee (P2K3) meetings of Mesuji & Surya Adi estates, Permata Bunda Mill, and KUD Surya Adi, KUD Sinar Jaya, KUD Surya Bhakti, KUD Marga Mulya and KUD Tunas Harapan.	October 20, 2017	Correction: Provide education to OHS Committee (P2K3) to improve their awareness. Conduct P2K3 meeting regularly as scheduled in accordance with applicable regulations. Corrective action: Ensure that P2K3 meetings are conducted on schedule and documented in accordance with applicable regulations.	Closed
5.2.1	RSPO01293	- CV of Iswanda Hasibuan (one of HCV assessor who revised HCV assessment) - Revised HCV document especially of Chapter III and IV. - Attendance list and documentations of FGD	October 20, 2017	Correction: Creating HCV maps per KUD based on the presence on HCV in each KUD. Improve the attachment of flora and fauna survey results in the final report of identification and analysis of the existence of CV PT Bina Sawit Makmur Corrective action: Documenting HCV maps in each KUD and Improved document of final report on HCV identification and analysis.	Closed
5.2.2	RSPO01294	Revised management and monitoring plan of HCV	October 20, 2017	Correction: Create management and monitoring plan refer to result and recommendation of HCVs study. Corrective action: Documented management and monitoring plan of HCV in each KUD.	Closed
5.3.2	RSPO01296	Records and document of hazardous waste on Permata Bunda Mill.	October 20, 2017	Correction: Continuing the development of temporary hazardous waste storage in accordance with issued license. Corrective action: Ensure that all hazardous	Closed

				waste produced by KUD managed in accordance with procedure and issued license	
6.5.1	RSPO01298	Decree letter of Salary Adjustment on behalf of Par-yadi	October 20, 2017	<p>Correction: Payment of wages of harvest and spray workers in accordance with UMSP 2017.</p> <p>Corrective action: Monitor any changes of UMSP regulations and fulfil its</p>	Closed

3.3.2. Minor non-conformities

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

Indicator	NCR No.	Evidence Observed	Deadline for implementation (Date)	Correction/Corrective Action taken/	Auditor Conclusion
4.2.2	RSPO01281	Fertilizer program of Semester II 2017	October 20, 2017	<p>Correction: KUD will carry out fertilization according to recommendations provided by the company.</p> <p>Corrective action: Coordinate with the company to arrange fertilizer recommendation.</p>	Closed and the effectiveness of the implementation will be verified during next surveillance.
4.2.3	RSPO01282	-	October 20, 2017	<p>Correction: Coordinate with the organization for scheduling and carry out of leaf analysis</p> <p>Corrective action: Ensure that records of leaf analysis maintained and ensure that leaf analysis carried out in accordance to procedure.</p>	Closed and the effectiveness of the implementation will be verified during next surveillance.
4.6.4	RSPO01285	<ul style="list-style-type: none"> - Policy and program of chemicals/pesticides reduction of KUD Surya Adi, Sinar Jaya, Surya Bhakti, Marga Mulya, & Tunas Harapan - Official letter of Tyto Alba's Cages installation on KUD Sinar Jaya, Marga Mulya, 	October 20, 2017	<p>Correction: Establish a plan of reduce usage of pesticides with active ingredient brodifacum,</p> <p>Corrective action: Monitor and recorded pesticides consumption..</p>	Closed and the effectiveness of the implementation will be verified during next surveillance.

		Surya Adi, Surya Bhakti and Tunas Harapan.			
4.6.10	RSPO01287	<ul style="list-style-type: none"> - SOP of Hazardous Waste Control at KUD - Socialization of SOP Hazardous Materials and Hazardous Waste Handling. - Official letter of construction of hazardous waste storage, materials balance and handover report of hazardous waste on KUD Surya Bhakti. - Official letter of construction of hazardous waste storage, materials balance and handover report of hazardous waste on KUD Sinar Jaya. - Official letter of construction of hazardous waste storage on KUD Tunas Harapan. - Official letter of construction of hazardous waste storage on KUD Marga Mulya. 	October 20, 2017	<p>Correction: Socialize procedure of waste control on KUD (SA-PLS-PP-LMB-01) and on how to fill hazardous waste balance to KUDs management.</p> <p>Corrective action: Ensure hazardous waste balance updated and maintained.</p>	Closed and the effectiveness of the implementation will be verified during next surveillance.
4.7.7	RSPO01291	Report of Workplace Injuries Statistic on KUD Marga Muya, KUD Sinar Jaya, KUD Surya Adi, KID Surya Bhakti and Tunas Harapan.	October 20, 2017	<p>Correction: Revised accident report by LTA metrics addition.</p> <p>Corrective action: Ensure that accident record was cover data of LTA metris</p>	Closed and the effectiveness of the implementation will be verified during next surveillance.
5.1.2	RSPO01292	-	October 20, 2017	<p>Correction: Review implementation of RKL & RPL on KUD as part of environmental impact assessment</p>	Closed and the effectiveness of the implementation will be

				<p>Corrective action: Ensure that operational of KUD are include in the implementation of RKL – RPL.</p>	verified during next surveillance.
5.2.4	RSPO01295	-	October 20, 2017	<p>Correction: Perform monitoring of HCV on KUD.</p> <p>Corrective action: Documented report of HCV monitoring.</p>	Closed and the effectiveness of the implementation will be verified during next surveillance.
5.3.3	RSPO01297	Attendance list of socialization .	October 20, 2017	<p>Correction: Conducted socialization to KUD's management the following items: - Procedure of waste management (SA-PLS-PP-LMB-01) - How to fill hazardous waste balance sheet - Domestic waste management</p> <p>Corrective action: Monitor and evaluate effectiveness of implementation regularly every month.</p>	Closed and the effectiveness of the implementation will be verified during next surveillance.

3.4 Noteworthy Positive Components and Potential for Improvement

Positive Observation:

No.	Indicator	Positive Comments
1	-	The company and KUD have demonstrated their high commitment and good cooperation during the audit processes.

Potential for Improvement:

No.	Indicator	Potential for improvement
1	3.1.1	General plans and budget allocations for social and environmental management have available on each departments, however its not included in the Mill and Cores Estates Business Plan documents. The business plan documents in the mill and cores estates show budget for production operations only.
2	4.1.1	The company has recommended to conducting socialization all established to all related workers (not staff only).

3	5.2.1	KUD Tunas Harapan, KUD Citra Sawit Mandiri, KUD Mekar Sawit, KUD Surya Adi, KUD Surya Bhakti, KUD Sinar Jaya & KUD Marga Mulya has been conducted HCV studies, however the study does not involve peer reviewers.
4	5.2.2	The Company has realized revegetation activities of the Deras River in Mesuji estate as per HCV management plan, as evidenced from the Revocation Data Form of KBKT Revegetation per July 23, 2016, however the results of activities have not been covered in the Management and Monitoring Report of KBKT / Kawasan Lindung PT. Aek Tarum Year 2016.
5	8.1	<p>- The company may be improve performance by adding comment fields on each form of reports related to RSPO implementation, so PDCA cycles implemented effectively within the company.</p> <p>- The company has opportunity to improve their performance by evaluating the RKL / RPL reporting timeline submitted to related institutions.</p>

3.4 Issues Raised by Stakeholders and Findings Pertaining to Issues

A) Issues Raised during Stakeholder Consultation Meeting(there is no consultation meeting during this surveillance audit)

No.	Issues Raised	Management Response	Audit Verification
-	-	-	-


B) Issues Raised during Stakeholder Interviews On-site

No.	Issues Raised	Audit Verification
-	-	-

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

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

Signed on behalf of PT Mutiara Bunda Jaya



.....
Mrs. Yusi Rosalina
Manager of System Certification
Date: October 22, 2017

Signed on behalf of PT TUV Rheinland Indonesia



.....
Wahyu
Lead Auditor
Date: Oktober 22, 2017

APPENDICES

Appendix 1: Details of Certificate

Certificate

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

Certificate Registr. No. : 824 502 16038

Certificate Holder : PT TUV Rheinland Indonesia certifies :
PT Mutiara Bunda Jaya – Permata Bunda Mill
Jl. Basuki Rahmat 788, Palembang 30127,
South Sumatera Province, Indonesia



Sampoerna Agro

and its company owned estates according to the annex

RSPO number : -
Scope : Palm Oil Production and Plantation Management System

An audit was performed, Report No. 1FU_82450216038. Proof has been furnished that the requirements according to Indonesian National Interpretation of RSPO Principles & Criteria for the Production of Sustainable Palm Oil; July 2016 are fulfilled.

Validity: The due date for all future surveillance audits is 28.07 (dd.mm).
The certificate is valid from 28-09-2016 until 27-09-2021.

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

RSPO registered parents company* : PT Sampoerna Agro
(RSPO Member No. : 1-0031-07-000-00)

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

Date of first certificate : September 28, 2016

Indonesia, 29-01-2018

PT TUV Rheinland Indonesia
Director

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

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Annex to certificate

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

Certificate Registr. No.: 824 502 16038

Location: **PT Mutiara Bunda Jaya – Permata Bunda Mill**
Address : Jl. Basuki Rahmat 788, Palembang 30127,
South Sumatera Province, Indonesia



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

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
Permata Bunda Mill	Margo Bhakti Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°56'33.34"S	105° 6'37.22"E
Mesuji Estate	Pematang Panggang Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4° 3'8.04"S	105° 1'36.49"E
Surya Adi Estate	Surya Adi Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4° 0'36.72"S	105° 3'28.33"E
KUD Tunas Harapan	Surya Karta Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4°04'06.0"S	104°58'40.6"E
KUD Citra Sawit Mandiri	Sumber Deras Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4°04'10.6"S	105°00'26.6"E
KUD Mekar Sawit	Kembang Jajar Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	4°03'25.9"S	105°03'15.0"E
KUD Surya Adi	Surya Adi Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°59'02.7"S	105°02'00.0"E
KUD Surya Bhakti	Margo Bhakti Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°57'12.1"S	105°04'31.5"E
KUD Sinar Jaya	Jaya Bhakti Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°55'38.0"S	105°01'37.6"E
KUD Marga Mulya	Makarti Mulya Village, Mesuji Sub-district, Ogan Komering Ilir District, and South Sumatera Province.	3°54'03.6"S	105°06'27.8"E

CPO Tonnage Total Production: 56,828.79 tonnes
PK Tonnage Total Production: 13,906.86 tonnes
Company Estates FFB Tonnes: 25,038.58 tonnes
FFB Tonnes from other sources: 239,857.90 tonnes
CPO Tonnage claimed for certification: 48,176.79 tonnes
PK Tonnage claimed for certification: 11,789.86 tonnes



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

Indonesia, 29-01-2018

PT TUV Rheinland Indonesia
Director

Issued by PT TUV Rheinland Indonesia

Appendix 2: Surveillance Audit Plan

Audit plan ZN :		 TÜVRheinland® Genau. Richtig.	
Revisi 2.		Halaman 1 of 5	
Perusahaan :	PT Mutiara Bunda Jaya Jalan Basuki Rahmat No. 788 Palembang- South Sumatera		
Lokasi/Fasilitas Produksi :	Permata Bunda Palm Oil Mill Margo Bhakti Village, Mesuji Sub District, Ogan Komering Ilir District, South Sumatera Province		
Ruang Lingkup Penilaian :	Mesuji estate, Surya Adi estate and extension scope of smallholders scheme (KUD Tunas Harapan, KUD Citra Sawit Mandiri, KUD Mekar Sawit, KUD Surya Adi, KUD Surya Bhakti, KUD Sinar Jaya & KUD Marga Mulya)		
Standar Acuan :	RSPO P&C – Generic, November 2013 & INA-NI July 2016, RSPO SCCS November 2014		
Tipe Audit :	1 st Surveillance		
Wakil Manajemen :	Mrs. Yusi Rosalina		
No Dokumen Manual & Tanggal publikasi :			
Bahasa yang digunakan:	Indonesia	Nomor Order:	130 321 2245
Lead Auditor :	Wahyu (WY)	Auditor(s) :	Ibnu Satria P. (IS), Panggading Nainggolan (PN) & Andreas Budi Rahutomo (AR)
<input type="checkbox"/> external, company:		<input type="checkbox"/> external, company:	
<p>Jika ada keberatan tentang tim auditor atau tenaga ahli yang dipunjuk. Client dapat mengajukan perubahan. Perubahan ini dapat menyebabkan terjadinya perubahan jadwal audit</p>			
<p>Pengajuan Keberatan Jika ada hal-hal yang menyebabkan client tidak puas, keberatan terhadap intepretasi standar, komplain ketika tim melakukan audit di lokasi baik secara langsung maupun tidak langsung. Silahkan langsung mengajukan keberatan pada kantor kami di nomor telpon +62-21-579-44-579.</p>			
Jakarta, 10 Juli 2017	Auditor :	Wahyu	
Tempat & Tanggal		Nama	Tanda Tangan
<p>Sebuah ruangan sebaiknya tersedia untuk auditor ketika melakukan audit. Perwakilan Manajemen menemani ketika audit dilakukan</p> <p>Audit akan dilakukan secara sampling untuk setiap elemen persyaratan yang diacu.</p>			

Audit plan
ZN :



Revisi 2.

Halaman 2 of 5


Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
Monday, July 17, 2017				
07.35-08.45	Traveling Jakarta to Palembang	WY,AR & PN	-	GA 102
07.00-08.40	Traveling Medan to Palembang	IS	-	GA 266
09.00-12.00	Traveling Palembang to PT Mutiara Bunda Jaya site	All	-	
09.00-12.00	Traveling Palembang to PT Mutiara Bunda Jaya site	All	-	
13.00-13.30	<ul style="list-style-type: none"> Opening meeting Audit scope confirmation Audit plan arrangement Introduction about team audit Introduction / presentation of company background and source of FFB by respective managers 	All	Representative of PT MBJ & KUD	Located at Permata Bunda Mill
13.30-15.30 Permata Bunda Mill	<ul style="list-style-type: none"> Verification of certification findings (NCRs & observations) 	All	Relatited manager	Please prepare documents of correction and corrective actions have been taken as a follow-up of previous audit (certification audit) findings.
15.30-17.30 Permata Bunda Mill	Documents verification related to: <ul style="list-style-type: none"> Transparency & Ethical conduct Compliance with laws and regulations Worker & Social Issues Continual improvement 	PN	Mill Representative	Principle 1 (Indicator 1.1.1-1.1.2; 1.2.1;1.3.1) Principle 2 (Indicator 2.1.1) Principle 6 (Indicator 6.1.1 to 6.1.5; 6.2.1 to 6.2.3; 6.3.1 to 6.3.2; 6.4.1 to 6.4.3; 6.5.1 to 6.5.4; 6.6.1 to 6.6.2; 6.7.1; 6.8.1 to 6.8.3; 6.9.1 to 6.9.3; 6.10.1 to 6.10.4; 6.11.1 to 6.11.2; 6.12.1 to 6.12.3; 6.13.1) Principle 8
15.30-17.30 Permata Bunda Mill	Documents verification related to: <ul style="list-style-type: none"> Partial certification, timebound plan and NPP (if any) Compliance with laws and regulations OSH Continual improvement SCCS 	WY	Mill Representative	RSPO certification system 4.2.4 Principle 2 (Indicator 2.1.1 to 2.1.4) Principle 4 (indicator 4.7.1 to 4.7.7) Principle 8 SCCS
15.30-17.30 Permata Bunda Mill	Documents verification related to: <ul style="list-style-type: none"> Compliance with laws and regulations Management Plan Waste Renewable energy 	AR	Mill Representative	Principle 2 (Indicator 2.1.1) Principle 3 (Indicator 3.1.1) Principle 5 (Indicator 5.3.1 to 5.3.3; 5.4.1; 5.6.1 to 5.6.3) Principle 8

Audit plan
ZN :


Revisi 2.

Halaman 3 of 5

Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
	<ul style="list-style-type: none"> GHG calculation Continual improvement 			
15.30-17.30 Permata Bunda Mill	Documents verification related to: <ul style="list-style-type: none"> Compliance with laws and regulations Operating procedure Water management plan Training Environmental Continuous Improvement 	IS	Mill Representatives	Prinsip 2 (Indicator 2.1.1) Principle 4 (Indicator 4.1.1 to 4.1.4; 4.4.3 to 4.4.4; 4.8.1 to 4.8.2) Principle 5 (Indicator 5.1.1. to 5.1.3) Principle 8
18.00	End of 1st day audit			
Tuesday, July 18, 2017:				
08.00-12.00 Permata Bunda Mill	Continue previous day agenda at Permata Bunda Mill and field observation	All	Mill Representatives	As per previous agenda
12.00-13.30	Break & lunch	All	-	All auditors move to Mesuji Estate
13.30-17.30	Documents verification & fields observation related to: <ul style="list-style-type: none"> Transparency & Ethical conduct Compliance with laws and regulations Land conflict & use of the land Worker & Social Issues NPP, if any Continual improvement 	PN	Respective managers - Mesuji estate, KUD Surya Adi & KUD Surya Bhakti	Principle 1 (Indicator 1.1.1-1.1.2; 1.2.1;1.3.1) Principle 2 (Indicator 2.1.1; 2.2.3-2.2.6; and 2.3.1 to 2.3.4) Principle 6 (Indicator 6.1.1 to 6.1.5; 6.2.1 to 6.2.3; 6.3.1 to 6.3.2; 6.4.1 to 6.4.3; 6.5.1 to 6.5.4; 6.6.1 to 6.6.2; 6.7.1; 6.8.1 to 6.8.3; 6.9.1 to 6.9.3; 6.10.1 to 6.10.4; 6.11.1 to 6.11.2; 6.12.1 to 6.12.3; 6.13.1) Principle 7 (Indicator 7.5.1; 7.6.1 to 7.6.6) Principle 8
13.30-17.30	Documents verification & fields observation related to: <ul style="list-style-type: none"> Compliance with laws and regulations Legal land Pesticides OSH NPP, if any Continual improvement 	WY	Respective managers - Mesuji estate, KUD Surya Adi & KUD Surya Bhakti	Principle 2 (Indicator 2.1.1 to 2.1.4 and 2.2.1 to 2.2.2) Principle 4 (indicator 4.6.1 to 4.6.12; 4.7.1 to 4.7.7) Principle 7 (Indicator 7.1.1 to 7.1.3) Principle 8
13.30-17.30	Documents verification & fields observation related to: <ul style="list-style-type: none"> Compliance with laws and regulations Management plan Water management plan Conservation and Biodiversity Waste Renewable energy Use of fire 	AR	Respective managers - Mesuji estate, KUD Surya Adi & KUD Surya Bhakti	Principle 2 (Indicator 2.1.1) Principle 3 (Indicator 3.1.1 to 3.1.2) Principle 4 (indicator 4.4.1 to 4.4.4) Principle 5 (Indicator 5.2.1 to 5.2.5; 5.3.1 to 5.3.3; 5.4.1; 5.5.1 to 5.5.2; 5.6.1 to 5.6.3) Principle 7 (Indicator 7.3.1 to 7.3.5; 7.7.1 to 7.7.2; 7.8.1 to 7.8.2) Principle 8

 Audit plan ZN : Genau. Richtig.				
Revisi 2.			Halaman 4 of 5	
Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
	<ul style="list-style-type: none"> GHG calculation NPP, if any Continual improvement 			
13.30-17.30	Documents verification & fields observation related to: <ul style="list-style-type: none"> Compliance with laws and regulations Operating procedure & agrochemical Best Agriculture practice IPM Training Environmental Continuous Improvement 	IS	Respective managers - Mesuji estate, KUD Surya Adi & KUD Surya Bhakti	Prinsip 2 (Indicator 2.1.1) Prinsip 4 (Indicator 4.1.1 to 4.1.3; 4.2.1 to 4.2.4; 4.3.1 to 4.3.6; 4.5.1 to 4.5.2; 4.8.1 to 4.8.2) Prinsip 5 (Indicator 5.1.1. to 5.1.3) Prinsip 7 (Indicator 7.2.1 to 7.2.2; 7.4.1 to 7.4.2) Prinsip 8
17.30	End of 2 nd day audit			
Wednesday, July 19, 2017				
08.00-13.30 Mesuji Estate	Continue documents verification & fields observation at Mesuji Estate	All	-	As per previous agenda
12.00-13.30	Break and lunch	All	-	All auditor move to Surya Adi estate
13.30-17.30	Documents verification & fields observation related to: <ul style="list-style-type: none"> Transparency & Ethical conduct Compliance with laws and regulations Land conflict & use of the land Worker & Social Issues NPP (if any) Continual improvement 	PN	Respective managers - Surya Adi estate, KUD Sinar Jaya & KUD Marga Mulya	Prinsip 1 (Indicator 1.1.1-1.1.2; 1.2.1;1.3.1) Prinsip 2 (Indicator 2.1.1; 2.2.3-2.2.6; and 2.3.1 to 2.3.4) Prinsip 6 (Indicator 6.1.1 to 6.1.5; 6.2.1 to 6.2.3; 6.3.1 to 6.3.2; 6.4.1 to 6.4.3; 6.5.1 to 6.5.4; 6.6.1 to 6.6.2; 6.7.1; 6.8.1 to 6.8.3; 6.9.1 to 6.9.3; 6.10.1 to 6.10.4; 6.11.1 to 6.11.2; 6.12.1 to 6.12.3; 6.13.1) Prinsip 7 (Indicator 7.5.1; 7.6.1 to 7.6.6) Prinsip 8
13.30-17.30	Documents verification & fields observation related to: <ul style="list-style-type: none"> Compliance with laws and regulations Legal land Pesticide OSH NPP (if any) Continual improvement 	WY	Respective managers - Surya Adi estate, KUD Sinar Jaya & KUD Marga Mulya	Prinsip 2 (Indicator 2.1.1 to 2.1.4 and 2.2.1 to 2.2.2) Prinsip 4 (indicator 4.6.1 to 4.6.12; 4.7.1 to 4.7.7) Prinsip 7 (Indicator 7.1.1 to 7.1.3) Prinsip 8
13.30-17.30	Documents verification & fields observation related to: <ul style="list-style-type: none"> Compliance with laws and regulations Management plan Water management plan Conservation and Biodiversity Waste 	AR	Respective managers - Surya Adi estate, KUD Sinar Jaya & KUD Marga Mulya	Prinsip 2 (Indicator 2.1.1) Prinsip 3 (Indicator 3.1.1 to 3.1.2) Prinsip 4 (indicator 4.4.1 to 4.4.4) Prinsip 5 (Indicator 5.2.1 to 5.2.5; 5.3.1 to 5.3.3; 5.4.1; 5.5.1 to 5.5.2; 5.6.1 to 5.6.3) Prinsip 7 (Indicator 7.3.1 to 7.3.5; 7.7.1 to 7.7.2; 7.8.1 to 7.8.2) Prinsip 8

Audit plan
ZN :

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Revisi 2.

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Tanggal / Waktu ⁽¹⁾	Kegiatan	Auditor	Auditee	Keterangan
	<ul style="list-style-type: none"> Renewable energy Use of fire GHG calculation NPP (if any) Continual improvement 			
13.30-17.30	Documents verification & fields observation related to: <ul style="list-style-type: none"> Compliance with laws and regulations Operating procedure & agrochemical Best Agriculture Practice IPM Training Environmental NPP (if any) Continuous Improvement 	IS	Respective managers - Surya Adi estate, KUD Sinar Jaya & KUD Marga Mulya	Prinsip 2 (Indicator 2.1.1) Principle 4 (Indicator 4.1.1 to 4.1.3; 4.2.1 to 4.2.4; 4.3.1 to 4.3.6; 4.5.1 to 4.5.2; 4.8.1 to 4.8.2) Principle 5 (Indicator 5.1.1. to 5.1.3) Principle 7 (Indicator 7.2.1 to 7.2.2; 7.4.1 to 7.4.2) Principle 8
17.30	End of 3rd day audit			

Thursday, July 20, 2017

08.00-12.00 Surya Adi Estate	Continue previous day agenda at Surya Adi Estate	All	Respective Managers	As per previous agenda
12.00-13.30	Break and lunch	All	-	-
13.30-15.30	Confirmation of documents verification findings and fields visit	All	Related departments	-
15.30-16.30	Preparation of closing meeting	All	-	-
16.30-17.30	Closing meeting	All	Representation of PT BMJ & KUD	-
17.30	End of 1st Surveillance Audit	-	-	

Friday, July 21, 2017

07.00-11.00	Traveling to SSK II Airport Palembang	All	-	
15.25-16.35	Flight to Jakarta	WY ,AR, PN	-	GA 113
15.35-17.15	Flight to Medan	IS	-	GA 267

(1) Please avoid any changes!

Sesuai dengan kontrak, seluruh informasi yang ada akan diperlakukan sebagai rahasia dan disimpan dengan aman.

Distribusi rencana audit:

Client Lembaga Sertifikasi Auditor/Expert File/Database

Appendix 3: List of Abbreviations

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

Appendix 4: List of Stakeholders Interviewed and Contacted

No.	Name of Stakeholder	Institution / Position	Remarks
Stakeholders Interviewed during Public Consultation Meeting			
1.	There is no public consultation meeting during this surveillance audit		
Stakeholders Interviewed On-Site			
1	Harahap	Permata Bunda Mill Manager	
2	Anita Widiana	Document Controller	
3	Hasinem	Loader Div I Mesuji Estate	
4	Rusmayati	Daily Paid woker	
5	Ma`ruf	Harvester Mesuji Estate	
6	Daniel	Askep Surya Adi Estate.	
7	Yusi Rosalina	Manager System & Certification	
8	Mika Asri	Internal Auditor / Conservation Specialist	
9	Harvesting Team	Mesuji Estate	
10	Spraying Team	Mesuji Estate	
11	Harvesting Team	KUD Surya Adi	
12	Spraying Team	KUD Surya Adi	
13	Harvesting Team	KUD Surya Bhakti	
14	Spraying Team	KUD Surya Bhakti	
15	Hermansyah	Petugas Komunikasi	
16	Hariyanto	Ketau KUD Karya Makmur	
17	Hermansyah	Sekretaris KUD Karya Makmur	
18	Hadi Ismail	Head Plantation KUD MargaMulya	
19	Cipto	SecreatryKUD MargaMulya	
20	Didi	Treasury KUD MargaMulya	

