



Audit Report

3rd Annual Surveillance Audit for

PT. Rigunas Agri Utama, Peranap Mill and Its Supply Bases

FMS40006

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

Audited Address: Simelinyang, Pauh Ranap, Sengkilo Village,
Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia

Date of audit : 21 – 23 November 2017

Date of follow up : 16 – 17 January 2018

Table of contents		Page
Executive Overview		4
Abbreviations Used		6
1.0	SCOPE OF THE ASSESSMENT	8
1.1	Introduction	8
1.2	Audit Objective	8
1.3	Scope of Certification	8
1.4	Location of Mill and Estates	9
1.5	Description of Supply Base	9
1.6	Date of Plantings	11
1.7	Area of plantation	11
1.8	Approximate tonnages offered for certification (CPO and PK)	12
1.9	Other certificates held	15
1.10	Organizational information/contact person	15
1.11	Time bound plan for other management units	15
1.12	Partial Certification Requirements	19
1.13	Date of Issue of Certificate dan Date of Previous Assessment	24
2.0	AUDIT PROCESS	24
2.1	Certification Body	24
2.2	Audit Methodology	24
2.3	Qualification of the Lead Auditor and Audit Team Members	25
2.4	Stakeholder Consultation	26
2.5	Date of Next Surveillance Visit	27
3.0	AUDIT FINDINGS	27
3.1	Action taken on previous audit issues	27
3.2	Claim and use of certification mark and or logo	27
3.3	Description of audit findings	28
3.4	Recommendation	182
3.5	Environmental and social risk for this scope of certification for planning of the surveillance audit	182
3.6	Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	182
List of Tables		
1	Mill and Estates GPS Locations	9
2	Estimated FFB Production of the supply base 2017	9
3	Age Profiles of Planted Palms	11
4	Land use description of Estate	11
5	Estate and Area Planted	12
6	Estate FFB Production Trend	12
7	Mill Total CPO and PK Production of 2017 and Estimate Production of 2018	12
8	Mill Production of CPO and PK derived from Estates FFB in 2017	13
9	Estimated Mill Production of CPO and PK from Estate FFB in 2018	14
10	Certificates Held by Mill and Estates	15
11	RSPO Certification Time Bound Plan	16

List of Figures	Page
------------------------	------

1	Map of Mill and Estates Location	10
---	----------------------------------	----

List of Appendices

		Page
A	Audit Record	183
B	Previous nonconformities, corrective actions and status	186
C	Nonconformities, Corrective Actions and Observations Summary	193
D	Stakeholder's issues and comment	212
E	Definition of, and action required with respect to audit findings RSPO PC	221

Executive Overview

SAI Global has conducted the 3rd Annual Surveillance Audit on 21 – 23 November 2017 for

Certified Units

- | | |
|--|------------------|
| a. Mill | : Peranap |
| b. Supply bases | : Peranap Estate |
| c. Model of Supply Chain Certification | : MB |

And also conducted document verification on 15 December 2017 at Asian Agri Head Office – Jakarta regarding the released issues from results of interview with workers.

There was audit scope changing in this audit. Peranap Smallholders was excluded and will be audit used the Group Certification Standard for Smallholders. Also, in this audit, SAI Global was witnessed by 2 (two) auditors from Accreditation Services International.

The audit concluded with issuance of 10 Major and 7 minor NCRs. There was no NCR recurrence from previous audit. Follow up was conducted on 16 – 17 January 2018 to verify the correction, root-cause, and corrective action for the Major NCRs.

At the conclusion of this audit that Peranap Mill and its supply bases operation has complied overall with the requirements of the Indonesian National Interpretation of the RSPO Principles and Criteria 2013 (Endorsed by the RSPO Board of Governors on September 30th, 2016) and the RSPO Supply Chain Certification Standard, Module E – CPO Mill: Mass Balance, version November 2014. The recommendation that Peranap Mill can continue as a producer of RSPO Certified Sustainable Palm Oil and Palm Kernel (Model: Mass Balance).

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

Estimated tonnage of certified CPO produced	: 22,657 MT
Estimated tonnage of certified PK produced	: 5,418 MT

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

Summary of net GHG emissions

Emissions per Product	tCO ₂ e/tProduct
CPO	0.58
PK	0.58

Production	t/yr
FFB processed	254,876
CPO Produced	52,656

Land use	ha
OP planted area	8,800
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	99
Total	8,800

Extraction	%
OER	20.66
KER	5.38

Summary of field emissions and sinks

	Own Crop		Group		3rd Party		Total	
	tCO2e	tCO2e/t FFB	tCO2e	tCO2e/ tFFB	tCO2e	tCO2e/t FFB	tCO2e	tCO2e/ tFFB
Emissions								
<i>Land Conversion</i>	36129	0.39	50786	0.59	0	0	0	0
<i>*CO2 Emissions from Fertilizer</i>	2596	0.03	3848	0.05	0	0	0	0
<i>**N2O Emissions</i>	4263	0.05	3229	0.04	0	0	0	0
<i>Fuel Consumption</i>	1057	0.01	1218	0.01	0	0	0	0
<i>Peat Oxidation</i>	0	0	0	0	0	0	0	0
Sinks								
<i>Crop Sequestration</i>	-34245	-0.037	-48138	-0.56	0	0	0	0
<i>Conservation Sequestration</i>	0	0	0	0	0	0	0	0
Total	9799	0.11	16942	0.13	6924	0	0	0

Summary of mill emissions and credits

	tCO2e	tCo2e/tFFB
<i>Emissions</i>	41445.71	0.16
<i>POME</i>	284.37	0
<i>Fuel Consumption</i>	0	0
<i>Grid Electricity Utilization</i>		
<i>Credits</i>	-520.49	0
<i>Export of Grid Electricity</i>	-30487.6	-0.12
<i>Sales of PKS</i>	0.00	0.00
<i>Sales of EFB</i>	10722	0.04
Total	41445.71	0.16

Palm Oil Mill Effluent (POME) Treatment:

Divert to compost	0%
Divert to anaerobic digestion	100%

POME Diverted to Anaerobic Digestion:

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

Abbreviations Used

AK3U	Occupational Health and Safety Expert (<i>Ahli K3 Umum</i>)
AMDAL	Environmental Impact Analysis (<i>Analisis Dampak Lingkungan</i>)
AME	Area Manager Engineering
BHL	Daily worker (<i>Buruh Harian Lepas</i>)
BKM	Log book of group leader activity (<i>Buku Kegiatan Mandor</i>)
BLH	Environmental Agency (<i>Badan Lingkungan Hidup</i>)
BLRS	Bah Lias Research
BOD	Biological Oxygen Demand
BPN	National Land Agency (<i>Badan Pertanahan Nasional</i>)
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DO	Delivery Order
EFB	Empty fruit bunch
EMS	Environmental Management System
EWS	Early Warning System
FFB	Fresh Fruit Bunch
GAPKI	Indonesian Palm Oil Association (<i>Gabungan Pengusaha Kelapa Sawit Indonesia</i>)
GPS	Global Positioning System
Ha	Hectare
HCV	High Conservation Value
HGU	Land Use Title (<i>Hak Guna Usaha</i>)
GHG	Green House Gases
HIPERKES	Industrial Hygienist
HO	Head Office
IDN	Indonesia
IPM	Integrated Pest Management
ISCC	International Sustainability Carbon Certification
ISO	International Standards Organisation
ISPO	Indonesia on Sustainable Palm Oil
Jamsostek	Man Power Social Assurance (<i>Jaminan Sosial Tenaga Kerja</i>)
Kepmen	Degree of Man Power Ministry (<i>Keputusan Menteri Tenaga Kerja</i>)
KTU	Head of Administration (<i>Kepala Tata Usaha</i>)
LA	Land Application
LD	Lethal Dosage
LSU	Leaf Sampling Unit
LTI	Loss Time Incident
MCU	Medical Check-Up
MSDS	Material Safety Data Sheet
MT	Metric Ton
NCR	Non Conformance Report
NGO	Non-Government Organisation
OER	Oil Extraction Rate
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assurance Services
P2K3	OHS Committee
P&C	Principle and Criteria
PEL	Environmental Evaluation Presentation (<i>Penyajian Evaluasi Lingkungan</i>)
Permen/Permenaker	Regulation of Man Power Ministry (<i>Peraturan Menteri Tenaga Kerja</i>)
Permentan	Regulation of Agricultural Ministry (<i>Peraturan Menteri Pertanian</i>)

PK	Palm Kernel
PKB	Joint Working Agreement (<i>Perjanjian Kerja Bersama</i>)
PKWT	Contracted worker (<i>Pekerja Waktu Tertentu</i>)
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PP	Government Regulation (<i>Peraturan Pemerintah</i>)
PPE	Personal Protective Equipment
PUK	Caretaker Unit (<i>Pengurus Unit Kerja</i>)
QC	Quality Control
R&D	Research and Development
RABQSA	Quality Society of Australia
RAU	Rigunas Agri Utama
RKH	Daily Work Plan (<i>Rencana Kerja Harian</i>)
RKL	Environmental Management Plan (<i>Rencana Pengelolaan Lingkungan</i>)
RPL	Environmental Monitoring Plan (<i>Rencana Pemantauan Lingkungan</i>)
RSPO	Roundtable on Sustainable Palm Oil
SCCS	Supply Chain Certification System
SG	Segregation
SIA	Social Impact Assessment
SIO	Operator Licence (<i>Surai Ijin Operasi</i>)
SMK3	Occupational Health and Safety Management System (<i>Sistem Manajemen Kesehatan dan Keselamatan Kerja</i>)
SPSI	Indonesian Worker Union (<i>Serikat Pekerja Seluruh Indonesia</i>)
SOP	Standard Operational Procedure
UKL	Environmental Management Effort (<i>Upaya Pengelolaan Lingkungan</i>)
UPL	Environmental Monitoring Effort (<i>Upaya Pemantauan Lingkungan</i>)
WALHI	Indonesian NGO for Environment (<i>Wahana Lingkungan Hidup Indonesia</i>)
WWF	World Wild Fund
WWTP	Waste Water Treatment Plant

1.0 SCOPE OF THE ASSESSMENT

1.1 Introduction

SAI Global conducted an audit of on 21 – 23 November 2017 at PT. Rigunas Agri Utama – Peranap Mill and its supply base.

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

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

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

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

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

1.2 Audit Objective

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

1.3 Scope of certification

The scope of certification is the CPO and PK production from one (1) Palm Oil Mill and FFB supply bases comprising one (1) palm oil estates owned by PT. Rigunas Agri Utama.

For Mill SC, it was noted that during the last audit (ASA-2) until this audit, Peranap Mill also supplied by Peranap Smallholders, it was the same of RSPO certified with Peranap Mill (Certificate Number FMS40005 by SAI Global Indonesia) and until this audit was switching the audit standard used to the Group Certification for Smallholders. Other than that, Peranap Mill received the Independent Smallholders FFB that was not certified of RSPO.

1.4 Location of mill and estates

1.4.1 Palm Oil Mill

Peranap Mill, PT. Rigunas Agri Utama.

Location	: Simelinyang, Pauh Ranap, Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia
GPS Location	: East 102 ⁰ 01' 10" and South 0 ⁰ 35' 05"
Mill Capacity	: 45 MT FFB/hour

1.4.2 Oil Palm Estate

Peranap Estate, PT. Rigunas Agri Utama.

Location	: Simelinyang, Pauh Ranap, Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia
GPS Location	: East 101 ⁰ 59' 33" - 102 ⁰ 04' 23" South 0 ⁰ 38' 17" - 0 ⁰ 33' 01"
Certified Area	: 5,215 ha
Planted Area	: 3,658 ha

1.4 Location of mill and estates

Table 1: Mill and Estates GPS Locations

MILL AND ESTATE	EASTING	NORTHING
Peranap Mill	102 ⁰ 01' 10"	0 ⁰ 35' 05"
Peranap Estate	101 ⁰ 59' 33" - 102 ⁰ 04' 23"	0 ⁰ 38' 17" - 0 ⁰ 33' 51"

1.5 Description of supply base

Table 2: Estimated FFB Production of the supply base 2018

ESTATE	PRODUCTION AREA (HA)	ESTIMATED FFB PRODUCTION 2018 (TON/YEAR)
Peranap Estate, PT Rigunas Agri Utama	3,658	98,509
Peranap Smallholders Estate, PT Rigunas Agri Utama	5,142	86,296

ESTATE	PRODUCTION AREA (HA)	ESTIMATED FFB PRODUCTION 2018 (TON/YEAR)
Sub Total	8,800	184,805
3 rd Party	N/A	99,579
Total	8,800	284,384

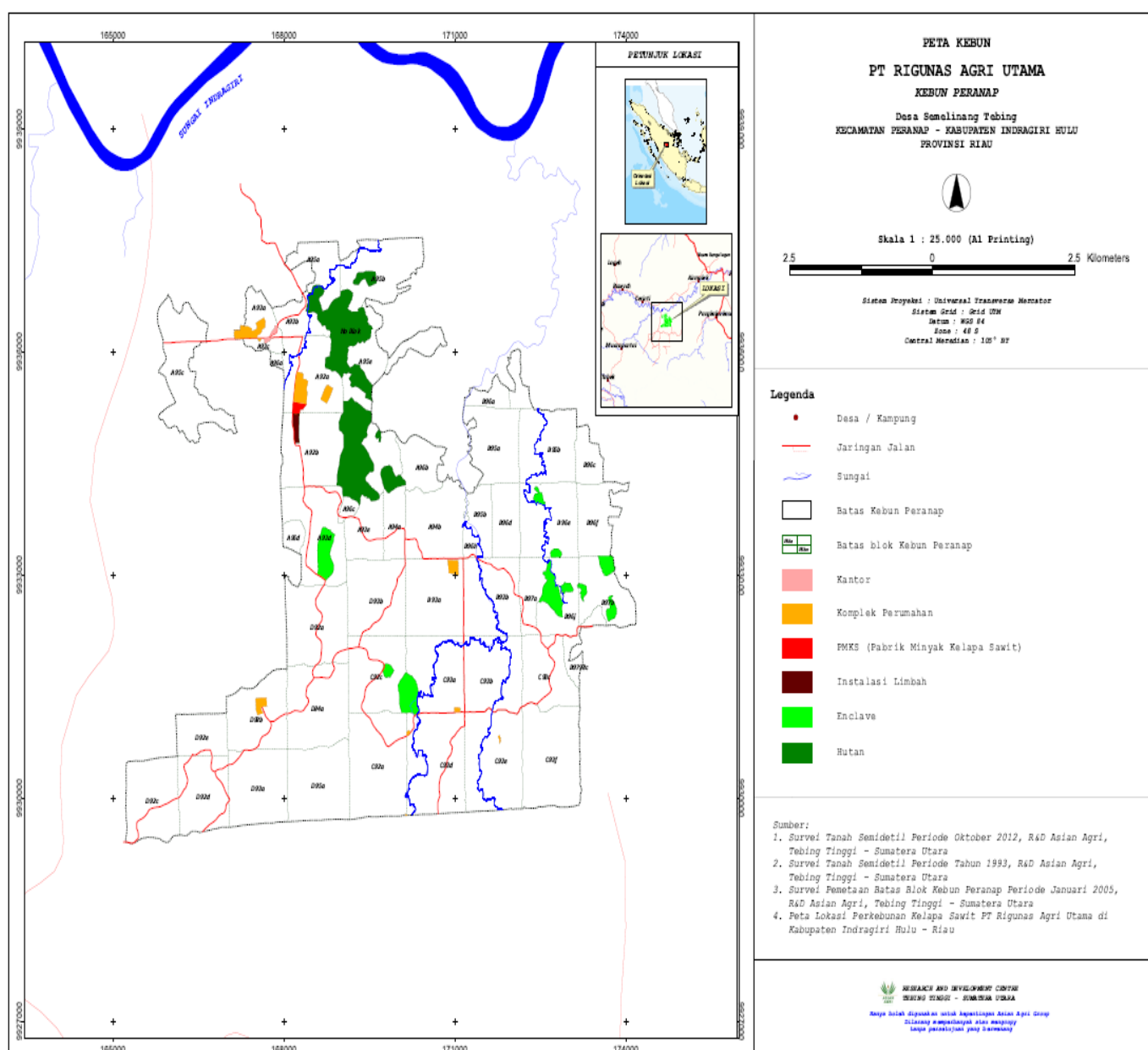


Figure 1 Map of Mill and Estates Location

1.6 Date of plantings

Table 3: Age Profiles of Planted Palms in 2017

Year of Planting	Peranap Estate	% of Planted Area
1992	865	23.6
1993	1,315	35.9
1994	256	7.0
1995	575	15.7
1996	534	14.6
1997	113	3.1
Mature	3,658	100
-	-	
Immature	-	-
Total	3,658	100

Source: PT. Rigunas Agri Utama, 2017

1.7 Area of plantation

Table 4: Land use description of Estate in 2017

AREA	Peranap Estate (ha)
Mature area	3,658
Immature area	-
Total planted area	3,658
Emplacement and Mill	35
HCV Area (include in planted area)	109.99
Other area (enclave, water ponds, land with slope >30 %)	1,522
Total unplanted area	
Total certified area	5,215

Source: PT. Rigunas Agri Utama, 2017

Table 5: Estates and Area Planted in 2017

ESTATE	MATURE (HA)	IMMATURE (HA)
Peranap	3,658	-
Total	3,658	-

Source: PT. Rigunas Agri Utama, 2017

1.8 Approximate tonnages offered for certification (CPO and PK)

Table 6: Estate FFB Production Trend 2012 – 2016

YEAR	Actual Production (MT)
2012	103,040
2013	97,301
2014	96,512
2015	98,586
2016	94,769

Source: PT. Rigunas Agri Utama, 2017

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

Supply Base	FFB Processed (MT)	CPO Production (MT)	OER (%)	PK Production (MT)	KER (%)
Actual Production January – December 2017					
Peranap Estate	95,244	21,365	22.43	5,353	5.62
Peranap Smallholder	84,620	17,609	20.81	4,768	5.63
Sub Total	179,864	38,974	21.67	10,121	5.63
• Other supply bases (3 rd parties)	76,849	13,953	18.16	4,327	5.63
Total actual production	256,713	52,927	20.62	14,448	5.63
Estimated Production January – December 2018					
Peranap Estate	98,509	22,657	23.00	5,418	5.50
Peranap Smallholder	86,296	18,338	21.25	4,746	5.50
Sub Total	184,805	40,995	22.18	10,164	5.50
• Other supply bases (3 rd parties)	99,579	18,471	18.55	5,476	5.50
Total estimated production	284,384	59,466	20.91	15,640	5.50

Source: PT. Rigunas Agri Utama, 2018

Table 8: Mill Production of CPO and PK derived from Estates FFB in 2017

Month	FFB Production (ton)				Palm Oil (MT)				PK (MT)			
	Peranap Estate	Peranap Smallholders	Sub Total Certified	Other Supply Bases	Peranap Estate	Peranap Smallholders	Sub Total Certified	Other Supply Bases	Peranap Estate	Peranap Smallholders	Sub Total Certified	Other Supply Bases
2017												
January	7,876	8,583	16,459	5,956	1,876	1,900	3,776	1,146	464	510	974	351
February	7,352	6,774	14,126	5,524	1,685	1,436	3,121	1,022	421	388	809	317
March	7,597	6,789	14,386	6,460	1,736	1,422	3,158	1,187	460	412	872	384
April	7,094	6,537	13,631	6,000	1,673	1,424	3,097	1,152	363	337	700	309
May	7,189	6,657	13,846	7,232	1,653	1,415	3,068	1,342	395	360	755	398
June	5,687	5,831	11,518	6,011	1,241	1,185	2,426	1,061	327	334	661	347
July	8,991	7,374	16,365	6,916	1,963	1,494	3,457	1,226	481	397	878	373
August	7,560	6,897	14,457	6,537	1,660	1,404	3,064	1,165	427	390	817	369
September	9,687	7,128	16,815	6,166	2,145	1,458	3,603	1,110	547	400	947	355
October	9,460	7,357	16,817	7,791	2,107	1,517	3,624	1,400	502	391	893	415
November	9,201	7,297	16,498	5,526	1,962	1,440	3,402	953	523	415	938	314
December	7,550	7,396	14,946	6,730	1,664	1,514	3,178	1,189	443	434	877	395
Total	95,244	84,620	179,864	76,849	21,365	17,609	38,974	13,953	5,353	4,768	10,121	4,327

Source: PT. Rigunas Agri Utama, 2018

Table 9: Estimated Mill Production of CPO and PK from Estate FFB in 2018

Month	FFB Production (ton)				Palm Oil (MT)				PK (MT)			
	Peranap Estate	Peranap Smallholders	Sub Total Certified	Other Supply Bases	Peranap Estate	Peranap Smallholders	Sub Total Certified	Other Supply Bases	Peranap Estate	Peranap Smallholders	Sub Total Certified	Other Supply Bases
2018												
January	7,461	6,913	14,374	9,398	1,716	1,469	3,185	1,743	325	380	705	517
February	7,530	6,230	13,760	7,088	1,732	1,324	3,056	1,315	325	343	668	390
March	7,648	6,247	13,895	8,908	1,759	1,327	3,086	1,653	379	344	723	490
April	7,800	6,045	13,845	6,368	1,794	1,285	3,079	1,181	379	332	711	350
May	7,382	6,233	13,615	7,435	1,698	1,325	3,023	1,379	488	343	831	409
June	7,211	7,003	14,214	7,462	1,659	1,488	3,147	1,384	488	385	873	410
July	7,352	7,891	15,243	9,339	1,691	1,677	3,368	1,732	542	434	976	514
August	8,171	8,025	16,196	9,772	1,879	1,705	3,584	1,813	542	441	983	537
September	9,662	8,011	17,673	7,990	2,222	1,702	3,924	1,482	542	441	983	439
October	9,527	7,639	17,166	9,812	2,191	1,623	3,814	1,820	542	420	962	540
November	9,729	7,987	17,716	8,109	2,238	1,698	3,936	1,504	433	439	872	446
December	9,036	8,072	17,108	7,898	2,078	1,715	3,793	1,465	433	444	877	434
Total	98,509	86,296	184,805	99,579	22,657	18,338	40,995	18,471	5,418	4,746	10,164	5,476

Source: PT. Rigunas Agri Utama, 2018

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

Estimated tonnage of certified CPO produced : 22,657 MT
Estimated tonnage of certified PK produced : 5,418 MT

1.9 Other certificates held

Table 10: Certificates Held by Mill and Estates

MILL/ESTATE	OTHER CERTIFICATION HELD
Peranap Mill and Estate	EU-ISCC-Cert-DE100-18232017, released by SGS, valid on 18 November – 17 November 2018
Peranap Mill and Estate	Indonesia Sustainable Palm Oil (ISPO), released by SAI Global Indonesia, No. FMS40005, valid on 7 January 2015 – 6 January 2020

1.10 Organizational information/contact person

PT. Rigunas Agri Utama

Jl. MH. Thamrin No. 31, Jakarta 10230

Phone : (+62-21) 2301119

Fax : (+62-21) 2301120

Contact person : Welly Joel Candra

Email : Welly_Candra@asianagri.com

1.11 Time bound plan for other management units

PT. Rigunas Agri Utama as a subsidiary of PT. Inti Indosawit Subur commits to RSPO certification of all its management units located in North Sumatera, Riau and Jambi Provinces. Time bound plan has been developed to achieve the RSPO certification for all its management units. The time bound plan is realistic and challenging. The plan was detailed on Table 11. The time bound plan was revised in February 2016 and updated in November 2017.

Table 11: RSPO Certification Time Bound Plan

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

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

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

1.12 Partial Certification Requirements

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

Audit Report

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
registered RSPO member is the holding company or one of its subsidiaries;				
	<ol style="list-style-type: none"> 1. Does the parent organisation or one of its majority¹ owned and / or managed subsidiaries is member or RSPO? 2. State organisation who is member of RSPO 3. State RSPO membership number of the above organisation(s) 	<ul style="list-style-type: none"> - List of Operating Company in 2017. - www.rspo.org 	The company is one of managed subsidiaries by PT. Inti Indosawit Subur as RSPO membership. It was also stated in RSPO website (www.rspo.org) that the Inti Indosawit Subur as RSPO membership and have the number of 1-0022-06-000-00.	YES
3	Time bound plan			
<p>b. A challenging time-bound plan for certifying all its relevant entities² is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. The Certification Body will be responsible for reviewing the appropriateness of this plan³, taking into account comments received from stakeholders following the public consultation process. Progress towards this plan will be verified and reported on in subsequent annual surveillance assessments (see Annex 4). Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness.</p>				
	<ol style="list-style-type: none"> 1. Is there a challenging time-bound plan for certifying all its relevant entities² submitted to CB during the first certification audit? 2. Is the time-bound plan containing list of subsidiaries, estates and mills? 3. Are there comments received from stakeholders following the public consultation process relevant to the time-bound plan? 4. Taking into account comments in the point 3 above, are the time-bound plan appropriate/continued to be appropriate? 5. How is the progress towards this plan? 	<ul style="list-style-type: none"> - The updated time-bound plan in February 2016 and revision in November 2017 - Public consultation on 22 November 2017 	There was a challenging TBP for all its relevant entities of the PT. Inti Indosawit Subur. TBP was containing list of subsidiaries (estates and mills). There was no complaint during public consultation. During public consultation, there no comment and issue from stakeholders regarding time-bound plan.	YES

Audit Report

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

Audit Report

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	<p>e. No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure (Annex 5).</p> <p>f. Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p> <p>g. Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p> <p>h. Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p> <p>i. Certification bodies will assess compliance with these rules for partial certification at each and every assessment of any of the management units (see Annex 4). Assessment of compliance with requirements (e) – (h) by the certification body based on self-declarations only by the Company, with no other supporting documentation, will not be acceptable</p>			
	<p>a. Is there any verification compliance for uncertified management units and or holdings of requirements e-f above e.g. through self-assessment (i.e. internal audit)?</p> <p>b. Has the verification covered all requirements of e-f above?</p> <p>c. Based on the result of verification in point 1 and 2 above, please indicate is there any:</p> <p style="padding-left: 20px;">i. Replacement of primary forest or any area containing HCV or required to maintain or enhance HCV in line with RSPO criterion 7.3?</p> <p style="padding-left: 20px;">ii. Are there new planting since January 1st 2010 which was not comply with RSPO NPP?</p> <p style="padding-left: 20px;">iii. Land conflict, which was not being resolved through a mutually agreed process</p>	<p>- The updated time-bound plan in February 2016 and revision in November 2017</p> <p>- RSPO Internal Audit at Segati Mill and its supply bases, date on 23 –31 October 2017</p> <p>- RSPO Internal Audit at Negri Lama II Mill and its supply bases, date on 31 May – 3 June 2017</p> <p>- RSPO Internal Audit at Teluk Panji Mill and its supply bases, date on 3 – 4 February 2017</p>	<p>Verification compliance for uncertified management units were conducted by Certification Division through RSPO Internal Audit that covered all RSPO Principle and Criteria. Based on internal audit found that the companies:</p> <ul style="list-style-type: none"> • No land conflicts • No labour disputes <p>Several non-conformances of the RSPO internal audit were regulation compliance still in progress with other parties and NPP is also still in progress correction by the company after being revised by RSPO. For more detail, please refer to Table 11.</p>	<p>YES</p>

Audit Report

NO	CERTIFICATION SYSTEM/ CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS	COMPLIANCE (YES/NO)
	<p>in accordance with RSPO criteria 6.4, 7.5 and 7.6?</p> <p>iv. Labour dispute, which was not being resolved through a mutually agreed process in accordance with RSPO criterion 6.3</p> <p>v. Legal non-compliance, which are not resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2</p> <p>d. Are there targeted stakeholder consultation carried out by other CB?</p> <p>e. Considering all the above data is there necessary to conduct further targeted stakeholder consultation or filed inspection?</p>			
<p>Guidance</p> <p>For requirements (e) – (h), the approach to defining major and minor non-compliance can be applied from the relevant national interpretation. For example, if non-compliance against a ‘major indicator’ in a non-certified holding/management unit is identified, the current certification assessment cannot proceed to a successful conclusion until that is addressed.</p> <p>Failure to address any of the requirements (e)-(h) may lead to certification suspension(s) (consistent with the RSPO Certification Systems document rules on non-compliance).</p> <p>² Relevant entities – including both the business units and parent company(ies)’ commitment to RSPO, membership status and involvement with palm oil for each subsidiary</p> <p>¹ Majority shareholding: the largest shareholding. Where the largest shareholdings are equal (e.g. 50/50) this applies to the organisation that has management control.</p> <p>³ in particular, that the time scale is sufficiently challenging, taking into account circumstances around each entity</p>				

1.13 Date of issue of certificate and date of previous assessment

Date of issue of certificate : 07 January 2015
Date of previous audit : 22 – 25 November 2016 (2nd ASA) and 03 March 2017 (Special Audit)

2.0 AUDIT PROCESS

2.1 Certification body

PT. SAI Global Indonesia

Graha Iskandarsyah, 4th floor
Jl. Iskandarsyah Raya No. 66 C
Kebayoran Baru, Jakarta 12160, Indonesia
Phone : +62 21 720 6186, 720 6460
Fax : +62 21 720 6207
Contact person : Inge Triwulandari
Certification Manager/Technical Manager
Email : Inge.Triwulandari@saiglobal.com

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

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

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

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

2.2 Audit methodology

The 3rd Annual Surveillance Audit was performed on 21 – 23 November 2017. The audit programme was included in the body of report. Audit was conducted in the mill and its supply base.

The audit methodology for collection of objective evidences is site inspection, documentation and record review and interview with staffs, workers, and other stakeholders. Objective evidences from documentation/record review in one area may also be cross checked with other objective evidences in other areas and with the evidence of implementation on site during the audit. Inputs from stakeholders via letter, email, or other communication media were also considered for this certification audit. Particular attention has been paid to previous non-conformities. Area of potential environmental and social risk was concern. For detail of audit plan, can be seen on the page of 183.

2.3 Qualification of the lead auditor and audit team member

R. Yosi Zainal Muhammad – Lead Auditor and audited Social Aspect, Supply Chain, and Partial Certification System

He graduated as bachelor from Department of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural Institute in 2008. He has experienced in the management of sustainable palm oil (RSPO and ISPO), environment management, social impact, and safety management system at palm oil plantation. Join at SAI Global since on December 2015 as Auditor for the ISO 9001, ISPO, RSPO PC, and RSPO SC. It was involved in the quality management system for various the industry sectors, RSPO and ISPO. Several trainings that have been followed were Calculation of Palm Oil Footprint Carbon (2011), Safety Specialist (2013), and Social Impact Assessment (2014). He has also completed lead auditor training / course for ISO 9001 (2015), ISO 14001:2015, ISPO P&C (2016), RSPO Supply Chain (2016), and RSPO P&C (2016).

Daniel Sitompul – Audit team member and audited Health and Safety Aspects

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

Nanang Rusmana – Audit team member and audited Environment and HCV Aspect

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

Fahrul Rozi – Audit Team Member and audited BMP Aspects

Fahrul Rozi graduated with Bachelor of Agricultural Social Economic from University of Padjadjaran in 2008. He has working experience as Assistant of agronomic section at Sinar Mas Group (2008-2011), as staff of Agronomic Vice President at Bima Palma Group (2011-2014), and as sustainability supervisor at Bima Palma Group (2014-2016). Experiencing on the

Audit Report

implementation of sustainable palm oil management system (RSPO and ISPO), environmental management, and issue of social impact, and SMK3 in palm oil companies. He is involved on audit quality management system (ISO 9001:2015) for variety of industry sectors include RSPO and ISPO. He has completed *Ahli K3 Umum* (2010), ISO 14001 (2016), ISO 9001 (2016), RSPO P&C (2016) lead auditor training courses, RSPO SCCS (2016), ISPO (2016) lead auditor training courses.

2.4 Stakeholder consultation

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

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

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

The result of these consultations was provided in Appendix D on page 212.

Table 13: List of internal and external stakeholder

Stakeholders	Methods of Consultation
Internal stakeholders (mill & estates)	
Head of SPSI	Group discussion
Head of Gender Committee	Group discussion
Workers	Group discussion for workers with similar role, otherwise individually interviewed
Farmers Group: - Asosiasi Tani Sawit Swadaya Mandiri - Gapoktan Petani Maju	Group discussion
External Stakeholders (mill & estates)	
Head of Villages : - Talang	Individual discussion

Stakeholders	Methods of Consultation
- Semelinang	
Social and Labour Agency (<i>Dinas Sosial dan Tenaga Kerja Kabupaten Indragiri Hulu</i>)	An invitation letter to comment was sent
Agriculture and Plantation Agency (<i>Dinas Pertanian dan Perkebunan Kabupaten Indragiri Hulu</i>)	An invitation letter to comment was sent
Environment Agency (<i>BLHD Kabupaten Indragiri Hulu</i>)	An invitation letter to comment was sent
National Land Agency (<i>Badan Pertanahan Nasional (BPN) Kabupaten Indragiri Hulu</i>)	An invitation letter to comment was sent
Sub District Police (<i>Kepolisian Sektor Peranap</i>)	An invitation letter to comment was sent
Sub District Head (<i>Camat Peranap</i>)	An invitation letter to comment was sent
NGOs: AMAN (Aliansi Masyarakat Adat Nasional), GAPKI, Sawit Watch, WWF, Lentera Rakyat and Walhi	An invitation letter to comment was sent
District Head (<i>Bupati Kabupaten Indragiri Hulu</i>)	An invitation letter to comment was sent

2.5 Date of next surveillance visit

The next surveillance audit is 4th ASA that will be conducted within twelve months of the license expiration dates, but not earlier than eight months after the expiration date.

3.0 AUDIT FINDINGS

3.1 Action taken on previous audits findings

Several non-conformances (Major and Minor) from the previous audits have been followed up by taking corrective actions. Corrective actions have been implemented and verified. Nevertheless, there were recurring Major NCRs finding from ASA-2 (indicator 6.1.3 and 6.5.2). There was no recurring of minor NCR.

3.2 Claim and use of certification mark and or logo

There was no use of certification mark and or logo. Claim has been made for the RSPO certified product were PK of 8,407 MT and CPO of 137 MT.

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

Period	CPO (MT)			PK (MT)		
	RSPO	ISCC	Non CSPO	RSPO	ISCC	Non CSPO
<i>Stock 2016</i>	-	528	-	-	-	-
2017						
January	-	4,547	1,117	-	-	347
February	-	2,822	1,512	1,400	-	195
March	-	3,174	1,057	-	-	567
April	-	2,386	1,689	-	-	240
May	-	3,832	742	300	-	533
June	-	2,052	1,252	979	-	298
July	-	3,817	1,150	1,974	-	416
August	-	3,102	1,112	120	-	507
September	-	1,665	1,104	1,206	-	237
October	-	3,983	1,375	500	-	451
November	-	3,416	1,005	1,057	-	314
December	137	2,958	1,362	871	-	329
Total	137	37,754	14,477	8,407	-	4,434

Source: Transaction Report in Palm Trace at PT. Rigunas Agri Utama 2018

3.3 Description of audit findings

3.3.1 RSPO Principle and Criteria

PRINCIPLES 1: COMMITMENT TO TRANSPARENCY

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
1.1	<p>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p> <p>Guidance: <i>Growers and millers should have a Standard Operating Procedure (SOP) to respond constructively to stakeholders, including a specific timeframe to respond to requests for information. Growers and millers should respond constructively and promptly to requests for information from stakeholders. The SOP should include information on the officer, who may be contacted by the interested external parties.</i></p> <p><i>Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the response is timely and appropriate.</i></p> <p><i>See Criterion 1.2 for requirements relating to publicly available documentations.</i> <i>See Criterion 6.2 on consultation.</i> <i>See Criterion 4.1 on SOPs.</i></p> <p><i>Definition of relevant stakeholders according to the Regulation of the Minister of Environment No. 17 year 2012 regarding Guidance for Involvement of Communities in the Process of Environmental and Social Impact Assessment (AMDAL) and Environmental Permit are.</i></p> <ul style="list-style-type: none"> • <i>Affected communities are the communities who live within the AMDAL study boundary (social boundary), which will be beneficially or adversely affected by the operations and/or plan of activities;</i> • <i>Environmental concerned communities are communities who are not affected by the operations and/or business plan, however they shall pay attention to the environmental and social issues of the upcoming operations and/or business plan, including the potential environmental and social impacts;</i> • <i>Influenced communities by the decisions of AMDAL process are communities who are located outside and or directly adjacent to the boundary of AMDAL study areas relevant to the impact of operations and/or business plan.</i> <p><i>Relevant stakeholders are also NGOs that have concerns on the environmental and social issues of the upcoming operations and/or business plan, including the potential environmental and social impacts;</i></p>			
1.1.1	<p>List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.</p> <p>Specific Guidance: <i>For 1.1.1: Evidence should be provided by growers and millers that information is received in appropriate form(s) and language(s) by relevant stakeholders. Information will include information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities.</i></p>			
	<p>a. Does the company maintain a list of stakeholders? (E.g. listed by category and stakeholders listed should be site specific)</p> <p>b. What is the frequency of updating the stakeholder list?</p> <p>c. Is there evidence of stakeholder verification?</p>	<p>- Stakeholder list of PT Rigunas Agri Utama, updated in October 2017</p> <p>- SOP AA-GL-5008.1-R1 dated 22 August 2011</p> <p>- List information for</p>	<p>The organization documented and maintained stakeholder list on document “<i>Daftar Stakeholder PT Rigunas Agri Utama</i>” updated in October 2017. Stakeholder consists of governance agency, village chief, prominent figure, workers organization and third parties. Data and information will be update by SSL Officer (Public Relations) if there are changes. Information provided to public and stakeholder specified in social communication procedures AA-GL-5008.1-R1 –</p>	<p>NO (Minor NCR 2017-01)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>d. What type of information is provided? (E.g. Environmental, social and legal)</p> <p>e. What is the frequency and level of access to this information?</p> <p>f. How and where is the information disseminated?</p> <p>g. Who is responsible for providing & updating information?</p> <p>h. Is there an SOP available to describe the process (of information sharing/dissemination)?</p> <p>i. Are stakeholders aware of the type of information available and the procedures for accessing the information?</p>	<p>stakeholder updated in October 2017</p> <p>- Interview with stakeholder and field observation</p>	<p>Communication and consultation procedure. Stakeholder verification conducted by Public Relation if there are changes, it was shown during interview with stakeholder that they continuously communicate with Public Relation.</p> <p>The Organization has determined the type of information that is available and accessible to all stakeholders. There are 13 types of information that is available to stakeholders :</p> <ul style="list-style-type: none"> - Number of employees and a list of basic wages of employees (village, sub-district, district Manpower and province, worker, worker union) - NPWP (KPP) - Payment of local taxes/levies (Dispenda) - Document of EIA (BLH District and Province, KLH, NGOs) - Certificate of incorporation and its amendments, areal statement and its production (Disbun District and Province, BPS, BPPT) - Evidence of land tenure (village, subdistrict, Disbun district and province, BPN, NGOs) - Report of HCV identification (Village, BKSDA, BLH District and province, NGOs) - Reports SIA identification (Village, BKSDA, BLH District and province, NGOs) - Report of empowerment (Village, Subdistrict, District, Province, NGOs) - Report of P2K3 (Manpower office district and province) - Document improvement program (Government agencies) - Document RSPO audit report (Village, Subdistrict, District, Province, NGOs) 	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>- Document human rights policy (Village, Subdistrict, District, Province, NGOs)</p> <p>All information above can be accessed by interested parties. Provision of information should be known by SSL Officer and approved by the General Manager. If the information is confidential trade must go through the approval of Regional Head Office.</p> <p>The relevant stakeholders received information on the RSPO mechanisms for stakeholder involvement, including information on their rights and responsibilities. All information provided in several stakeholders is in accordance with the terms and language used, for example in the form of reports and the contents of the report. Delivery of Information is delivered in <i>Bahasa</i>.</p> <p>Minor Non-conformance 2017-01:</p> <p>Not all stakeholders in the company were on the stakeholders list, such as local contractors on behalf Yori Chandra, Sri wahyuni, and CV Monica.</p>	
1.1.2	<p>(M) Records of requests for information and responses to the information requested shall be available.</p> <p>Specific Guidance: For 1.1.2: <i>Records of requests for information and responses are maintained for a period of time determined by the company, taking into account their importance and need.</i></p>			
	<p>a. Does the company have an SOP to ensure constructive response to stakeholders?</p> <p>b. Who is the personnel in charge (PIC)?</p> <p>c. Does the SOP cover the elements under 1.1.1?</p> <p>d. Is there a clear time frame for response to request for information?</p> <p>e. Are records of requests for information and responses maintained?</p>	<p>- SOP AA-GL-5008.1-R1 dated 22 August 2011</p> <p>- Logbook Communication and Consultation Y2017</p> <p>- Record of information request and responses Y2017</p> <p>- Interview with stakeholder dated 22 November 2017</p>	<p>Organization has established and implemented a mechanism for receiving and providing information in the procedure - SOP <i>Penanganan Permintaan Informasi Stakeholder</i> (Handling of Information Request from Stakeholder) SOP AA-GL-5008.1-R1 dated 22 August 2011 which explain the mechanism of response to requests for information by referring to the list of stakeholders and stakeholder information according to the principles and criteria for sustainable palm oil. The initial response was given no later than 14 days after receipt of the request from stakeholders.</p> <p>All information except confidential commercial information or information which has a negative impact on the environment and</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>f. Are responses to requests for information timely and appropriate?</p>		<p>social can be provided by the organization. Request for information outside of the list of public information should be approval of top management and the provision of information comes with an official receipt.</p> <p>In the procedure also described specific timeframe to respond the requests for information from stakeholder depend on its request. Organizations usually respond directly to requests for information from all interest party/stakeholder.</p> <p>All information requests from stakeholder and their respond were listed and recorded by Mill and Estate on logbook "Record of information request and responses". Most of requests were an invitation to follow the event held by the stakeholders, for example: invitation for memorial of religious holidays, invitation for area meeting from Camat (Head of Subdistrict) and proposal for borrowing heavy machine like excavator, etc.</p> <p>However, organizations are routinely required to submit reports to the regulatory agencies, such as: Monthly Social Security, Report to the CTF return period PPh21, P2K3 Report (Office of Manpower and Transmigration), and Report of the implementation of the RKL / RPL (Environmental Agency of the district, the province and the Ministry of Environment, Land Application Report (LA). Organization (estate and Mill) monitor all of the information that is communicated to stakeholders routinely.</p> <p>Requests for information submitted in proposal and send to company, all the information and aspirations will be addressed to organization with consideration company policy. Some of proposal were rejected and approved by the company.</p> <p>PIC who's tasked associated with social communication are Estate manager with the daily implementing are 'Public Relations'. And elements 1.1.1 already described in this procedure.</p> <p>The initial response was given no later than 14 days after receipt of the request from stakeholders. This time frame already decided in</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>the procedure AA-GL-5008.1-R0 – ‘Stakeholder Information Request Handling’.</p> <p>The initial response was given no later than 14 days after receipt of the request from stakeholders.</p> <p>Records of information requests and aspirations documented in the Log Book ‘Information Request and Response year 2016’.</p> <p>Information and responses may include the following:</p> <ul style="list-style-type: none"> • The contract between the manager and farmer partnership. • Letter of land / property certificate. • Material / training materials on IPM and the use of agricultural chemicals safely. • Health and safety plan. • Planning and impact assessments relating to social impacts and environmental. • Pollution prevention plans. • Complete description of complaints and objections. • Negotiation procedure. • Procedures for calculating the price, and to establish the quality of TBS • Records of current debts and payments, deductions and charges • Continuous improvement plan 	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	(M) Publicly available documents shall include, but are not necessarily limited to: a. Land titles/user rights (Criterion 2.2) b. Occupational health and safety plans (Criterion 4.7)			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d. HCV documentation (Criteria 5.2 and 7.3) e. Pollution prevention and reduction plans (Criterion 5.6) f. Details of complaints and grievances (Criterion 6.3) g. Negotiation procedures (Criterion 6.4) h. Continual improvement plans (Criterion 8.1) i. Public summary of certification assessment report j. Human Rights Policy (Criterion 6.13).</p> <p>Guidance: <i>This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Management documents will include monitoring reports. The auditors will comment on the adequacy of each of the documents listed in the public summary of the assessment report. Examples of commercially confidential information include financial data such as costs and income, and details relating to customers and/or suppliers. Data that affects personal privacy should also be confidential. One of legal requirements related to personal privacy is Act No. 14 year 2008 regarding Public Disclosure, clause 17 (h): Ongoing disputes (within or outside of a legal mechanism) can be considered as confidential information where disclosure could result in potential negative outcomes for all parties involved. On-going dispute (within or outside law mechanism) can be considered as confidential information if disclosure of information potentially causes negative impact to all related parties. However, affected stakeholders and those seeking resolution to conflict should have access to relevant information. However, affected stakeholders and parties who are working towards resolutions should have access to relevant information. Examples of information where disclosure could result in potential negative environmental or social outcomes include information on sites of rare species where disclosure could increase the risk of hunting or capture for trade, or sacred sites which a community wishes to maintain as private. Growers and millers should ensure that sufficient objective evidence exists to demonstrate that the level of measuring and monitoring of the management plan, and information, is appropriate and made available.</i></p>			
	<p>a. How are the management documents listed in (c) below made publicly available? b. Where are the documents placed? c. Is the information provided adequate? Note: At minimum, an information summary of the document listed below should be made available.</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2) <ul style="list-style-type: none"> - Legal boundaries ,land use, classification, total area, grant title, 	<ul style="list-style-type: none"> - List information for stakeholder updated in October 2017 2017 - SOP AA-GL-5008.1-R1 dated 22 August 2011 - Site Permit (Izin Lokasi), - Land Use Title (HGU), - Plantation Operation Permit (IUP), - Environmental and Environment 	<p>Organisation documents that is generally available by the organisation. List of management documents are publicly available such as: Site Permit (Izin Lokasi), Land Use Title (HGU), Plantation Operation Permit (IUP), Environmental and Environment Impact Analysis document (AMDAL), environmental management and monitoring report (RKL and RPL implementation reports), HCV Assessment report, Social Impact Assessment (SIA) Report, Occupational Health and Safety Management Plan, Corporate Social Responsibility (CSR) and Continuous Improvement Plan Those documents were accessible and shown during this audit.</p> <p>The documented procedure was established, it's described the</p>	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • permit validity , NCR rights, Occupational health and safety plans (Criterion 4.7); <ul style="list-style-type: none"> - risk assessment and mitigation, emergency response plan, training, accident records • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); <ul style="list-style-type: none"> - main social and environmental impacts and mitigation measures, • HCV documentation (Criteria 5.2 and 7.3); <ul style="list-style-type: none"> - identification on HCV areas, maps, management and monitoring HCV • Pollution prevention and reduction plans (Criterion 5.6); <ul style="list-style-type: none"> - identification of pollutants, management and reduction measures • Details of complaints and grievances (Criterion 6.3); <ul style="list-style-type: none"> - nature of complaints, parties involved, status of case • Negotiation procedures (Criterion 6.4); <ul style="list-style-type: none"> - SOP, consultative, neutral, inclusiveness, timeframe, responsibility • Continual improvement plans (Criterion 8.1); <ul style="list-style-type: none"> - for all elements under 8.1, • Public summary of certification assessment report; <ul style="list-style-type: none"> - follow RSPO format • Human Rights Policy (Criterion 6.13). 	<ul style="list-style-type: none"> Impact Analysis document (AMDAL), - Environmental management and monitoring report (RKL and RPL implementation reports), - HCV Assessment report, - Social Impact Assessment (SIA) Report, - Corporate Social Responsibility (CSR) - Continuous Improvement Plan 	<p>process and responsibilities and authorities in regards responding the request on information from the public. The coverage of request on information as stated in the procedure including information on legal documents, environmental documents, social activities documents, occupational health and safety programme documents and continual improvement documents.</p> <p>All monitoring reports publicly available such as environmental management and monitoring report (RKL and RPL implementation reports), reports of P2K3 and etc.</p> <p>Information provided adequate at minimum, an information summary of the document listed such as :</p> <ul style="list-style-type: none"> • Land titles/user rights, hold on by owner/farmers • Environmental – AMDAL, inside EIA PT RAU already covered smallholder scheme • Social Activities, documented in one document called CSR PT RAU where one of is activities is smallholder development • Production • RAT report, smallholder farmers are united in one organization called “Koperasi Unit Desa” so every year they have annual meeting. 	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>- policy statement should comply to the requirements of 6.13</p> <p>d. Do the management documents contain monitoring plans and reports?</p> <p>e. Are all monitoring reports publicly available?</p>			
1.3 ¹	<p>Growers and millers commit to ethical conduct in all business operations and transactions. ^{*1} <i>New Criteria - Growers and millers commit to ethical conduct in all business operations and transactions.</i></p>			
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.</p> <p>Guidance: <i>All levels of the operations will include contracted third parties (e.g those involved in security). The policy of ethical conduct and integrity should include:</i></p> <ul style="list-style-type: none"> • <i>A respect for fair conduct of business;</i> • <i>A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources;</i> • <i>A proper disclosure of information in accordance with applicable regulations and accepted industry practices.</i> <p><i>The policy should be set within the framework of the UN Convention Against Corruption, in particular Article 12.</i></p> <p><i>Regulations that are related to eradication of corruption are as followings:</i></p> <ol style="list-style-type: none"> 1. <i>Act No. 7 year 2006 regarding Ratification of United Nations Convention Against Corruption</i> 2. <i>Act No.8 year 2010 regarding Prevention and Eradication of Money Laundry.</i> 3. <i>Act No. 13 year 1999 regarding Eradication of Corruption.</i> 4. <i>Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication</i> <p><i>Normal business is the business that complies with all existing regulations.</i></p> <p><i>This written policy should be communicated to the affected parties.</i></p>			
	<p>a. Is there a written policy committing to a code of ethical conduct and integrity in all operations and transactions?</p> <p>b. Does the policy include as a minimum:</p> <ul style="list-style-type: none"> • A respect for fair conduct of business? • A prohibition of all forms of corruption, 	<ul style="list-style-type: none"> - Policy Code of Ethic dated 1 December 2014 - Minutes and attendance dissemination of code of ethics policy in PPN and KPN 	<p>Written policy committing to a code of ethical conduct and integrity in all operations and transactions was available in "Company Policy" dated 1 December 2014 and signed by the Managing Director.</p> <p>Ethic policy includes several aspects, such as:</p> <ul style="list-style-type: none"> - Social Responsibility 	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>bribery and fraudulent use of funds and resources?</p> <ul style="list-style-type: none"> • A proper disclosure of information in accordance with applicable regulations and accepted industry practices? <p>c. Is the policy documented and communicated to all levels of the workforce and operations, including contracted third parties? How is it communicated?</p> <p>d. Are the documentation and communication done in the appropriate languages?</p> <p><i>Note to auditor: The workforce should be interviewed to determine level of understanding of policy</i></p>		<ul style="list-style-type: none"> - Wages - Fair conduct of business - Infrastructure and accommodation - Labour union - Child labour - Indiscriminative treatment - Protection against sexual harassment and violence - Protection of reproductive rights - Receipts and provision of gifts, entertainment or assistance in job, corruption and fraud - Relation with supplier - Occupational health and safety, and environment - Employee cooperatives - Human rights <p>The policy was well documented on 01 December 2014 and signed by the Management Director. The policy has been communicated to all levels of the workforce and operations, including contracted third parties. Dissemination of code of ethics policy has been carried out on 18 April 2016 and 26 September 2016. Based on interview with workforce that they have understood regarding company's ethic policy.</p>	

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.1	<p>There is compliance with all applicable local, national and ratified international laws and regulations.</p> <p>Guidance: <i>Implementing all legal requirements is an essential baseline requirement for all growers and millers whatever their location or size. Relevant legislation includes, but is not limited to:</i></p> <ul style="list-style-type: none"> a. Land use period and right b. Labour c. Agricultural practices (e.g. chemical use) d. Environment (e.g. wildlife, pollution, environmental management and forestry) e. Storage f. Transportation and processing practices. <p><i>It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions, UN Guiding Principles on Business and Human Rights). Furthermore, where countries have provisions to respect customary law, these will be taken into account.</i></p> <p><i>Key international laws and conventions are set out in Annex 1.</i> <i>Legal requirements are existing laws and regulations some of which are set out in Annex 1.</i></p>			
2.1.1	(M) Evidence of compliance with relevant legal requirements shall be available.			
	<p>a. Is the complete list of legal requirements available? (Refer to relevant NIs or LIs for list of legal requirements)</p> <p>b. Does the company have copies of the legal requirements?</p> <p><i>Note to auditor: A due diligence on the company/area or management unit on legal compliance should be conducted prior to field audit. Any non-compliance should be verified during the field audit.</i></p> <p><i>Relevant legislation includes, but is not limited to: regulations governing land tenure and land-use rights, labour, agricultural practices (e.g. chemical use), environment (e.g. wildlife laws, pollution, environmental management and forestry laws),</i></p>	<ul style="list-style-type: none"> • Procedure Identification and evaluation regulation compliance (AA-GL-5001.1-RO) • List of Environment Regulation, on 01 November 2016 (AA-432-001-LT) • List of Legal Compliance Evaluation 2016 KUD Bukit Permai and Lakat Makmur. • Record of regulatory compliance evaluation called “Evaluasi Kepatuhan Hukum PT RAU” updated on June 2016 	<p>The relevant legal requirement or regulations for Peranap mill and Peranap estate have been established and identified. A list of legal requirements was mentioned in List of Environment Regulation, on 05 April 2017.</p> <p>Copies of the legal requirements were shown and maintained properly. The regulations were regarding to:</p> <p><u>Best practise Agronomi/Plantation and mill, such as:</u></p> <ul style="list-style-type: none"> - UU No. 5 tahun 1960 regarding basic regulations of agrarian specifics comply by oil palm planting in accordance HGU owned, Fertilizing performed according to the procedure that is specified - UU No. 12 tahun 1992 regarding cultivation system comply by oil palm cultivation performed according to the procedures specified and attention to aspects of environmental pollution and damage to health and safety, not use pesticides are 	<p>YES</p> <p>(Major NCR 2017-02 closed)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>storage, transportation and processing practices. It also includes laws made pursuant to a country's obligations under international laws or conventions (e.g. the Convention on Biological Diversity (CBD), ILO core Conventions and UN Guiding Principles on Business and Human Rights.</i></p>	<ul style="list-style-type: none"> PHLwork attendance in behalf of. Rodiyah, Asmawati and Chairul Anwar Period August – October 2016 	<p>banned, create the IPM report, perform the plantation business permit</p> <ul style="list-style-type: none"> - UU No. 41 tahun 1999 regarding Forestry comply by Appropriate land use right, not conduct a cultivation in forest areas <p><u>Environmental legal compliance such as:</u></p> <ul style="list-style-type: none"> - Government regulation of the Environment No. 5/2014 - water quality standard, environmental impact analysis, etc. - Government Regulation No. 101/2014 hazardous waste management, company has manage the waste properly (liquid, air and solid waste management) - Government Regulation No. 41/1999 re: Emission Control, Company has conducted air pollution control and emission control periodically in every six month at mill. <p><u>Conservation legal compliance, such as:</u></p> <ul style="list-style-type: none"> - Keppres No. 32 / 1990 regarding Management of protected areas comply by identifying areas comply with HCV in the estate and surrounding area, perform management and monitoring of HCV - UU No. 5 / 1990 regarding the conservation of natural resources and ecosystems, comply with managing HCV areas, create HCV management and monitoring plan and performed it well, create procedures regarding HCV protection. <p><u>OHS Legal requirement:</u></p> <ul style="list-style-type: none"> - Permit of machinery, safety committee, safety officer, medical insurance, monitoring of working environment, paramedic and first aid officer, clinic for workers, handling of hazardous materials including pesticides, firefighting team and equipment etc. - Evidence of compliance with applicable local, national and 	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>ratified international laws and regulations of Peranap Mill and estate have been provided, including: availability of MSDS, periodic safety parameter monitoring (illumination, vibration and noise), medical check-up, safety committee and occupational health and safety report to authority.</p> <ul style="list-style-type: none"> - At Peranap Plasma, first aid equipment and first aid officer, personal protective equipment, safety sign, firefighting team and fire prevention equipment etc. <p>Major Non-conformance 2017-02:</p> <ul style="list-style-type: none"> a. Based on document review, SK MenLHK No 130/2017 "Penetapan Peta Fungsi Ekosistem Gambut Nasional" have not been identified in list environment legal update 5 April 2017. b. Based on field observation in Spraying Activity in Block A95C Afdeling I, it was found that 5 knapsacks of the spray workers not given the B3 Symbol, it was not comply with PerMenLh No. 3/2008 Pasal 3 related "Tata Cara Pemberian Simbol dan Label B3". 	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.			
	<p>a. Is there a document system which includes the following?</p> <ul style="list-style-type: none"> - Personnel in charge to manage - Set of legal documents - Comprehensive list of international, national, sub-national and provincial laws which details the requirements of specific to the mill and estate operations. - Relevant sections within the law that is identified and linked to activities <p>b. Are the documents available to all levels of management?</p>	<ul style="list-style-type: none"> • Procedure Identification and evaluation regulation compliance (AA-GL-5001.1-RO) • List of Environment Regulation, on 5 April 2017 (AA-432-001-LT) 	<p>A documented system which includes written information on legal requirements was maintained. It was documented in SOP AA-GL-5001.1-R0 - Compliance Laws Procedure. The procedure described that identification and evaluation performed against regulation and requirement regarding environment, OHS, plantation, labour, social, etc. the updating of legal regulation performed once a year in January, while evaluation of compliance with legal regulation performed is once per year; personnel in charge to manage the updating and evaluation which is sustainability division together with estate personnel in each section.</p> <p>This document was available to all staff and all level management, the document was stored at central office.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
2.1.3	A mechanism for ensuring compliance shall be implemented.			
	a. Is an internal audit for legal compliance conducted annually and documented?	<ul style="list-style-type: none"> • List of Attendances – Corrective Action ISPO RSPO. • Internal Audit Sustainability (RSPO, ISPO, Environment, and SMK3), on 6 – 10 November 2017. • Check list and corrective action audit internal year 2017. 	<p>Company has performed internal audit for legal compliance conducted annually and well documented :</p> <p>For environment issues there are conducted periodically (once in year) internal audit against the requirement of RSPO, ISPO, Environment, and SMK3 include the legal compliance evaluation. Records were sighted for period 2017. The internal audit was conducted on 6 – 10 November 2017. Moreover there is a PROPER audit also from local government.</p>	YES
2.1.4	<p>A system for tracking any changes in the law shall be available and implemented.</p> <p>Specific Guidance: <i>For 2.1.4: The systems used for tracking any changes in laws and regulations should be appropriate to the scale of the organisation.</i></p>			
	a. Is there a documented methodology (e.g.: personnel in charge (PIC), source of info, frequency of update) for tracking changes and communication of changes to relevant sections of the legislation?	<ul style="list-style-type: none"> • Procedure Identification and evaluation regulation compliance (AA-GL-5001.1-RO) • Evaluation of the legal requirement updated on 5 April 2017 	<p>Documented methodology for tracking any changes in the law was described in Procedure Identification and evaluation regulation compliance (AA-GL-5001.1-RO).</p> <p>The sustainable department and SSL department (social, security, and licence) was conducted identification, verification and registered the all legal and other requirements include environment issues. The last updated 5 April 2017, the method of updating regulation was conducted by internet, email and/or by direct visits to the government bodies, the new environment regulation was identified, such as Regulatory Environment Minister 5/2014 waste water quality standard and Government Regulation 101/2014 hazardous waste management.</p> <p>The evaluation of compliance was conducted together with the relevant functions between sustainable team, public relation, and representative from estate and mills. The communication to relevant functions was conducted by socialization from sustainable team and public relation to respected persons at mill and estate.</p>	YES
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.			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>Guidance: <i>The company has SOP for Land Acquisition to ensure that there is no removal of legal, customary or user rights (see 6.4.1 & 6.4.2)</i> <i>Descriptions of those rights are as follows:</i></p> <ul style="list-style-type: none"> a. <i>Legal Right may be in the form of Land Certificates (Ownership Right / Hak Milik, User Right /Hak Guna Usaha), Registration Letter / Surat Keterangan Terdaftar, Letter of Inheritor Right / Surat Keterangan Hak Waris, and or Letter of Girik Right/Surat Keterangan Hak Girik.</i> b. <i>Customary Right in the Local Regulation/Perda (based on Constitution Court Decision No. 35/PUU-X/2012 regarding Customary Forest) determined through participatory mapping of customary land by the legitimate customary law community who are recognized by the surrounding customary law community and refers to Regulation of the Minister of Home Affairs (Permendagri) No. 52 year 2014 regarding Guideline of Recognition and Protection of Customary Law Community and Regulation of the State Minister of Agrarian Affairs/Head of National Land Agency (BPN) No. 5 year 1999 regarding Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community.</i> c. <i>User Right may be in the form of evidence of land leasing from the legal right holder, and/or official letter from the Village Head based upon testimony of communities or individual where their areas are adjacent to that land.</i> <p><i>Customary area is customary land, including soil, water and or waters and natural resources with certain boundaries, owned, utilized and preserved for generations and on sustainable basis to fulfill the needs of their livelihood that was acquired from their ancestor or claimed ownership of communal land or customary forest.</i></p> <p><i>Where there is a conflict on the condition of land use as per land title, growers should show evidence that necessary actions have been taken to resolve the conflict with relevant parties</i></p> <p><i>A mechanism should be in place to resolve any conflict (Criteria 6.3 and 6.4).</i></p> <p><i>Where operations overlap with other rights holders, companies should resolve the issue with the appropriate authorities, consistent with Criteria 6.3 and 6.4.</i></p> <p><i>Historical data of land ownership should be provided by the company for a minimum of one period of ownership/control.</i></p> <p><i>If there is a claim on customary right, this shall be legally demonstrated.</i></p>			
2.2.1	<p>(M) Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>Specific Guidance: <i>For 2.2.1: The documents required to demonstrate legal ownership, lease or control and use of land shall include those related to getting the land permit or transfer of land right and up to the operational right.</i></p>			
	<ul style="list-style-type: none"> a. Are there documents showing legal ownership or lease of the land available? (e.g. land titles, lease documents) b. Are there documents showing history of land tenure available? (e.g. legal documents showing land status change, SIA and EIA) 	<ul style="list-style-type: none"> • Decree of the Head of National Land Agency (Badan Pertanahan Nasional), No.18/HGU/ BPN/2000, dated 27th April 2000 • Land Title (HGU) No. 03; 	<p>Company already has the documents showing legal ownership or lease of the land in the form of HGU. Copy of land title (HGU) of Rigunas Agri Utama was sighted and legally owned by the company. Copy of land use title was available and well maintained in the office of Peranap Estate, while the original one was kept in the regional Office Pekanbaru. Land use title mentioned that the land was located at Pauh Ranap Village, Peranap Sub District, Indragiri Hulu District,</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>reports, HCV assessment reports)</p> <p>c. Are there documents showing the actual legal use of the land available?</p> <p>d. Are the documents complete?</p>	<p>Ranap Pauh village, Sub District: Peranap and Kelayang, District Indragiri Hulu, Riau Province, dated 21st June 2000</p> <ul style="list-style-type: none"> Letter of Measurement No. 01/Inhu/2000, areas 5,215.142 Ha, valid until 24th June 2035. 	<p>Riau Province.</p> <p>The plantation has a land rights area of 5,215.142 ha, by Decree of the Head of National Land Agency (Badan Pertanahan Nasional), No.18/HGU/ BPN/2000, dated 27th April 2000 and Land Title (HGU) No. 03; Ranap Pauh village, Sub District: Peranap and Kelayang, District Indragiri Hulu, Riau Province, dated 21st June 2000 and Letter of Measurement No. 01/Inhu/2000, areas 5,215.142 Ha, valid until 24th June 2035. Actual land use right was defined in company areal statement, land usage consist of plantation area, emplacement, road infrastructure and general facility, mill and conservation area.</p> <p>Documents showing legal ownership or lease of the land available were completely available and kept in regional Office Pekanbaru, the copy was sighted during audit in Peranap Estate and mill.</p>	
2.2.2	<p>Legal boundaries are demonstrated clearly and maintained.</p> <p>Specific Guidance: For 2.2.2: Grower should cease operations on land planted beyond the legally determined area and there should be specific plans in place to address such issues for associated smallholders.</p>			
	<p>a. Is there a legal map showing location of boundary markers?</p> <p>b. Is there physical presence of boundary markers?</p> <p>c. Is there an SOP for boundary demarcation and maintenance?</p> <p><i>Note to auditor: Ground verification of boundary markers using GPS should be conducted. Priority should be on boundaries with other estates, community areas, protected area and rivers</i></p> <p><u>In the case of Associated Smallholders:</u></p> <p>d. Are there documents showing that the boundaries of associated smallholders have</p>	<ul style="list-style-type: none"> Situation Map / HGU map with a scale of 1: 40,000, dated 01/08/1997, no. 12/1997 Field observation was to pegs number Working Instruction (NLG-WI-001/Rev.0/01-8-16) monitoring and maintenance of boundary markers 	<p>There was a legal map showing location of boundary markers recorded on the Situation Map / HGU map with a scale of 1: 40,000, dated 01/08/1997, no. 12/1997.</p> <p>There were physical presence of boundary markers in the form of HGU pegs. Legal boundaries marker were sighted during the audit and maintained along the perimeters of estate lands which were mapped with Global Positioning System (GPS).</p> <p>Field observation was conducted to pegs number:</p> <ul style="list-style-type: none"> - Peg HGU 3 (00° 34'16.9" S and 102° 00.41.4' E), block A95F - Peg HGU 6 (00° 33'52.7" S and 102° 01.45.1' E), block A95B - Peg HGU 7 (00° 33'51.6" S and 102° 02.22.0' E), block A95B - Peg HGU 21 (00° 37'08.03" S and 102° 03.50.19' E), block C93C 	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>been recorded and verified by the mill?</p> <p>e. In case of boundary breach, is there proof of a mitigation plan being implemented?</p>		<p>- Peg HGU 23 (00° 37'53.12" S and 102° 03.52.06' E), block C93F</p> <p>- Peg HGU 26 (00° 38'03.44" S and 102° 02.30.55' E), block C93D</p>	
2.2.3	<p>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</p>			
	<p>a. Are there, or have there been any land disputes?</p> <p><i>Note to auditor: Due diligence should be conducted on the management to provide evidence that there has been no historical or current land dispute</i></p> <p>b. If there are or have been disputes, are there:</p> <ul style="list-style-type: none"> - Documents to proof legal acquisition? - Records of FPIC process? <p>c. If there has been acquisition involving compensation, are there:</p> <ul style="list-style-type: none"> - Records that Fair compensation has been provided and accepted by parties involved? - Records that all affected parties are consulted and represented? - Documents of negotiations/discussion available? <p><i>Note to auditor: There should be direct verification of above with the affected parties.</i></p>	<ul style="list-style-type: none"> • Public consultation with stakeholders on 22 November 2017 • SOP: Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1. • Site observation in harvesting process in Block C93a Division 3 Peranap Estate and pesticide spraying in Block A95c Division I Peranap Estate 	<p>No complaints associated with land disputes between the company and the surrounding community. This was also confirmed during the public consultation with stakeholders on 22 November 2017.</p> <p>PT. Rigunas Agri Utama has established a mechanism for resolution of conflicts and disputes through SOP for Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1.</p> <p>This procedure mentioned how the company solves the problem if any conflict occurred, both internal and external conflicts. This procedure also mentioned if the problem cannot be resolved by negotiation, the company will take legal action involving the related institution.</p>	N/A
2.2.4	<p>(M) There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p>			
	<p>a. Does the company have cases of significant land conflict? (i.e. preventing the company from operating normally)</p>	<ul style="list-style-type: none"> • Public consultation with stakeholders on 22 November 	<p>No complaints associated with land disputes between the company and the surrounding community. This was also confirmed during the</p>	N/A

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. If the company has cases of conflict, are records of the following available?</p> <ul style="list-style-type: none"> - Status of conflict - SOP/ mechanism for conflict resolution - Implementation of SOP/mechanism - Acceptance of the procedures by all parties - Records of conflict resolution 	<p>2017</p> <ul style="list-style-type: none"> • SOP: Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1. 	<p>public consultation with stakeholders on 22 November 2016.</p> <p>PT. Rigunas Agri Utama has established a mechanism for resolution of conflicts and disputes through SOP for Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1.</p> <p>This procedure mentioned how the company solves the problem if any conflict occurred, both internal and external conflicts. This procedure also mentioned if the problem cannot be resolved by negotiation, the company will take legal action involving the related institution.</p>	
2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.			
	<p>a. Is there an SOP for participatory mapping of disputed area?</p> <p>b. Is a dispute map available?</p> <p>c. Is there documented evidence of involvement and acceptance by the affected parties?</p> <p><i>Note to auditor: Actual ground verification showing the accuracy of the dispute map should be conducted</i></p>	<ul style="list-style-type: none"> • Public consultation with stakeholders on 22 November 2017 • SOP: Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1. 	<p>No complaints associated with land disputes between the company and the surrounding community. This was also confirmed during the public consultation with stakeholders on 22 November 2017.</p> <p>PT. Rigunas Agri Utama has established a mechanism for resolution of conflicts and disputes through SOP for Social Conflict and Land Dispute Resolution has been described in AA-GL-0052.1-R1.</p> <p>This procedure mentioned how the company solves the problem if any conflict occurred, both internal and external conflicts. This procedure also mentioned if the problem cannot be resolved by negotiation, the company will take legal action involving the related institution.</p>	N/A
2.2.6	<p>(M) To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Specific Guidance: For 2.2.6: The company policy should require the use only of legally recognized private security personnel in their operations and prohibit extra-judicial interference and intimidation by the security personnel as mentioned above (see Criterion 6.13).</p>			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Does the company have a policy to circumvent instigated violence to maintain peace and order in current and planned operations?</p> <p>b. Is there any evidence of:</p> <ul style="list-style-type: none"> - The use of confrontation and intimidation by the company to maintain peace and order? - Use of para-militaries and mercenaries in the plantation? 	<ul style="list-style-type: none"> • Company policy. • Public consultation with stakeholders on 22 November 2017 	<p>Company have a policy to circumvent instigated violence to maintain peace and order in current and planned operations. It documented in the Company Policy dated 1 December 2014 and mentioned in the item no 8 and stated circumvent instigated violence to maintain peace and order in current and planned.</p> <p>From the results of the public consultation with stakeholder on 22 November 2017, also confirmed that no act of violence and militaristic ways adopted by the company in solving problems with public / stakeholders.</p>	<p>YES</p>
<p>2.3</p>	<p>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p> <p>Guidance: <i>All indicators are applied to all oil palm plantations developed after November 2005, with exception to plantations developed prior to November 2005 that may not have records dating back to the time of decision making, in particular for compliance with Indicators 2.3.1 and 2.3.2.</i></p> <p><i>Where there are legal or customary rights over land, the grower should demonstrate that these rights are understood and are not being threatened or reduced. This Criterion should be considered in conjunction with Criteria 6.4, 7.5 and 7.6. Where customary rights areas are unclear these should be established through participatory mapping exercises involving affected parties (including neighbouring communities and local authorities).</i></p> <p><i>This Criterion allows for sales and negotiated agreements to compensate other users for lost benefits and/or relinquished rights. Negotiated agreements should be non-coercive and entered into voluntarily, carried out prior to new investments or operations, and based on an open sharing of all relevant information. The representation of communities should be transparent and in open communication with other community members. Adequate time should be given for customary decision making and iterative negotiations allowed for, where requested. Negotiated agreements should be binding on all parties and enforceable in the courts. Establishing certainty in land negotiations is of long-term benefit for all parties.</i></p> <p><i>Growers and millers should refer to the RSPO approved FPIC guidance (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i></p> <p><i>Companies should be especially careful where they are offered lands acquired from the State by its invoking the national interest (also known as 'eminent domain').</i></p>			
<p>2.3.1</p>	<p>(M) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p>			
	<p>a. Does the company have an SOP on FPIC?</p> <p>b. Is there evidence that the identification of legal, customary or user rights has been done through FPIC process?</p> <p>c. Is there evidence that the FPIC process has</p>	<ul style="list-style-type: none"> • SOP <i>Penanganan Konflik Lahan</i> (Conflict Management and Handling) AA-GL-5003.1-R2 dated 5 May 2015. • Areal Statement of PT Rigunas 	<p>Company has established SOP <i>Penanganan Konflik Lahan</i> (Conflict Management and Handling) AA-GL-5003.1-R2 dated 5 May 2015 which stated the mechanism of FPIC.</p> <p>However FPIC process was not applicable due to all land in inside the concession area has been developed in period 1992 – 1997 (based on areal statement). Based on Social Impact Assessment,</p>	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>been implemented in accordance to the company SOP? Where is this evidence recorded? (E.g.: Documents, Minutes of meeting, Records, Agreements, Maps, etc.)</p> <p>d. Is there a map of the extent of legal, customary or user rights? Is this map of appropriate scale (1: 10,000)?</p> <p>e. Was the map produced through participatory mapping with reference to SIA and HCV assessment?</p> <p>f. Does the map have a title, legend, source, scale and projections/georeference?</p> <p>g. Are the maps accepted by the relevant communities?</p>	<p>Agri Utama</p> <ul style="list-style-type: none"> • Public consultation with stakeholders on 22 November 2017 • Legal ownership of the land for smallholder in KUD Serangge Permai and KUD Lakat Makmur 	<p>HCV Assessment and public consultation there were no customary rights in the land.</p>	
2.3.2	<p>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <ul style="list-style-type: none"> a. Evidence of consultation b. Statement of transfer of rights c. Evidence of compensation <p>See specific guidance 2.3.2</p> <p>Specific Guidance: For 2.3.2 : <i>Copies of negotiated agreements shall include at minimum:</i></p> <ul style="list-style-type: none"> a. <i>A plan that should be developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</i> b. <i>Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</i> c. <i>Evidence that the company has ensured that affected communities have understood and accepted the legal, economic, environmental and social implications for permitting operations on their land, including the implications for the legal status of their land at the expiry of the company's title or concession. The company shall inform the legal implication based upon, but not limited to, Act No. 50 year 1960 and Government Regulation No. 40 year 1996 regarding Land-Use Right (HGU), Building-Use Right (HGB), and User Right, where the land will be owned by the state if HGU right is expired, not be extended and or updated.</i> d. <i>Evidence that the company has informed the plan for partnership program.</i> 			
	<p>a. Are copies of negotiated agreements with affected parties available?</p>	<ul style="list-style-type: none"> • SOP <i>Penanganan Konflik Lahan</i> (Conflict Management 	<p>Organizations have established procedures SOP <i>Penanganan Konflik Lahan</i> (Conflict Management and Handling) AA-GL-5003.1-</p>	<p>N/A</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Is there evidence that the agreement is prepared through proper FPIC process?</p> <p>c. Does the agreement contain the following:</p> <ul style="list-style-type: none"> - An action plan developed through consultation with affected parties, is inclusive and evidence that members of affected parties are well informed and involved in the decision making process - Evidence of options to give or withhold consent for development - Evidence that members of the affected communities understand and accept the implication involved in permitting/rejecting oil palm development on their land (E.g.: legal status, social, environmental, economic) - Evidence that the negotiated agreement was entered voluntarily without coercion by all parties - Evidence that adequate time was given for customary decision making and iterative negotiations - Clause which states that the negotiated agreement is legally binding 	<p>and Handling) AA-GL-5003.1-R2 dated 5 May 2015.</p> <ul style="list-style-type: none"> • Areal Statement of PT Rigunas Agri Utama • Public consultation with stakeholders on 22 November 2017 	<p>R2 dated 5 May 2015. Describes the mechanism of land conflict resolution mechanisms between companies and land owners. The land cleared for oil palm plantations should ensure not be a problem and there is no dispute over land ownership. Procedure was presented to the head of the village around the plantation.</p> <p>Procedure for FPIC process was available, and during public consultation with Villages Heads, it was confirmed that the procedure was made in consultation and discussion with them. The procedure was consulted with surrounding communities around the area of company.</p> <p>There are no customary or user right in the plantation. It has been verified during group discussion with villages head, community leader and young leader around estate.</p> <p>The results of the consultation can be seen that the legal implications, economic, and social environment so that the use of land for plantation development has been understood and accepted by the affected communities, including the implications for the legal status of their land, concessions or compensation for their land.</p>	
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.			
	<p>a. Is there evidence that all the information (maps, agreement, records, impact assessment, benefit sharing and legal arrangements) is available in appropriate forms and languages, understood and accessible to affected parties?</p> <p><i>Note to auditor: this should be cross checked to a sample of the affected parties</i></p>	<ul style="list-style-type: none"> - Interview with stakeholder on 22 November 2017 	<p>Before performing land clearing, the company ensures that all of lands that will be cultivated have a clear status. The company has a land map according to the location permit given by the government. If there was land that become around community ownership within the area of location permit, companies will freeze the land with compensation as agreed both parties.</p> <p>There is no element of coercion and violence that performed by companies. This was also confirmed when the public consultation on 22 November 2017 with community leaders, prominent figure and</p>	N/A

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>local governance.</p> <p>Planted areas of the Estate are wholly on Government land, leased under HGU. Maps have been developed for each estate indicating Legal demarcation and planted areas.</p> <p>Currently organizations have established procedures SOP SOP <i>Penanganan Konflik Lahan</i> (Conflict Management and Handling) AA-GL-5003.1-R2 dated 5 May 2015. Describes the mechanism of land conflict resolution mechanisms between companies and land owners. The land cleared for oil palm plantations should ensure not be a problem and there is no dispute over land ownership. Procedure was presented to the head of the village around the plantation</p>	
2.3.4	<p>(M) Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Specific Guidance: For 2.3.4: Evidence of proxy letter from the community group, individual and/or company to the institution which represents community at the negotiation process, shall be demonstrated.</p>			
	<p>a. Who is the representative of the community in the negotiation process?</p> <p>b. Is the representative accepted by the community?</p> <p>c. Is the record of appointment to represent the community available and shared with other parties?</p>	<p>- Interview with stakeholder on 22 November 2017</p>	<p>FPIC process was not applicable due to all land in inside the concession area has been developed in period 1992 – 1997. Based on Social Impact Assessment, HCV Assessment and public consultation there were no customary rights in the land</p>	<p>N/A</p>

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
3.1	<p>There is an implemented management plan that aims to achieve long-term economic and financial viability.</p> <p>Guidance: <i>Whilst it is recognised that long-term profitability is also affected by factors outside their direct control, top management should be able to demonstrate attention to economic and financial viability through long-term management planning. There should be longer term planning for plantations on peat, particularly in regards to subsidence and flooding issues (see Indicator 4.3.5).</i></p> <p><i>Consideration of smallholders should be inherent in all management planning where applicable (see also Criteria 6.10 and 6.11). For scheme smallholders, the company should refer to RSPO Guidance On Scheme Smallholders, July 2009 or endorsed final revision.</i></p> <p><i>Growers should have a system to improve practices in line with new information and techniques. For smallholder schemes, the scheme management should be expected to provide their members with information on significant improvements.</i></p> <p><i>This Criterion is not applicable to independent smallholders (refer to RSPO Guidance for Independent Smallholders under Group Certification, June 2010)</i></p>			
3.1.1	<p>(M) A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</p> <p>Specific Guidance: <i>For 3.1.1: The business or management plan should contain:</i></p> <ul style="list-style-type: none"> • <i>Attention to quality of planting materials;</i> • <i>Crop projection = Fresh Fruit Bunches (FFB) yield trends;</i> • <i>Mill extraction rates = Oil Extraction Rate (OER) trends;</i> • <i>Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends;</i> • <i>Forecast prices;</i> • <i>Financial indicators.</i> <p><i>Suggested calculation: trends in 3-year running mean over the last decade (FFB trends may need to allow for low yield during major replanting programmes).</i></p>			
	<p>a. Does the company have a documented business or management plan with a minimum planning period of 3 years?</p> <p>b. Does it include the following:</p> <ul style="list-style-type: none"> - Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps. Maps should have title, 	<ul style="list-style-type: none"> • Management plan during the three-years period 2018 – 2023 • LUK and LUP for period 2017 	<p>Management plan during the three years period 2018 - 2023 was used to achieve economic viability and long-term financial. The plan was approved by the top management. The parameters listed in the management plan which includes :</p> <ul style="list-style-type: none"> - Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps. - Plan for management of scheme smallholders 	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>legend, source, scale and projections/georeferenced</p> <ul style="list-style-type: none"> - Plan for management of scheme smallholders (where appropriate) - Quality of planting materials - Crop projection = Fresh Fruit Bunches (FFB) yield trends - Mill extraction rates = Oil Extraction Rate (OER) trends - Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends - Forecast prices - Financial indicators – profitability forecast (income vs cost) - Projected expansion (area, mill capacity, infrastructure, social amenities) - General strategy and allocation for environmental and social management (refer to P5, P6 and P8) <p>c. Is this management document subjected to an annual review?</p> <p>d. For plantations on peat, is there a long term viability plan – e.g. flooding, drainability assessments and subsidence issues? (see 4.3.5)</p> <p>e. Does the grower have a system to improve practices in line with new information and techniques?</p> <ul style="list-style-type: none"> - Has the personnel in charge (PIC) been identified? - How is the information updated? - Is there a documented SOP which 		<ul style="list-style-type: none"> - Quality of planting materials - Crop projection = Fresh Fruit Bunches (FFB) yield trends - Mill extraction rates = Oil Extraction Rate (OER) trends - Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends - Forecast prices - Financial indicators – profitability forecast (income vs cost) - General strategy and allocation for environmental and social management <p>The achievement of the management plan is reviewed every month in the Estate Unit Report (LUK) and Mill Unit Report (LUP) according to the current month. Reviewing of LUK and LUP was conducted for period 2017.</p> <p>There was no peat land in PT Rigunas Agri Utama, so that there was no long term viability plan for plantation on peat.</p> <p>Company have a system to improve practices in line with new information and techniques with implementing internal control and monitoring processes, check and report the implementation of the Management Guidelines. These include independent checks of the Mill and Estates by the corporate internal audit. Person in charge was internal audit department and research and development (RnD) department and each section managers and assistant to cooperate and conduct the continual improvement. Organization has defined the procedure to address non-compliance and corrective action for continuous improvement in Correction and Corrective Action Procedure. All new information was communicated to workers and scheme smallholders through socialization and update the procedure. It described in Document control procedure No. AA-MPM-DC-12 Rev. 04 dated 5th March 2016. Last dissemination performed in April – June 2017 to all workers.</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>requires monitoring and updating information to improve practices?</p> <ul style="list-style-type: none"> - Is new information communicated to workers and scheme smallholders (where appropriate)? How is it communicated? 			
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.			
	<ul style="list-style-type: none"> a. Is there an annual replanting programme projected for a minimum of five years? b. Has it been documented? c. Is the progress of implementation documented? d. How does the programme take into consideration fragile soils such as peat? Is there a longer projection period (see C4.3)? e. Is there evidence of a yearly review of the replanting programme? 	<ul style="list-style-type: none"> • Replanting program for Year 2020 – 2029 	<p>Company has develop replanting program for Year 2020 - 2029 with the total area of 3,658 ha.</p> <p>Replanting program has been communicated to each division and estate manager and well documented in each division depend on the replanting program.</p> <p>Replanting program will be performed begin in 2020, so that there was no progress of implementation documented.</p> <p>There was no peat land in area PT RAU, Peranap Estate and Peranap Smallholder.</p> <p>Review of the replanting programme has been performed by organization through management meeting in October 2017. Minutes of meeting and attendance register could be demonstrated.</p>	YES

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

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.1	<p>Operating procedures are appropriately documented, consistently implemented and monitored.</p> <p>Specific Guidance: For 4.1.1 and 4.1.4: SOPs and documentations for mills should include relevant supply chain requirements (see RSPO Supply Chain Certification Standard, Nov 2011). Mechanisms to check implementations could include documentation management systems and internal control procedures. These procedures refer to the Best Management Practices for Oil Palm in Indonesia, such as Technical Guideline for Oil Palm Development, Directorate General of Estate Crops, Ministry of Agriculture, 2006.</p>			
4.1.1	(M) Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.			
	<p>a. Have the SOPs for mills and plantation been documented?</p> <p>b. Does the SOP cover key processes, harvesting, transportation, manuring, IPM, GAP, Supply Chain requirements for the mill, etc.?</p> <p>c. Is a copy of the SOP available on site and is it documented in an appropriate language?</p> <p>d. Is there evidence that SOPs are implemented and understood by workers?</p> <p>e. Are the SOPs appropriate and adequately cover all estate and mill processes and activities?</p> <p>f. How are the SOPs made available at the point of use?</p>	<ul style="list-style-type: none"> • Standard Operating Procedures (SOP) for Estate PT RAU • Standard Operating Procedures (SOP) for Mill PT RAU • SOP dissemination minutes in April – June 2017 to all employee • Field observation in harvesting process in Block C93a Division 3 Peranap Estate and pesticide spraying in Block A95c Division I Peranap Estate • Interview with employee <p>SOP for mill:</p> <ul style="list-style-type: none"> • AA-MPM-OP-1400.02-R2 FFB Receiver Procedure • AA-MPM-OP-1400.03-R1 Sterilizer station Procedure • AA-MPM-OP-1400.04-R1 	<p>The documented Standard Operating Procedures (SOP) for Estate was evident:</p> <ul style="list-style-type: none"> • AA-APM-OP-1100.01-R1 Nursery • AA-APM-OP-1100.02-R1 Land Preparation • AA-APM-OP-1100.03-R1 Creation and Maintenance of Road • AA-APM-OP-1100.04-R1 Creation and Maintenance Trenches • AA-APM-OP-1100.06-R1 Planting Leguminous Cover Crop • AA-APM-OP-1100.07-R1 Oil Palm Planting • AA-APM-OP-1100.09-R1 Manuring • SOPs for IPM: <ul style="list-style-type: none"> ✓ AA-APM-OP-1100.10-R1 Pest & Diseases Control ✓ AA-APM-OP-1100.08-R1 Weeding Control ✓ AA-APM-OP-1100.14-R1 Census and Identification Plant • AA-APM-OP-1100.11-R1 Management Pesticides • AA-APM-OP-1100.12-R1 Castration • AA-APM-OP-1100.13-R1 Pruning 	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<p>Threshing station Procedure</p> <ul style="list-style-type: none"> • AA-MPM-OP-1400.05-R1 Digesting and Screw Press station Procedure • AA-MPM-OP-1400.06-R1 Clarifier station Procedure • AA-MPM-OP-1400.07-R1 Nut Polishing Procedure • AA-MPM-OP-1400.08-R1 Kernel station Procedure • AA-MPM-OP-1400.11-R1 Water Treatment Procedure • AA-MPM-OP-1400.12-R1 Laboratory Procedure • AA-MPM-OP-1400.14-R2 Storage and delivery Procedure • AA-MPM-OP-1400.15-R1 Preventive machineries maintenance Procedure • AA-MPM-OP-1400.13-R1 WWTP Process • Etc • Work Instructions of Palm Oil Process 	<ul style="list-style-type: none"> • AA-APM-OP-1100.15-R1 Census of Production • AA-APM-OP-1100.16-R1 Consolidation • AA-APM-OP-1100.17-R0 Water Management • AA-APM-OP-1100.18-R1 FFB Harvesting • AA-APM-OP-1100.19-R1 Transportation Management • AA-APM-OP-1100.20-R1 Replanting <p>Hardcopy of procedure were available and controlled. Copy of the procedure were available on site and is it was documented in Indonesian language. SOP distribution to all section and division was well documented.</p> <p>SOPs are implemented and understood by workers. Work Instructions has been developed and posted at work stations within the mill and each division in estate. Procedure has been disseminated periodically to all related employee (harvest, upkeep employee and operator). Last dissemination performed in April – June 2017 to all employee. Interviews with the employees indicate satisfactory level of understanding and implementation in relation to their respective job function.</p> <p>Sample of estate operational implementation were taken in harvesting process in Block C93a Division 3 Peranap Estate and pesticide spraying in Block A95c Division I. The results were shown and it was observed that all of the activity was met with the procedure and well implemented.</p> <p>Standard Operating Procedures (SOPs) for Estate and mill been documented, the SOPs were appropriate and adequately cover all estate processes and activities. The procedures included land clearing, nursery, and preparation before replanting, fertilizing, drainage system, integrated pest management, maintenance of immature and mature upkeep and harvesting, RSPO SC requirement according to RSPO SC standard 2014. The procedure for mill including Loading Ramp. Sterilisation, Threshing, Pressing,</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Clarification etc.</p> <p>Work instruction for plantation and mill activities has been established and documented. Work instruction describes planting of oil palm, fertilizing, spraying, harvesting, peat land management, and integrated pest management. Based on interview with some workers (harvesting and spraying worker, mill operator), they were understood with procedures and work instructions, they worked based on and appropriate with procedure.</p> <p>SOPs made were available at the point of use (in all section and division of estate and mill).</p>	
4.1.2	Checking or monitoring of operations procedures is conducted at least once a year.			
	<p>a. Is there a master list of all SOPs?</p> <p>b. How does the company keep track of revisions?</p> <p>c. Is there mechanism for:</p> <ul style="list-style-type: none"> - Translation of SOP into work instructions in appropriate languages? - Records of training for all levels? - Internal control (e.g. audit and review, field inspection) procedure in place to monitor consistent implementation of SOPs? - Trained and competent personnel assigned to carry out internal control activities? - Implementation audits to be carried out regularly covering implementation of all the SOPs? - Procedure to address non-compliance and corrective action for continuous improvement? 	<ul style="list-style-type: none"> • The master list of SOP document and its revision history • Audit agronomy and mill and RSPO internal audit in November 2017 • Procedure Internal Audit • Procedure for Corrective and Preventive Action • Control of record procedure • Master List of SOP • RSPO internal audit • VA and VE Report 2017 	<p>Master list of all SOPs document and its revision history were available and well documented. Organization keeps track of revision of the SOPs in revision history in the cover of SOPs. Organization has defined the Controlled document procedure which was explaining the translation of SOP into work instructions in appropriate languages (Indonesian language) and its document control. SOPs training and dissemination to all of employee has been conducted, the evidence was sighted and well documented. All of SOPs have been socialized to all relevant functions among others the training has been performed for all activities of Mill area and Estate.</p> <p>Internal audit RSPO covering audits of sustainability in all parts of plantation and mill operational. Programmed once a year, last audit performed in 6 – 10 November 2017. Audit report and its finding followed up and action plan was well documented. Trained and competent personnel were assigned to carry out Internal Audit RSPO (Head Office Sustainability department).</p> <p>The organisation conducted monitoring and checking for all applicable procedure and GAP twice in a year by Visit Engineering (VE) and Visit Agronomy (VA) from Head office. The last visit was conducted on 16-19 January 2017 for VE and 06-11 March 2017 for VA.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>The content of the report covers evaluation of mill operational activities, Mill process and cost control. The report includes recommendation to follow up from RAM and progress of follow up action from the previous visit. Procedure to address non-compliance and corrective action for continuous improvement defined in procedure preventive and corrective action.</p>	
4.1.3	Records of monitoring and any follow-up actions shall be available.			
	<p>a. Have the records been maintained on the following?</p> <ul style="list-style-type: none"> - Measurements or results of internal control and monitoring activities (refer 4.1.2) - Records of corrective actions and improvement undertaken 	<ul style="list-style-type: none"> - BKM (Buku Kegiatan Mandor - Log book of group leader activity). - Daily Harvesting report - Logbook Monitoring Ancak Panen - FFB Transport inspection form - Log sheet - Shift Report book - Breakdown report - Daily record activities - Repair Request Logbook - Maintenance Report Logbook 	<p>Record of monitoring and any action taken were maintained and available for Peranap Estate, such as. :</p> <ul style="list-style-type: none"> - BKM (Buku Kegiatan Mandor - Log book of group leader activity). BKM of several activities was reviewed, e.g. manuring, manual road maintenance, manual weeds control, census of diseases, circle and path spraying. - Daily Harvesting report - Logbook of harvesting activity - Logbook Monitoring Ancak Panen, inspection items: preparing the midrib, ripe fruit was not harvested, the fruit lagged (not harvested) and cut raw fruit - FFB Transport form, inspection items: FFB maturity and loss of fruits (berondolan) including cutting the fruit stalk (V = mouth frog system) and quality of FFB. - Control of Process work program and routine maintenance and equipment repair. <p>The records of other internal audit also were maintained properly such as internal audit RSPO and ISPO</p> <p>Records of corrective actions and improvement undertaken for all of the control and monitoring activity above has been maintained by the organization.</p> <p>Record of monitoring and any action taken were maintained and available, e.g. :</p> <ul style="list-style-type: none"> - Shift Report book to control and monitor daily work activity of 	<p>NO (Minor NCR 2017-03)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>mill, record number of attendance employee, starting hour, throughput, oil and kernel production, issue/trouble in process activity.</p> <ul style="list-style-type: none"> - Log sheet every station from loading ramp, sterilizer, threshing, press, clarification, boiler and effluent. Record daily activity of process in each station and process performance in each station. - Breakdown report and repair request Logbook, supervisor check the machine condition and report to maintenance section to repair if there was a breakdown condition. - Control of Process work program and routine maintenance and equipment repair. <p>Records of corrective actions and improvement undertaken for all of the control and monitoring activity above has been maintained by the organization.</p> <p>Minor Non-conformance 2017-03:</p> <p>The company has internal calibration for pressure gauge for some of process machine on mill, but the internal calibration tool for measuring the pressure gauge has not been calibrated</p>	
4.1.4	(M) Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and out-grower) shall be available.			
	<ul style="list-style-type: none"> a. Is there an SOP for third-party FFB sourcing? b. Is there a list of approved third-party FFB suppliers? c. Is there proof of observed implementation of SOP? d. Is there daily and summary records of volume and origins of third-party FFB received? e. Have these records been verified against the 	<ul style="list-style-type: none"> • SOP of third party sourcing procedure AA-MPM-OP-1400.02-R2 • List approved third party FFB supplier • Record of FFB received 	<p>SOP of the third party (including smallholders) sourcing has been defined in procedure AA-MPM-OP-1400.02-R2 FFB Receiver. The list of approved third party has been sighted and contained 25 third party suppliers. The sorting process was sighted in relevant records and conducted accordingly to the above procedure.</p> <p>Daily and summary record of 3rd party FFB received was shown and several samples were reviewed such as for FFB received on 22 November 2017 from CV Sinar Tiga Mutiara. Verification conducted against the SOP of third party sourcing procedure AA-MPM-OP-1400.02-R2 FFB Receiver and the related receipt notes. There was</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	available document?		also statement in all receipt notes from third party supplier that justify that the source of FFB received was not from illegal source and also not an illegal FFB.	
4.2	<p>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p> <p>Guidance: <i>Long-term fertility depends on maintaining the structure, organic matter content, nutrient status and microbiological health of the soil. Growers should ensure that they follow the best practices. Nutrient efficiency should take account of the age of plantations and soil conditions.</i></p> <p><i>The nutrient recycling strategy should include any use of biomass for by-products or energy production.</i></p> <p><i>One of the guidance may be used as a reference to the Technical Guideline for Oil Palm Development, Directorate General of Estate Crops, Ministry of Agriculture (2006)</i></p>			
4.2.1	(M) A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available			
	<p>a. Are there SOPs for Good Agricultural Practices in managing soil fertility?</p> <p>b. Is there evidence that the SOPs have been implemented and monitored?</p>	<ul style="list-style-type: none"> • SOP AA-APM-OP-1100.09-R1 – Manuring Procedure • SOP AA-APM-OP-1100.05-R1 - Water Conservation • Division Work Program 2017 • Field observation and interview with employees 	<p>Company has establish the SOPs for Good Agricultural Practices in managing soil fertility which defined in AA-APM-OP-1100.09-R1 – Manuring Procedure and AA-APM-OP-1100.05-R1 - Soil and Water Conservation. Manuring was performed manually with spreading the fertilizer by person uniformly in each palm oil trees in accordance with dose which has defined by Research and Development recommendation.</p> <p>Estates activities are carried out based on Division Work Program which generated from annual budget. Activities program are such as manuring and other operation activity. Site observation was performed during audit to some activities: manuring on Block 93A. Field observation and interview with employees working in those activities showed that procedures were well implemented. Activities have been performed at defined interval.</p>	YES
4.2.2	Records of fertilizer inputs shall be available.			
	<p>a. Is records of fertiliser inputs maintained?</p> <p>b. Is there records to proof that the fertiliser program is linked to the agronomic report?</p> <p>c. Is there records of fertilizer usage per tonne of FFB production (>in Summary Table, specific</p>	<ul style="list-style-type: none"> • “Rencana dan Realisasi Pemupukan 2017” (Plan and Realisation of Manuring) • Manuring recommendation in 2017 for Peranap Estate 	<p>Records of fertiliser inputs are well maintained in document “Rencana dan Realisasi Pemupukan” (Plan and Realisation of Manuring). Fertiliser inputs recorded each semester. Manuring recommendation in 2017 for Peranap Estate has been defined based leaf sampling unit (LSU) and Soil sampling unit (SSU).</p> <p>Record of manuring realisation in first semester of 2017 shows that</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	types of fertilizers)?	<ul style="list-style-type: none"> • Leaf sampling unit (LSU) result 2016 and Soil sampling unit (SSU) result 2012 • Records of total fertilizer usage first semester 2017 	<p>the realisations are in accordance with the plan/recommendation.</p> <p>Annual fertilizer recommendation has been implemented and monitored. Fertilizer/manuring programme was developed by Research and Development Asian Agri for all Division.</p> <p>Records of total fertilizer usage per tonne FFB production was available in 1st semester 2017.</p>	
4.2.3	Records of periodical leaf, soil and visual analysis shall be available			
	<ul style="list-style-type: none"> a. Is there SOPs for tissue and soil sampling? b. Is there evidence of implementation of the SOPs, including availability of records? c. Is there records of tissue and soil analysis? d. Is the results of the study incorporated into the fertilizer program? 	<ul style="list-style-type: none"> • Leaf sampling unit (LSU) and Soil sampling unit (SSU) Work instruction issued by RnD Asian Agri • Leaf sampling unit (LSU) result 2016 and 2017 • Soil sampling unit (SSU) result 2012 • Manuring recommendation in 2017 for Peranap Estate • Records of total fertilizer usage 1st semester 2017 	<p>Organisation has been defined work instruction for LSU (Leaf sampling unit) and Soil sampling unit (SSU) which issued by Research and Development Asian Agri, for fertilizer recommendation, tissue sampling is done once a year and for soil sampling is done every six years.</p> <p>Diagnosis/leaf visual observations was done by considering the following criteria:</p> <ul style="list-style-type: none"> • Comparison of green leaf with standard green colour (dark green). • The signs and symptoms (symptom) of nutrient deficiency. • Symptoms of pests and plant diseases. <p>The result of this visual monitoring was conducted by R & D Centre and the monitoring results were reported in the leaf samples and submitted to the Estate Manager. Visual monitoring is more regular performed by foremen and field assistant, with standard procedures based on Nutrient deficiency (symptoms), but it can also be a symptom of pest attack. Report included observation result and its recommendation for improvement.</p> <p>Records of tissue analysis was available. Leaf analysis for manuring recommendation 2017 was conducted in 2016 and for manuring recommendation 2018 has been conducted in August 2017.</p> <p>Records of soil analysis was available. Soil analysis for manuring recommendation 2017 was conducted in 2012.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			The results of the study was incorporated into the fertilizer program. Fertilization recommendations are made annually based on the results study of LSU and SSU.	
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting			
	<p>a. Is there a nutrient recycling strategy in place?</p> <p>b. Does the strategy include the following?</p> <ul style="list-style-type: none"> • Clear objectives and time-bound targets • Inventory of <ul style="list-style-type: none"> - EFB - POME - Fibre - Boiler ash - Kernel shell - Palm residues from replanting • Biomass recycling program • Implementation and monitoring records <p><i>Note to auditor: Ground verification required</i></p>	<ul style="list-style-type: none"> • POME (Palm Oil Mill Effluent) and Empty fruit bunch (EFB) application 2017 • License of waste water discharge No.18/2017 dated 22nd October 2017 • Observation Empty fruit bunch (EFB) application on block B93a Division 2. 	<p>There was the Nutrient recycling strategy performed by company such as land application from POME (Palm Oil Mill Effluent) and Empty fruit bunch (EFB) application. POME or liquid waste from mill used as Land application, it give nutrient for palm oil plantation. POME is applied using piping system and flat bed. Land application was applied in Peranap Estate based on license of waste water discharge No.18/2017 dated 22nd October 2017 and until this audit is still valid.</p> <p>Liquid waste (POME) applied dosage was 375 m3 /ha/year with 3 times rotation and BOD 2.500 – 40 mg/L. POME and EFB were not applied nearby housing and water spring. EFB were applied in Peranap Estate manually spread in each plant. EFB were applied based on the recommendation from RnD in terms of dosage per ha and location (60 ton/ha dosage). Empty fruit bunch application was performed as mulch ground cover and added of organic material.</p>	YES
4.3	<p>Practices minimise and control erosion and degradation of soils.</p> <p>Guidance: <i>Techniques that minimize soil erosion are well known and should be adopted, where appropriate. These should include practices such as ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting.</i></p>			
4.3.1	(M) Maps of any fragile soils shall be available.			
	<p>a. Is there soil maps showing presence of fragile soils and problem soils (refer to 4.3.6)?</p> <p>b. Are maps georeferenced and of appropriate scale (1:50,000)?</p>	<ul style="list-style-type: none"> • Map of Soil Type with scale 1:25000 (Asian Agri Research and Development Centre Tebing Tinggi – Sumatera Utara, October 2012) 	<p>There were no areas with fragile soils in Peranap Estate based on Map of Soil Type (Asian Agri Research and Development Centre Tebing Tinggi – Sumatera Utara, October 2012).</p> <p>Maps georeferenced was available with scale 1:25.000.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>Specific Guidance: <i>For 4.3.2: Management strategy on areas planted with steep slope may refer to the Technical Guidance for Oil Palm Development, Directorate General of Estate Crops, Agriculture Ministry (2006). Area with slope of >40% shall be avoided</i></p>			
	<p>a. Is there a management strategy in place for plantings on slopes?</p> <p>b. Does the management strategy include the following?</p> <ul style="list-style-type: none"> - Identification of steep areas not suitable for planting - Policy of planting on slopes - SOPs to minimise soil erosion based on local soil and climate conditions, e.g. ground cover management, biomass recycling, terracing, and natural regeneration or restoration instead of replanting <p>c. Is there proof of records of field inspection on SOP implementation?</p>	<ul style="list-style-type: none"> • Work instruction AA-APM-OP-1100.05-R1 described preparation for planting including planting on slopes 	<p>The organisation has management strategy for planting on slopes above certain limit, as referred to company's SOP and work instructions. The work instruction AA-APM-OP-1100.05-R1 described preparation for planting including planting on slopes area has been developed by organisation:</p> <ul style="list-style-type: none"> - Flat undulating 0° – 5° - Rolling 6° - 12° - Hilly 13° - 20° - Steep >20° <p>System for planting on slopes area was provided through terracing, levelling of terrace, planting legume cover crops and determining of planting space.</p> <p>Site observation indicated that practices to control and minimize erosion have been applied by :</p> <ul style="list-style-type: none"> • Terracing • Making the catchment where runoff water, called: "Tapak Kuda". • Making the catchment where runoff water, called "Rorak". • Planting legume cover crop. 	YES
4.3.3	<p>A road maintenance programme shall be in place.</p>			
	<p>a. Is there a road maintenance programme in place with supporting budget and resources?</p> <p>b. Is there road maintenance records?</p>	<ul style="list-style-type: none"> • Division Work Programme 2017 • Road maintenance program and its realization from January to October 2017 	<p>Procedure for road maintenance has been established. Company have established road maintenance programme for main road, collection road and access road by manual and mechanical maintenance. Road maintenance includes manual, grading and compacting and road hardening. Road hardening budget for 2016</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)									
		<ul style="list-style-type: none"> • LUK October 2017 • Field observation 	<p>has been observed including the realisation. Manual road maintenance programme was provided in Division Work Programme. Manual road maintenance was implemented based on Division Work Programme or road condition. Mechanical road maintenance use heavy equipment – motor grader and compactor. The mechanical road maintenance programme was provided for all division and detailed in Blocks. Manual and mechanical road maintenance realisation was recorded including complex area maintained, distance of road maintained, diesel fuel consumption and quantity of gravel. During audit it was observed that road passed was in good condition.</p> <p>Road maintenance program and its realization from January to October 2017 was sighted include: Grading and Hardening of the road.</p> <table border="1" data-bbox="1171 778 1816 874"> <thead> <tr> <th>Work type</th> <th>Plan (Mtr)</th> <th>Actual (Mtr)</th> </tr> </thead> <tbody> <tr> <td>Manual Road Maintenance</td> <td>11.850</td> <td>8.842</td> </tr> <tr> <td>Mekanization Road Maintenance</td> <td>461.995</td> <td>491.415</td> </tr> </tbody> </table>	Work type	Plan (Mtr)	Actual (Mtr)	Manual Road Maintenance	11.850	8.842	Mekanization Road Maintenance	461.995	491.415	
Work type	Plan (Mtr)	Actual (Mtr)											
Manual Road Maintenance	11.850	8.842											
Mekanization Road Maintenance	461.995	491.415											
4.3.4	<p>(M) Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>Specific Guidance: <i>For 4.3.4: For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains as per the Manual Best Management Practices for existing oil palm cultivation on peat, June 2012 or as per existing regulation if equal or shallower measured through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).</i> <i>Regulations regarding water table on peat may refer, but not limited, to:</i> 1. Government Regulation No. 71 year 2014 regarding Protection and Management of Peat Ecosystem 2. Regulation of Minister of Agriculture No. 14 year 2009 regarding Guideline of Oil Palm Cultivation on Peat 3. Regulation of Minister of Agriculture No. 11 year 2015 regarding Guideline of Indonesia Sustainable Palm Oil Plantation (ISPO)</p>												
	<p>a. Is there an SOP to provide guidance on subsidence management?</p> <p>b. Does the SOP make reference to the RSPO BMPs on peat?</p> <p>c. How is subsidence being monitored?</p>	<ul style="list-style-type: none"> • Map of Soil Type with scale 1:25,000 (Asian Agri Research and Development Centre Tebing Tinggi – Sumatera Utara, October 2012) 	<p>There was no peat soil in PT Rigunas Agri Utama. The organisation has a detailed soil map showing gradients and soil types. The soil map available in Peranap Estate and Peranap Plasma, are Map of Soil Type Unit with scale 1:25,000 issued by Research & Development Centre.</p>	N/A									

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>d. Are there records of subsidence monitoring?</p> <p>e. How is subsidence being minimised?</p> <p>f. Is there a water management programme and evidence of implementation? <i>For existing plantings on peat, the water table should be maintained at an average of 50cm (between 40 - 60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50 - 70cm) below ground surface as measured in water collection drains, through a network of appropriate water control structures e.g. weirs, sandbags, etc. in fields, and watergates at the discharge points of main drains (Criteria 4.4 and 7.4).</i></p> <p>g. Is there a ground cover management programme and is there evidence of implementation?</p>	<ul style="list-style-type: none"> Interview with company staff Field observation at Peranap Estate 		
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>Specific Guidance: <i>For 4.3.5: Where drainability assessments have identified areas unsuitable for oil palm replanting, plans should be in place for appropriate rehabilitation or alternative use of such areas. If the assessment indicates high risk of serious flooding and/or salt water intrusion within two crop cycles, growers and planters should consider ceasing replanting and implementing rehabilitation.</i></p> <p><i>Plantations on peat should be managed at least to the standard set out in the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', June 2012 (especially water management, fire avoidance, fertilizer use, subsidence and ground surface management).</i></p>			
	<p>a. Was a drainability assessment conducted before replanting on peat?</p> <p>b. Was a flood risk map provided as a result of the drainability assessment?</p> <p>c. If the drainability assessment shows that an area is unsuitable for replanting, are there</p>	<ul style="list-style-type: none"> Map of Soil Type with scale 1:25,000 (Asian Agri Research and Development Centre Tebing Tinggi – Sumatera Utara, October 2012) Field observation at Peranap 	There was no peat soil in PT Rigunas Agri Utama. The organisation has a detailed soil map showing gradients and soil types. The soil map available in Peranap Estate, is Map of Soil Type Unit with scale 1:25,000 issued by Research & Development Centre.	N/A

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	alternative plans in place for rehabilitation and alternative use in accordance to the RSPO BMPs?	Estate		
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).			
	<p>a. Is there a management strategy in place for other fragile and problem soils?</p> <p>b. Does the management strategy include SOPs for the management of other fragile and problem soils?</p> <p>c. Is inspection and implementation records available?</p>	<ul style="list-style-type: none"> Map of Soil Type with scale 1:25,000 (Asian Agri Research and Development Centre Tebing Tinggi – Sumatera Utara, October 2012) Field observation at Peranap Estate 	Based on Map of Soil type Unit, there are no areas of marginal land / fragile soil in Peranap Estate.	N/A
4.4	Practices maintain the quality and availability of surface and ground water.			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>Specific Guidance: <i>For 4.4.1: The water management plan will:</i></p> <p>a. <i>Take account of the efficiency of use and renewability of sources;</i></p> <p>b. <i>Ensure that the use and management of water by the operation does not result in adverse impacts on other users within the catchment area, including local communities and customary water users;</i></p> <p>c. <i>Aim to ensure local communities, workers and their families have access to adequate, clean water for drinking, bathing, cleaning and latrine purposes;</i></p> <p>d. <i>Avoid contamination of surface and ground water through run-off of soil, nutrients or chemicals, or as a result of inadequate disposal of waste including Palm Oil Mill Effluent (POME).</i></p>			
	<p>a. Is there a water management plan in place for mill and plantation with identified actions?</p> <p>b. Does the plan include the following?</p> <ul style="list-style-type: none"> Identification of water sources Efficient use of water Renewability of water source Impacts on catchment area and local stakeholders Access of clean drinking water all year round for stakeholders Avoidance of surface and ground water 	<ul style="list-style-type: none"> Documented procedure (AA-MPM-OP-1400.11-R1 dated February 2009) regarding water treatment License of river/surface water (APU) from Kepala Badan Penanaman Modal Daerah and Pelayanan Perizinan Terpadu, Indragiri Hulu Regency No. 23/BPMD&PPT/BP/SIPPA- 	<p>The documented procedure defined the method of water management plan include water source and distribution identification, volume of water utilization, parameter/standards of water utilization, identify the impacts include water effluents/wastes and also the method to reduce and control.</p> <p>The water sources at Peranap Mill were from surface water (Ketipo River) for mill processing as the license of water utilization No. 23/BPMD&PPT/BP/SIPPA-P/III/2015 on 18 March 2015 valid for 3 years approval from Kepala Badan Penanaman Modal Daerah and Pelayanan Perizinan Terpadu, Indragiri Hulu Regent. The water was utilize for mill operations (include boilers, processes and domestics</p>	NO (minor NCR 2017-04)

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>contamination</p> <p>c. Have the identified actions in the plan been implemented?</p>	<p>P/III/2015 on 18 March 2015.</p> <ul style="list-style-type: none"> • Water analysis measurement for period 2017 by <i>Dinas Bina Marga</i>, Riau Province. • Records of water consumption period 2017 at mill and estate. • Mill operations summary 2017 • Water management programme 2017. 	<p>usage) that through the water treatment plant (using physicals and chemicals method).</p> <p>The management was sent the appointment letter on March 2017 for new license. And there was a letter confirmation from “<i>Balai Wilayah Sungai Sumatera III No. 05/BWSS III-Rekomtek/2017</i> dated 24 October 2017 related “<i>Rekomendasi Teknis Izin Pengusahaan Sumberdaya Air</i>”, until now still administration and evaluation process in Balai Wilayah Sungai Sumatera III.</p> <p>For estate operations (include housing, pesticides mixings and office operations) using water sources from ground water (ABT). The monitoring of water volume utilization was conducted, records was also sighted for mill consumption.</p> <p>New License related ground water (ABT):</p> <ul style="list-style-type: none"> • No. 503/DPMPTSP/IZIN-ESDM/86 from <i>Badan Pelayanan Perizinan Terpadu</i>, Riau Province on 31 Mach 2017 for Well No.1, valid until 3 years. • No. 503/DPMPTSP/IZIN-ESDM/85 from <i>Badan Pelayanan Perizinan Terpadu</i>, Riau Province on 31 Mach 2017 for Well No.2, valid until 3 years. • No. 503/DPMPTSP/IZIN-ESDM/87 from <i>Badan Pelayanan Perizinan Terpadu</i>, Riau Province on 31 Mach 2017 for Well No.3, valid until 3 years <p>The organisation has program to reduce water consumption, such as: recycle the water cooler turbine discharge water basin; recycle condensate water discharge water dilution; minimize duration of cleaning to be every two weeks.</p> <p>The measurement analysis for surface water was conducted periodically (twice a year) against the standard of PP 82/2001 for Ketipo river, Rotan river, Indragiri river, Pelangkawan river, Sengkilo river by third party laboratory (<i>Dinas Bina Marga</i>, Riau Province) last measurement conducted for 2nd Semester of 2016 and 1st Semester</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)						
			<p>of 2017. Surface water quality was analysed both for upstream and downstream. So far the results of measurement/analysis are still within the parameters/limit value.</p> <p>Surface water quality is monitored periodically, basis on monitoring wells at Land Application area and non-Land Application area and employee's drinking water source against the standard of <i>Permenkes 492/2010</i> by third party laboratory (<i>Dinas Bina Marga, Riau Province</i>). The last measurement conducted for 2nd Semester of 2016. So far the results of measurement/analysis are still within the parameters/limit value.</p> <p>Flow meters were installed to monitor water usage. The organization has paid retribution to local government (<i>Dinas Pendapatan Daerah Provinsi Riau</i>).</p> <p>Minor Non-conformance 2017-04:</p> <p>Based on interview and field observation in Spraying Activity Block A95C Afdeling I, it was found that hand wash water was not accommodated in available buckets.</p>							
4.4.2	<p>(M) Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>Specific Guidance: For 4.4.2: Refer to the 'RSPO Manual On Best Management Practices (BMP) for management and rehabilitation of natural vegetation associated with oil palm cultivation on peat', July 2012.</p> <p><i>Growers and millers should address the effects of their use of water and the effects of their activities on local water resources.</i></p>									
	<p>a. Is there a map identifying water courses and wetlands?</p> <p>b. Are the water courses and wetlands protected?</p> <p>c. Are the riparian and buffer zones maintained</p>	<ul style="list-style-type: none"> Identified water courses and wetland in Peranap Estate, documented in HCV Identification report AA-APM-OP-1100.05-R1-Soil and Water Conservation 	<p>Organization has been identify water courses and wetland in the plantation area. There were identified water courses and wetland in Peranap Estate, i.e.:</p> <table border="1" data-bbox="1171 1321 1583 1417"> <thead> <tr> <th>River</th> <th>Area (Ha)</th> </tr> </thead> <tbody> <tr> <td>Ketipo River</td> <td>32.70</td> </tr> <tr> <td>Sengkilo River</td> <td>78.88</td> </tr> </tbody> </table>	River	Area (Ha)	Ketipo River	32.70	Sengkilo River	78.88	YES
River	Area (Ha)									
Ketipo River	32.70									
Sengkilo River	78.88									



Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)						
	<p>and restored in existing plantation and replanting areas?</p> <p>d. Is there SOP for riparian and buffer zone protection?</p> <p>e. Has the SOP been implemented?</p>	<ul style="list-style-type: none"> Riparian restoration program 2017 Field observation at Block A95a, Afdeling 1, Ketipo River 	<table border="1" data-bbox="1173 316 1585 411"> <tr> <td>Pelengkawan River</td> <td>46.51</td> </tr> <tr> <td>Todung River</td> <td>32</td> </tr> <tr> <td>Water ponds</td> <td>10</td> </tr> </table> <p>Protection of waterways and wetlands have been made by the company with the following way :</p> <ul style="list-style-type: none"> Protection of riparian areas with no chemical crops care activities both fertilizer and herbicide spraying Conduct rehabilitation of riparian Performs of water level in the peatlands area by maintaining surface water height between 40-60 cm, this can be proved by the routine piezometers monitoring on peatland. <p>Riparian zone were well maintain, the following was activity to maintain riparian zone such as :</p> <ul style="list-style-type: none"> Boundary markers placement in 5 rows of palm trees (50 m) related restrictions spraying of chemicals and chemical fertilizers in the area of 50 m side of the river. There was the evidence during the audit, riparian zone was well maintain and no contamination of chemical usage and fertilizer Warning boards placement which contain information restrictions the pesticide usage and chemical fertilizers in the riparian area. Riparian rehabilitation by planting vetiver grass, a shade trees and barriers to erosion trees (Bamboo, Mahoni, etc.). There was the evidence of plan and realization for riparian rehabilitation, its observed Bamboo and Mahoni trees was planted and grow well in both side of the river. <p>Organization also has been establish the procedure for riparian and buffer zone protection which documented in AA-APM-OP-1100.05-R1-Soil and Water Conservation. During field audit, it was observed that the procedure has been implemented well and it evidenced as described above.</p>	Pelengkawan River	46.51	Todung River	32	Water ponds	10	
Pelengkawan River	46.51									
Todung River	32									
Water ponds	10									

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.4.3	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6)</p> <p>Specific Guidances: For 4.4.3 : The references and standard may refer, but not limited to: a. Decree of the Minister of Environment No. 51 year 1995 regarding Industrial Effluent Quality b. Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance Assessment Effluent Usage from Industry to Soil in Palm Oil Plantation. c. Regulation of the Minister of Environment No. 12 year 2006 regarding Requirements and Mechanism of Legal Permit to Discharge Effluent to the Sea.</p> <p>National regulations relate to riparian strip are, such as:</p> <ol style="list-style-type: none"> 1. Government Regulation No. 38 year 2011 regarding River. 2. Government Regulation No. 37 year 2012 regarding Management of Riparian Strip. 3. Government Regulation No. 26 year 2008 regarding National Landscape, clause 56 (2) riparian strip outside settlement area is divided with following criteria: <ul style="list-style-type: none"> - Riparian strip of at least 5 meter width from the outer dike along the river bank with dike - Riparian strip of at least 100 meter from river side along main river bank without dike outside settlement area, - Riparian strip of at least 50 meter from river side along sub-main river bank without dike outside settlement area 4. Presidential Decree No. 32 year 1990 clause 16, regarding Criteria of Riparian Strip: <ol style="list-style-type: none"> a. At least 100 meter from outer main river and 50 meter from sub-main river, which is located outside settlement area. b. For river in settlement area, the riparian strip should be appropriate to build inspection path between 10 to 15 meters width. 			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST		OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)
	No	River Type		Cross-Section Projection	Outside Settlement		Inside Settlement	
				Criteria	Minimum Riparian	Criteria	Minimum Riparian	
1	River with dike (measured from outer dike side)		-	5 m	-	3 m	Article 6	
2	River without dike (measured from river edge)		Main River (river cross-sectional area > 500 km ²)	100 m	Depth: > 20 m	30 m	Article 7 & 8	
			Sub-main River (river cross-sectional area < 500 km ²)	50 m	Depth: 3 m to 20 m	15 m	Article 7 & 8	
3	Lake/dam (measured from highest water tide to land)		-	50 m	-	50 m	Article 10	
4	Spring (around Spring)		-	200 m	-	200 m	Article 10	
5	River that influenced by tidal (from river edge)		-	100 m	-	100 m	Article 10	
5. Regulation of the Minister of Public Work No. 63 year 1993 regarding Riparian Strip, River Usage Area, River Authorization Area, Criteria of Riparian Strip Line.								
a.	Is the mill effluent treatment process in place?	<ul style="list-style-type: none"> Report of analysis mill effluent period January – October 2017 from <i>Dinas Pekerjaan Umum</i> Riau Province. Permit of waste water discharge from Head of Environmental Agency Indragiri Hulu Regent No. 21 Year 2017 on 3 November 2017. Monitoring of flowrate and pH 	<p>Peranap Mill waste water (POME) was processed through a series of waste water treatment ponds: one cooling pond, one acid pond, two anaerobic ponds, one aeration pond, one sediment pond, and three buffer ponds. Process parameter monitoring and maintenance of the ponds were sighted.</p> <p>POME is monitored monthly as required by permit. The results of POME monitoring were reviewed including measurement of BOD for January to October 2017. The Environment Ministry Decree No. 28/2003 required that BOD of POME discharged is less than 5000 mg/litre.</p> <p>The results of POME monitoring were reviewed including measurement of BOD, COD, pH, N Total, TSS, oil and fat for period January – October 2017. Measurement by <i>Laboratory UPT</i></p>	YES				
b.	Is there a process in place for checking and monitoring water discharge quality, particularly BOD?							
c.	Is the water discharge quality in compliance with national regulations?							
d.	Does the mill have a license for treatment, discharge or land application of mill effluent, and is the mill in compliant with the requirements of the license?							

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		inlet and outlet • Mill site visit on 22 November 2017	<p><i>Pengujian Material-Dinas Pekerjaan Umum dan Penataan Ruang Pekanbaru</i>, result BOD below the value limit <5,000 mg/l (average 3,000 – 4,000) and pH 6 – 9 (average 7). Daily monitoring of POME is conducted for flowrate and pH. Record was sighted for period January – October 2017.</p> <p>The result of discharge effluent that use as land application conforms to the limits for parameters of the government regulation. Several conditions of WWT operation are monitored periodically, e.g. pond dike, level of waste water, inlet and outlet flowmeter, waste water pump, etc.</p> <p>There is sighted the license of waste water discharge No.21/2017 on 3 November 2017 (206.5 Ha) that valid for 5 (five) years from <i>Kepala Badan Lingkungan Hidup</i> Indragiri Hulu Regent.</p>	
4.4.4	Monitoring of mill water use per ton of FFB shall be recorded			
	a. Are there procedures to measure mill water usage, and are the procedures implemented? b. Are there records of mill water use per tonne of Fresh Fruit Bunches (FFB)?	Mill operation summary 2016 and 2017	Mill water use per tonne of FFB is monitored monthly. Result of monitoring of mill water use per tonne of FFB was sighted in January to October 2017. The organisation has program to reduce water consumption, such as: recycle the water cooler turbine discharge water basin; recycle condensate water discharge water dilution; minimize duration of cleaning to be every two weeks. The following is mill water use per tonne of FFB in 2016 – 2017 (October) :	YES
4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques. Guidance: <i>Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical and physical methods to minimise the use of chemicals. Native species should be used in biological control where possible. Regulations to be referred are such as:</i> a. <i>Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</i> b. <i>Technical Guidance for the Development of Oil Palm Plantation, Directorate General of Estate Crops, Ministry of Agriculture (2006)</i>			
4.5.1	(M) Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there a documented IPM plan?</p> <p>b. Does the IPM plan include the following?</p> <ul style="list-style-type: none"> • Identification of potential pests and thresholds • What are the techniques used (cultural, biological, mechanical and physical methods)? • What are the native species used as part of the biological control method? • Does it help in reducing the use of chemicals over a period of time? • Prophylactic use of pesticides • Minimization of pesticide use • Review on the plans to suit the present condition such as replanting? <p>c. Is there an SOP to implement the plan and monitor its effectiveness?</p> <p>d. Is there records of pest occurrence and control?</p>	<ul style="list-style-type: none"> • Division Work Program 2017 • “Pest and Diseases management program 2017 ” • SOP AA-APM-OP-1100.10-R1 Pest & Diseases Control • SOP AA-APM-OP-1100.08-R1 Weeding Control • SOP AA-APM-OP-1100.14-R1 Census and Identification Plant • Records of pest occurrence and control 2017 	<p>.IPM Plan has been developed by organization and documented in “Pest and Diseases management program”. IPM Plan have been prepared within the budget in 2017. Estate have established Division Work Program annually for IPM for each division. IPM programme includes detection and census of pest and diseases, weeds controlling, planting and upkeep of beneficial plant, use of pesticide and herbicide.</p> <p>IPM plan include the following :</p> <ul style="list-style-type: none"> • Identification of potential pests and thresholds • The techniques used (cultural, biological, mechanical and physical methods) • The native species used as part of the biological control method • Reducing the use of chemicals over a period of time • Prophylactic use of pesticides • Minimization of pesticide use • Review on the plans to suit the present condition such as replanting <p>Company has establish the SOPs for IPM:</p> <ul style="list-style-type: none"> ✓ AA-APM-OP-1100.10-R1 Pest & Diseases Control ✓ AA-APM-OP-1100.07-R1 Weeding Control ✓ AA-APM-OP-1100.14-R1 Census and Identification Plant <p>The SOP describes integrated pest control (integrated pest management/IPM) which combines various control techniques e.g. mechanical, biological, physical and chemical, applied early warning system (EWS) through periodically census for pests by :</p> <ol style="list-style-type: none"> 1. Visual observation (visual plant e.g. leafs or broken stems and fruit rot) 	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>2. Conducting a census (to determine the distribution and level of attack)</p> <p>3. Control (manual, biological or chemical) e.g planting of <i>Turnera Subulatta</i> (nest of natural predator caterpillars (Ulat Api)).</p> <p>4. Census of evaluation (to see the effect of control).</p> <p>Several records of pest occurrence and control verified such as :</p> <ul style="list-style-type: none"> - Rat census conducted every 3 months, Last census in September 2017 in Peranap Estate known the average level of rat attacks was less than 5% (1-3%) so that there is no chemical control using pesticides. - Detection of leaf-eating caterpillar pests (UPDKS) was performed by rotation 6 times a year or every two months on the same block. Last early detection of the rotation 1-3 period January – October 2017 in Peranap Estate, there were no UPDKS pests detected. Plans and realization of early detection of pests and diseases was well documented. - IPM training to IPM workers has been performed in 15 March 2017 by internal Asistant and Managers. Records of training was evidenced. - Monitoring <i>Kandang Burung Hantu</i> (KBH, <i>Tyto alba</i>) is performed every month to monitor the activity of owls as predators of rats. Last observation conducted in October 2017. - Planted the beneficial plant as the host/nest for natural enemies UPDKS (<i>Eucanticona purcelata</i>, <i>cycanus sp</i>). The beneficial plant such as: <i>Turnera subulata</i> planted in the collection and the main road, <i>Antigonon leptopus</i> planted in every corner of the main road intersections and road collection, <i>Casia cobanensis</i> planted alternately with <i>Turnera</i> in Collection Road and Main Road. Evidence of planting and upkeep was sighted and the field observations were also observed well maintained. 	
4.5.2	Training records of Integrated Pest Management (IPM) shall be available.			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	a. Is there records of training provided to those involved in the implementation of IPM?	<ul style="list-style-type: none"> IPM workers training record in 15 March 2017 	IPM training to IPM workers has been performed in 15 March 2017 by internal Assistant and Managers. Records of training was evidenced. Personnel interviewed during field observation were verified has received training of IPM.	YES
4.6	<p>Pesticides are used in ways that do not endanger health or the environment.</p> <p>Guidance: <i>The RSPO has identified some examples of alternatives to pesticide use, which include those listed in the 'Research project on Integrated Weed Management Strategies for Oil Palm; CABI, April 2011'.</i></p> <p><i>Pesticides application on peatland and swamp may use IPM methods, such as in the RSPO Manual on Management Practices (BMPs) for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat.</i></p>			
4.6.1	<p>(M) Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</p> <p>Specific Guidance: <i>For 4.6.1: Measures to avoid resistance on target species (such as application of pesticide rotations) should be applied, which consider less harmful alternatives and IPM.</i></p>			
	<p>a. Does the organization have a policy on safe use of chemicals?</p> <p>b. Does the organization have SOPs for use of selective products that are specific to target pests, weeds, or diseases and which have minimal effect on non-target species?</p> <p style="padding-left: 20px;">i. Measures to avoid the development of resistance (such as pesticide rotation) should be applied.</p> <p style="padding-left: 20px;">ii. Is there a list of all pesticide with target species and justification of use?</p> <p style="padding-left: 20px;">iii. The justification should consider less harmful alternatives and IPM.</p> <p>c. Is there evidence of implementation of SOP on the ground?</p>	<ul style="list-style-type: none"> Procedure AA-KL-06-EFP – Handling of Hazardous Waste Procedure AA-APM-OP-1100.11-R1 dated 1 February 2009 – Management Pesticide Field observation at central warehouse and spraying activities at estate operation List of pesticide use in oil palm Estate in 2017 	<p>So far there is no specific policy regarding the safe use of pesticides; however the organisation only used approved and registered pesticides, permitted by the relevant authority, and based on "The Green Book of pesticides" issued by The Pesticides Commission of the Agricultural Ministry of the Republic of Indonesia. As seen on the list of pesticides, pesticides that used in Peranap Estate such as Kenrane (Trifloroksipir-1-methyl heptyl ester 288 g / l, expired for pesticide product licences until 6 September 2021), BIONASA (isopropylamine glyphosate 480 g/l, expired for pesticide product licences until 29 April 2018), Kenlon (trichlopyr butoxy ethyl ester 480 g/l, expired for pesticide product licences until 23 Juni 2021), Elang (isopropylamine glyphosate 480 g/l, expired for pesticide product licences until 12 Desember 2021), Metsulindo 20 WP (Metil metsulfuron: 20%, expired for pesticide product licences until 23 Juni 2021), and Gramoxone (lon Paraquat 200 g/l, expired for pesticide product licences until 12 Desember 2020).</p> <p>Pesticides use was similar in 2016 and 2017. Less harmful</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>alternatives has not been applied or considered. These pesticides were still effective to the target pest, weed or disease and have minimal effect on non-target species.</p> <p>Circle and path spraying is conducted 2 times a year using the same active ingredients for each type spraying. Pesticide rotations have been applied.</p>	
4.6.2	(M) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be available.			
	<p>a. Does the company have a pesticide application program?</p> <p>b. Is record of pesticides use available?</p> <p>c. Do the records detail the active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications?</p>	<ul style="list-style-type: none"> • Records of pesticides use Peranap Estate 2017 • Record of monitoring of pesticides toxicity unit LD50/tonne FFB 2017 • Site observation in Block A95c Division I 	<p>Company have a pesticide application program which documented in annual work programme. Activities using pesticides among others circle and path spraying, selective spraying etc.</p> <p>Records of pesticides use have been recorded including active ingredient, area treated, amount applied per ha, use of selective product and rotation number of applications. Several records of pesticide used were sighted, e.g. application schedule, list of pesticide use in oil palm estate, work achievement and pesticide use, stock card of agrochemicals. The records covered date of application, quantity of pesticide use and name of sprayers.</p> <p>The company has monitored and recorded pesticides use in 2012, 2013, 2014, 2015, 2016, and 2017. Usage quantity of pesticides was within the recommended levels. Monitoring of pesticides toxicity unit LD50/tonne FFB was conducted on October 2017. Monitoring of pesticides toxicity unit was available for 2017. In the monitoring it was shown that the use of all pesticides was at 020 gr/tonne FFB in 2017.</p> <p>Agrochemicals have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training was delivered by Pesticide Commission of Agriculture Department Riau Province on 22th September 2015 in Peranap estate. Training record and certificates were sighted for all sprayers.</p> <p>Training covered handling of concentrate agrochemical and spraying method including pesticide hazard. Pesticides handled, used and</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			applied only by persons who have completed the necessary training, it was observed during field audit that all sprayers' workers have trained.	
4.6.3	<p>(M) Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines.</p> <p>Specific Guidance: For 4.6.3: Justification of the use of such pesticides will be included in the public summary report.</p>			
	<p>a. Does the company have an IPM plan?</p> <p>b. Has that plan been implemented?</p> <p>c. Is the effectiveness of the IPM plan monitored?</p> <p>d. Are there records showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan?</p> <p>e. Has there been prophylactic use of pesticides? If so, justification must be provided in accordance to National Best Practices.</p>	<ul style="list-style-type: none"> • Division Work Program 2017 • "Pest and Diseases management program 2017" • SOP AA-APM-OP-1100.10-R1 Pest & Diseases Control • SOP AA-APM-OP-1100.08-R1 Weeding Control • SOP AA-APM-OP-1100.14-R1 Census and Identification Plant 	<p>IPM Plan developed by organization and documented in "Pest and Diseases management program". IPM Plan have been prepared within the budget in 2017. Estate have established Division Work Program annually for IPM for each division. IPM programme includes detection and census of pest and diseases, weeds controlling, planting and upkeep of beneficial plant, use of pesticide and herbicide.</p> <p>IPM plan include the following :</p> <ul style="list-style-type: none"> • Identification of potential pests and thresholds • The techniques used (cultural, biological, mechanical and physical methods) • The native species used as part of the biological control method • Reducing the use of chemicals over a period of time • Prophylactic use of pesticides • Minimization of pesticide use • Review on the plans to suit the present condition such as replanting <p>IPM Plan has been implemented by organization. Early detection UPDKS (ulat pemakan daun kelapa sawit) performed every 2 months, it documented in BKM (buku kegiatan mandor). Beneficial plant <i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i></p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>already planted almost in every block along the main road and collection road. Owl introduction and monitoring implemented by create owl nest (Gufon) and monitoring.</p> <p>The effectiveness of the IPM plan was monitored regularly as described in 4.5.1.</p> <p>There were records showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan. Use of pesticides in the field was always lower than the planned budget. It also shows the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>There was no prophylactic use of pesticides, it's evident by site visit and field observation in Peranap Estate. Pesticide only used and apply for weeds and pest.</p>	
4.6.4	<p>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>Specific Guidances: <i>For 4.6.4: Use of paraquat, as one of the restricted use pesticides, shall refer to the Regulation of the Minister of Agriculture No. 24 year 2011. Operators involve in the use of restricted pesticides must be certified by Pesticide Commission (Komisi Pestisida).</i></p>			
	<p>a. Does the company have a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide?</p> <p>b. Is there a policy, procedure or management plan committing to minimise and eliminate use of these pesticides and paraquat?</p> <p>c. Are there records of minimisation of pesticides and paraquat use?</p> <p>d. Where there is the use of the above pesticides or paraquat, has justification in line with national best practice guidelines been</p>	<ul style="list-style-type: none"> • Document Listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide • Paraquat usage in PT. Rigunas Agri Utama Peranap Estate period 2009 – 2017 	<p>Company have a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide. It was well documented in Estate office.</p> <p>Paraquat which was the active ingredient of Gramoxone was still used in PT. Rigunas Agri Utama Peranap Estate, however the organisation has set internal target to reduce paraquat use.</p> <p>There was no restore of pesticide to chemical storage, because the requested pesticide has been applied overall at the application area. It was verified with observation at chemical store and document review</p> <p>Data of paraquat used has been provided since 2009 to 2017, as</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																				
	<p>documented?</p> <p>e. Does physical verification of inventory in the chemical store agree back to the inventory records?</p>		<p>mention below:</p> <table border="1" data-bbox="1171 363 1496 799"> <thead> <tr> <th>Year</th> <th>Total (Litre)</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>2.064</td> </tr> <tr> <td>2010</td> <td>2.033</td> </tr> <tr> <td>2011</td> <td>4.877</td> </tr> <tr> <td>2012</td> <td>969</td> </tr> <tr> <td>2013</td> <td>233</td> </tr> <tr> <td>2014</td> <td>1252</td> </tr> <tr> <td>2015</td> <td>336</td> </tr> <tr> <td>2016</td> <td>621</td> </tr> <tr> <td>2017</td> <td>633</td> </tr> </tbody> </table>	Year	Total (Litre)	2009	2.064	2010	2.033	2011	4.877	2012	969	2013	233	2014	1252	2015	336	2016	621	2017	633	
Year	Total (Litre)																							
2009	2.064																							
2010	2.033																							
2011	4.877																							
2012	969																							
2013	233																							
2014	1252																							
2015	336																							
2016	621																							
2017	633																							
4.6.5	<p>(M) Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7)</p> <p>Specific Guidance : <i>For 4.6.5: Requirement pertaining to Personal Protected Equipment (PPE) shall refer to the Regulation of the Minister of Manpower No.8 year 2010 regarding PPE and Material Safety Data Sheet. Use of pesticides must follow guidance stated on the product's label. If there are gaps between the use of pesticides and the guidance, documented justification should be provided,</i></p>																							
	<p>a. Is there SOP for chemicals/pesticides handling?</p> <p>b. Is there a training plan and training records for workers who apply or handle pesticides?</p> <p>c. Is there evidence that training has been conducted in an appropriate language understood by the workers?</p> <p>d. Are pesticides handled, used or applied only by persons who have completed the necessary training?</p> <p>e. Are the workers involved in chemical handling</p>	<ul style="list-style-type: none"> SOP AA-APM-OP-1100.11-R1-Management Pesticides SOP AA-APM-OP-1100.08-R1-Weeding Control Training record by Pesticide Commission of Agriculture Department Riau Province on 22 September 2015 in Peranap estate Field observation and interview with workers 	<p>Pesticide use and handling was documented in the procedure SOP AA-APM-OP-1100.11-R1-Management Pesticides and SOP AA-APM-OP-1100.08-R1-Weeding Control. General instructions of security in working with pesticides described in procedure includes the selection of kinds of pesticides, pesticide storage, pesticide use, addressing pesticide contamination, first aid instructions, medical assistance.</p> <p>Agrochemicals have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training was delivered by Pesticide Commission of Agriculture Department Riau Province on 22 September 2015 in Peranap estate. Training record and certificates were sighted for all sprayers.</p>	<p>YES (Major NCR 2017-05 closed)</p>																				

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>or application able to demonstrate understanding of the hazards and risks related to chemicals used when interviewed?</p> <p>f. Are pesticides always applied in accordance with the product label?</p> <p>g. Are MSDS for pesticides used readily available for easy reference?</p> <p>h. Is appropriate safety and application equipment provided and used?</p> <p>i. Is PPE used appropriate according to recommendations in any risk assessments done?</p> <p>j. Is appropriate PPE provided and used, and can it be easily replaced if damaged?</p> <p>k. Does the management checked the workers usage of appropriate PPEs?</p>		<p>Its evidence that training has been conducted in an appropriate language (Bahasa Indonesia) and understood by the workers.</p> <p>Training covered handling of concentrate agrochemical and spraying method including pesticide hazard. Pesticides handled, used and applied only by persons who have completed the necessary training, it was observed during field audit that all sprayers' workers have trained.</p> <p>Personnel interviewed (sprayer workers) can clearly explain the type of work including work methods and goals, materials used (pesticides) including the dosage and hazards and risks, personal protective equipment and first aid.</p> <p>Pesticides were always applied in accordance with the product label and storage instruction, such as: Gramoxone dose 1,5 L/ha, Garlon dose 0,33/ha, Lindomin dose 200-500 L/ha.</p> <p>Agrochemicals storage was locked areas with limited access. The storage was ventilated. MSDS and hazard symbol label were provided nearby of agrochemicals.</p> <p>Emergency shower and eyewash were also provided to anticipate in case of an emergency of agrochemical handling. The possible spill was managed. Secondary containment was provided around the chemical storage area. Spill kit was also provided in the area.</p> <p>PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. PPE used was appropriate according to recommendations in any risk assessments.</p> <p>PPE provided and used can be easily replaced if damaged.</p> <p>Site visit in Block A95c Division I Peranap Estate has been done to observe the spraying and pesticide application in field. Interview with spraying workers were evident that all of them has a good knowledge regarding the pesticide usage and its material usage and toxicity. All the workers has used the personal protective equipment meet with the safety rules and work instruction such as: Apron, safety</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>goggles, chemical masker, hand gloves and safety shoes. All precautions attached to the products properly observed, applied, and understood by workers. Mandor as person in charge to check the workers usage of appropriate PPEs was well monitored in each spraying job.</p> <p>Major Non-conformances 2017-05:</p> <p>a. There was no MSDS available for Kenrane and Elang at spraying working location block A95c division 01.</p> <p>b. There was no MSDS available for NaOH as water treatment plant material</p>	
4.6.6	<p>(M) Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</p> <p>Specific guidance: <i>For 4.6.6: Some regulations regarding pesticides are:</i></p> <p>a. <i>Government Regulation No. 18 year 1999 regarding Toxic and Hazardous Materials Management</i></p> <p>b. <i>List of Toxic & Hazardous Materials from specific source, unspecific source, expired chemical, leaked chemical, residue, container, or product disposal which does not comply with the specification of Government Regulation No. 85 year 1999 regarding changes of Government Regulation No. 18 year 1999 regarding the Management of Hazardous and Poisoned Waste.</i></p> <p>c. <i>FAO International Code of Conduct on the distribution and use of pesticides and its guidance and supported by relevant industrial guidance (see Annex 1).</i></p> <p>d. <i>Regulation of the Minister of Agriculture No. 01/Permentan/OT.140/1/2007 regarding List of Banned and Restricted Pesticide (based on active ingredients).</i></p> <p>e. <i>Regulation of the Minister of Agriculture No. 24/Permentan/SR.140/4/2011 regarding Requirement and Mechanism to Register Pesticide.</i></p> <p>f. <i>Stockholm Convention regarding Consistent Organic Pollutant which had been ratified with Act No. 19 year 2009</i></p> <p>g. <i>Guidance for Advancement of Pesticides usage, Directorate General of Infrastructure and Facilities, Ministry of Agriculture (2011)</i></p>			
	<p>a. Has the SOP for pesticide storage been documented and implemented?</p> <p>b. Are all pesticides stored according to recognised best practices?</p> <p>c. Is there evidence that empty pesticide containers are properly stored and disposed off and not used for other purposes?</p>	<ul style="list-style-type: none"> • Procedure AA-KL-06-EFP – Handling of Hazardous Waste. • Procedure AA-APM-OP-1100.11-R1 dated 1 February 2009 – Management Pesticides • Field observation at central warehouse and spraying 	<p>Pesticides were stored in the determined area separated from fertiliser and other chemicals. Pesticides storage was provided in central workshop and was locked areas with limited access, both Peranap Estate and Smallholder. The storage was ventilated through cross flow ventilation. MSDS and hazard symbol label were provided nearby of pesticides. Emergency shower and eyewash were also provided to anticipate in case of an emergency of chemical handling. PPE for handling of chemicals were provided including boots, apron,</p>	<p>YES (Major NCR 2017-06 closed)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>d. Is there evidence observed in the field that pesticide containers are indiscriminately disposed (in dump site) or used for other purposes, .e.g. as waste containers, flower pots?</p>	<p>activities at estate operation in Block A95C Afdeling I.</p> <ul style="list-style-type: none"> The training list of attendance and training material 	<p>safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area. EHS patrol was regularly performed monitor possible spill.</p> <p>All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorised transporter, PT PPLI and PT Indo Star Cargo. Records of pesticides containers quantity were evident. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers "jerry can" that may re-use for field application.</p> <p>Major Non-Conformance 2017-06:</p> <p>Based on field observation in Emplacement Afdeling I, it was found private knapsack and empty pesticides container stored in worker's house not well managed.</p>	
4.6.7	Application of pesticides shall be by proven methods that minimise risk and negative impacts.			
	<p>a. Is there work instruction for pesticide application?</p> <p>b. Is there training provided on work instruction including risk and impacts of pesticide applications?</p>	<ul style="list-style-type: none"> Procedure AA-APM-OP-1100.11-R1 dated 1 February 2009 – Management Pesticides The training list of attendance and training material 	<p>The documented procedure was defined on how the method to conduct pesticide application by using "knapsack sprayer", handling empty pesticides containers.</p> <p>The training was also available regarding to describe the content of procedure, risk and hazard of pesticides, attendance records was also sighted for all pesticide sprayer and supervisors.</p> <p>Minor Non-conformance 2017-07:</p> <p>There is an application of pesticide use that have risk and impact for the employee housing environment. Based on field observations, there was former applications of pesticide use in the employee housing environment of <i>Afdeling 1</i>.</p>	<p>NO</p> <p>(minor NCR 2017-07)</p>
4.6.8	(M) Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
relevant information within reasonable time prior to application				
	a. Has aerial spray been applied? If yes, is there documented justification? b. Is the impact and risk associated with aerial application documented and made available? c. Are the identified affected communities informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application?	<ul style="list-style-type: none"> Interview with RAU Management Field observation 	Based on interview with RAU Management and field observation, there was no pesticide application aerially.	N/A
4.6.9	Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available			
	a. Has the company provided information materials on pesticide handling to all employees and associated smallholders (if any) (see Criterion 4.8)? b. Is there evidence of periodic training (in appropriate language) of employees and associated smallholders on pesticide handling? <i>Note: Interview with workers and smallholders on their knowledge and skills in pesticides handling.</i>	<ul style="list-style-type: none"> Work instruction including risk and impacts of pesticide applications (Material safety data sheet) Training and dissemination records 2017 Field observation and interview with workers 	Company has provided information materials on pesticide handling to all employees. Training and dissemination on work instruction including risk and impacts of pesticide applications (Material safety data sheet) has been performed by organization on 04 and 17 April 2017 to all sprayer workers. Training and dissemination records was sighted. Company has conducted periodic training (in Bahasa Indonesia) of employees on pesticide handling.	YES
4.6.10	Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated			
	a. Is there an SOP for proper disposal of waste material? b. Is there training provided to workers and managers on proper waste disposal? c. Is there evidence of implementation of proper ways for waste disposal by the company?	<ul style="list-style-type: none"> Procedure AA-KL-06-EFP – Handling of Hazardous Waste. Procedure AA-APM-OP-1100.11-R1 dated 1 February 2009 – Management of Pesticides Field observation at central warehouse and spraying activities at estate operation in 	All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorised transporter, PT PPLI Lestari and PT. Indo Satr Cargo. Records of pesticides containers quantity were evident. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers “jerry can” that may re-use for field application. Training/briefing regarding disposal of waste material has been conducted to all workers and staffs. Based on interview with sprayer workers at Afdeling I, Block A95c, they understood the disposal of	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		Block A95C Afdeling I. <ul style="list-style-type: none"> The training list of attendance and training material 	waste material.	
4.6.11	(M) Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available			
	a. Is there an updated list of pesticide operators? b. Is there record of annual medical surveillance of pesticide operators? c. Is there medical and treatment record of all pesticide operators?	<ul style="list-style-type: none"> List of pesticide operator update November 2017 MCU recapitulation report 	List of pesticides operator was shown and updated periodically. There were 112 operators listed. Specific health surveillance has been performed for all workers with work in high risk area. Specific health surveillance included audiometry, cholinesterase, and spirometry. Audiometry was held for employees at high risk area such as boiler and power house area. Spirometry and cholinesterase was conduct to employees who work or handling chemical such as chemical warehouse operator, spraying workers, laboratory operator, and WTP operator. The MCU report was evident. The specific health surveillance was planned to be conducted twice a year for spraying worker and annually for all workers. The last medical check-up at estate was held on 3-4 August 2017 included annual and specific medical examination for spraying workers and manuring workers. From MCU recapitulation report all workers were fit to work. Dissemination of health surveillance results have also been conducted to the workers.	YES
4.6.12	(M) Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.			
	a. Is there a policy statement preventing pregnant and breast-feeding women from handling pesticides? b. Is there a lists of female workers handling pesticides available? c. Does the company have a system to identify pregnant and breast-feeding women?	<ul style="list-style-type: none"> Company Policy dated 1 December 2014 Field observation and interview with sprayer workers Interview with workers union and committee gender on 22 November 2017 	Policy related to prevent pregnancy and breastfeeding women from handling pesticides has been described in the Company Policy. List of female workers are available and include female workers related to pesticide as well as worker's age can be identified. Monitoring identification of pregnancy and lactating mothers performed by a clinical nurse and its results were recorded in the clinic. Based on the medical records (January – November 2017) of	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	d. Is there evidence showing that pregnant and breast-feeding women are not allowed to handle pesticides?		<p>nursing there is no evidence that pregnant and lactating women work in handling pesticides. When there are pregnant and lactating women, the women workers will be transferred to other jobs. Based on record review and field observation it was evidence that no pregnant or lactating women work with pesticides.</p> <p>Based on interview with sprayers, committee gender and worker union said that it's prohibited for pregnant and breast-feeding women working as fertilizer and sprayer or other work that related to chemical compounds.</p>	
4.7	<p>An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>Guidance: <i>Growers and millers should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health. Growers and millers should ensure that the chemical, physical and biological substances and agents under their control are without undue risk to health, and appropriate measures are taken if needed. All indicators apply to all workers regardless of status.</i></p> <p><i>The health and safety plan should also refer to the Government Regulation No. 50 year 2012 regarding Application of Occupational Health and Safety Management System.</i></p>			
4.7.1	(M) A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.			
	<p>a. Is there a health and safety policy in place?</p> <ul style="list-style-type: none"> • Is it written in an appropriate language? • Has the policy been approved by an authorized personnel and dated? • Does the policy cover mitigation of risks to workers health and safety at all workplace activities? • Are the workers aware of and understand the policy? <p>b. Is there a health and safety plan in place?</p> <ul style="list-style-type: none"> • Does the plan include targets for improving occupational health and safety? • Does the plan reflect guidance provided in the ILO Convention 184 (see Annex 	<ul style="list-style-type: none"> • Occupational Health and Safety Policy dated 26 November 2012 • OHS Target and Plan 2017 • Notes of Meeting Safety Committee 2017 • HIRAC register 2017 • OHS Training Records 2017 • OHS Training Plans 2017 • Evaluation Records of Emergency Simulation • Valid permit of lifting 	<p>OHS policy is established and reviewed by Management as dated on 26 November 2012. The content of policy includes risk mitigation (Hazard Identification and Risk Assessment Control has been established for all workplace activities both in estates and mill), regulation compliance and continual improvement. OHS policy was written in Bahasa Indonesia and displayed at strategic locations of estate and mill and communicated to employees including contractor workers. The records of dissemination were also evident, based on interview workers understand and aware about the policy.</p> <p>An OHS plan was documented as part of internal system such as objective, target and program, management review, internal audit program, medical check-up, emergency simulation program, inspection and renewal permit of working equipment, PPE distribution, monitoring physical and chemical factor at work area, monitoring and measurement program. OHS target 2017 such as zero accident, PPE implementation 100%. The OHS Target and Plan</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>1)?</p> <p>c. Is there evidence of implementation of the plan?</p> <p>d. Is the effectiveness of the health and safety plan monitored?</p> <p>e. Is the health and safety plan made publicly available?</p> <p>f. Is there an action plan if targets are not achieved?</p>	<p>equipment, machinery etc.</p> <ul style="list-style-type: none"> Safety Working Permit Records 	<p>has already reflect the ILO Convention 184. The plan also been available at site to all employee and visitor by information board.</p> <p>Implementation of activities were sighted such as several monitoring and measurement activities along year 2016 and 2017 consisting firefighting simulation using fire extinguisher at emplacement, PPE inspection, monitoring fire extinguisher.</p> <p>Monitoring of the safety plan was conducted by regular safety meeting once in a month. Several action plans were raised for the unachieved safety targets and plans.</p>	
4.7.2	<p>(M) A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>Specific Guidance: <i>For 4.7.2: All precautions attached to products shall be properly observed, understood, and applied.</i></p>			
	<p>a. Have risk assessments been conducted for all operations where health and safety is an issue?</p> <p>b. Does the risk assessment cover all the organization's processes and activities?</p> <p>c. If any accidents had occurred, were these included in the risk assessments with action plans to prevent further recurrence?</p> <p>d. Have the procedures and action plans been documented and implemented to address the identified issues?</p> <p>e. Have all precautions attached to products been properly observed and applied to the workers?</p>	<ul style="list-style-type: none"> Fire Handling Procedure (AA-KL-15-EFP) Emergency Response Procedure (AA-KL-14-EFP) Safety At Workshop Procedure (Lock out/Tag out) (AA-KL-09-EFP) Handling of Pressurized Cylinder Gas Procedure (AA-KL-13-EFP) Chemical Handling Procedure (AA-KL-03-EFP) Risk Assessment for Mill and estate Year 2017 	<p>Risk Assessment for all operations regarding to health and safety was available within the scope of oil palm mill processes activities and agricultural estate activities has already conducted, as it was considered the stages of OHS risk control hierarchy such as elimination, substitution, engineering, administrative and PPE (Personnel Protective Equipment) in order to OHS risk precautions. Risk assessment were reviewed annually and should any accident has occurred. The last reviewed for was on 7 October 2017.</p> <p>Mill risk assessment cover processes and activities attached to the realisation of product CPO such as: weighing bridge, boiler, engine room, loading ramp, sterilizer, threshing, pressing, kernel operation, clarification, office, laboratory, dispatch CPO, firefighting simulation, water treatment, chemical warehouse, etc.</p> <p>Estates risk assessment covers processes and activities such as: spraying, manuring, weeding, replanting, road maintenance, firefighting simulation harvesting, transportation, warehouse, workshop, infrastructure, polyclinic, etc. It also covered all the risk attached to the products.</p> <p>Several OHS procedures related to the risk assessment were</p>	<p>YES</p> <p>(Major NCR 2017-08 closed)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>established such as:</p> <ul style="list-style-type: none"> • Fire Fighting Procedure • LOTO procedure • Emergency Response Procedure • Chemical Handling Procedure • Etc. <p>Utility equipment were available and installed such as boilers, sterilised, steam vessel, compressors, generator, heavy equipment and lifting equipment. This equipment have been inspected and tested by local authority and the records were evident.</p> <p>Boiler operation was monitored its parameters including pressure, temperature and water level, these parameters were recorded. Boiler was completed with automatic water feeding to prevent over heat and explosion in case of less water level. Records of internal inspection and maintenance to the equipment were sighted e.g. electrical inspection, compressor inspection, welding equipment, and heavy equipment. Moving parts of machine/equipment generally has been covered or guarded. There was also safety patrol/inspection activity conducted monthly to identify any unsafe acts and conditions; findings were followed up as appropriate.</p> <p>Safety sign was provided to make workers aware on this hazard and risk. Electrical hazard symbol was provided at electrical panel. Housekeeping at Mill and Estate (office estate, storage, and workshop) in general was well monitored. Access for workers to workplace in general also good e.g. stair was provided with hand rail and platform at height was provided with border to prevent fall risk. Vertical stair in general has been provided with cover as well. However the welding tubes at mill and estate workshop area were not equipped with flash back arrester (FBA).</p> <p>Lock out tag out (LOTO) procedure has also been established and implemented especially intended for risk control of maintenance</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>activities. There was also detailed working instruction which described process for conducting activities including requirement concerning to OHS aspects such as requirement of PPE. Working instructions were sighted such as spraying, harvesting, pesticide preparation, etc.</p> <p>The procedure for critical activities was established .The procedure was covering OHS control for working in confined space (e.g. cleaning of storage tank), working at height, working at high temperature, working with electricity, and working in the water. Safe working permit for cleaning tank was held on 31 October 2017. The records were shown and maintained properly.</p> <p>Emergency Response Team has been defined and the emergency flow charts have been established for any kind of emergency situation such as earthquake, fire, flood etc. The awareness of employee was gained with the simulation of emergency response conducted on 22 October 2017 for estate and 17 November 2017 for mill. Evacuation routes and emergency flowcharts have been disseminated during simulation. Emergency signs and boards were provided in several areas. Muster points for each area such as workshop, warehouse, office etc. were sighted.</p> <p>All precautions attached to products been properly observed and applied to the workers. Several controls such as providing PPE and administration control were applied to workers in some activities such as: mill maintenance process, spraying activities, handling of pesticides etc.</p> <p>Major Non-conformance 2017-08:</p> <p>The risk control for cutting process at warehouse mill and estate was not determined optimally. There was no FBA equipment attached to O₂ and LPG gas tube used for metal cutting process at mill and estate warehouse.</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
4.7.3	<p>(M) Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>Specific Guidance: For 4.7.3: Adequate and appropriate Personal Protective Equipment (PPE) shall be available to all workers at the workplace based on the result of Identification of Sources of Hazard and Risk Control including all potentially hazardous operations, such as the use of pesticides, operating machinery, land preparation, harvesting and if it is used, burning.</p>			
	<p>a. Are all workers involved in the operation appropriately trained in safe working practices (see Criterion 4.8)?</p> <p>b. Are OSH training programs and training records available and conducted by qualified persons?</p> <p>c. Is adequate and appropriate protective equipment available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning?</p> <p>d. Is PPE provided to workers and replaced when damaged?</p> <ul style="list-style-type: none"> • Does the organization maintain a list of PPE distribution? • Are workers observed wearing appropriate PPE? 	<ul style="list-style-type: none"> • List attendance of firefighting Training • List Attendance of Basic Safety Training for mill and estate. • PPE Checklist Maintenance • PPE Distribution Records • Field observation at harvesting activity, fertilizing activity and spraying activity 	<p>All workers involved in the operation have been appropriately trained in safe working practices/Basic Safety Training. The training were conducted on 31 March 2017 by Safety Officer who has been qualified as Safety Officer by the government.</p> <p>OHS training programs 2017 and training records available and kept by safety officer. Training was conducted by qualified persons such as firefighting simulation training on 20 September 2017 at mill and 22 June 2017 at estate.</p> <p>Adequate and appropriate protective equipment was available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. The needs of PPE was determined from HIRAC document or related SOP of activity. The type of PPE used for each activity has been determined, e.g. working at Mill, working at generator set, welder, working at laboratory, harvester, sprayer, fertilizer storage, chemical storage, etc. It also covered the expired time of each PPE.</p> <p>PPE was provided by organisation to workers and replaced when damaged. Observation during this audit generally concluded that PPE has been well provided however there were several workers were found not wearing the appropriate PPE such as at harvesting area, fertilizing area and engine room area. The stock of PPE was listed in warehouse stock card such as googles, mask, gloves, apron, etc.</p> <p>Organization maintains a list of PPE distribution in form "List of PPE Distribution/Kartu Perkakas". Several records were reviewed such as on 6 November 2017 for spraying mask.</p>	<p>YES</p> <p>(Major NCR 2017-09 closed)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Spraying workers at division 01 block A95C named Asmidah and Mardianah were interviewed during this audit and generally they were understood the risk of their work and the purpose of using PPE. It was observed that workers were wearing appropriate PPE such as gloves, shoes, and chemical mask for pesticides operators.</p> <p>Major Non-conformances 2017-09:</p> <p>Appropriate protective equipment was not available to workers at the place of work :</p> <ul style="list-style-type: none"> a. Harvester at harvesting area block B95 afdeling 02 (safety glasses) b. Driver of FFB transporter at weighbridge area (safety shoes) c. Fertilizer workers at Afdeling 02 block B93 (safety shoes) d. Mill Maintenance worker at clarification station near engine room (ear plug) 	
4.7.4	<p>(M) The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues</p> <p>Specific Guidance: <i>For 4.7.4 : Workers shall be represented in the Advisory Committee for Occupational Safety and Health (P2K3) based on the Regulation of the Minister of Manpower No. 4 year 1987.</i></p>			
	<ul style="list-style-type: none"> a. Has the company identified the responsible person/persons to implement OSH? b. Are meetings between the responsible persons and workers conducted on a regular basis, or as required by law, if any? c. Are minutes of meeting recording attendees and issues discussed available? d. Are concerns of all parties about health, safety and welfare discussed at these meetings? 	<p>Notes of Meeting Safety Committee (P2K3) January – October 2017, last meeting held on 13 October 2017</p>	<p>Organisation has appoint the responsible person for OHS implementation at Peranap estate that is: Denny M Sitompul as AK3U/OHS expert). He has decree letter as AK3U from Ministry of Labour No. KEP.P.17333/M/DJPPK&K3/XII/2015 dated 15 December 2015 valid for 3 years.</p> <p>Organisation has appoint the responsible person for OHS implementation at Peranap mill that is: Ady Candra Tampubolon as AK3U/OHS expert. He has decree letter as AK3U from Ministry of Labour No. KEP.12783/M/DJPPK/V/2015 dated 15 May 2015 and valid for 3 years.</p> <p>The safety committee (P2K3) structure was evident for estate and</p>	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>Note to Auditor: Interviews with workers reflect compliance to a-d above.</i></p>		<p>mill and been approved by local authority Pemkab Peranap.</p> <p>Notes of Regular Meeting of Safety Committee with workers were evident. Samples were reviewed for June - October 2017 meetings. The meeting was planned once in a month. Several concerns were discussed such as: dissemination of HIRAC, work accident dissemination, hazard from animal (snake attack), HIRAC evaluation, monitoring working accident report, PPE inspection, chemical handling, request for safety signs and first aid box. The actions were monitored for realisation and reported to management and local authority.</p> <p>Based on interview with workers it was conform that workers understand regarding safety committee and there was monthly meeting that they attended.</p>	
4.7.5	<p>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</p> <p>Specific Guidance: For 4.7.5: Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p>			
	<p>a. Are there SOPs for accidents and emergencies?</p> <ul style="list-style-type: none"> • Do these cover all major potential emergencies, such as, but not limited to fire, chemical spillage, and potential natural disasters specific for the region, e.g. earthquakes, volcanoes, etc.? • Are accidents investigated and action taken to prevent recurrence? • Are accident records provided to the local authority in accordance with local legal requirements, if any? • Available in the appropriate language of the workforce? <p>b. Are the instructions on emergency procedures</p>	<ul style="list-style-type: none"> • Emergency respond procedure AA-EMS-447-PR • Accident procedure • List attendance of First Aid Training • List Attendance of Emergency Simulation Mill on 7 March 2016 • List Attendance of Emergency Simulation estate and smallholder on 28 April 2016 • Records of accident investigation 	<p>Emergency respond procedure written in Bahasa Indonesia was available and covers reporting, responsibility of all members of ERP Team, handling of ERP situation, mitigating of ERP situation, etc. Some situations were identified such as accident, earthquake, flooding, fire, hazardous spillage, explosion etc.</p> <p>The procedure described the roles and responsibilities of each emergency response team include the mechanism how to conduct medical evacuation to near hospital/local health centre, also it was available the emergency contact number of each internal emergency team and external related parties. Evacuation route and muster point are available and made known to the employee.</p> <p>The structure of Emergency Response Team (ERT) has been established and consist of ERT commander (ADM for mill, division assistance for each estate division), firefighting team, security team, communication team, evacuation team, first aid team, and recovery</p>	<p>NO</p> <p>(minor NCR 2017-10 and Major 2017-05)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>clearly understood by all workers?</p> <p>c. Are assigned operators trained in First Aid present in both field and other operations?</p> <p>d. Is there records of training of the first aiders?</p> <p>e. Is first aid equipment available at worksites? Is the equipment available during conduct of field manual work?</p> <p>e. Are first aid kits adequately stocked and regularly checked in accordance with local legal requirements?</p> <p>f. Are records of all accidents kept and periodically reviewed for continuous improvement?</p>		<p>team. The list of protection equipment for emergency was available such as fire extinguisher, fire engine etc.</p> <p>Emergency respond procedure has been disseminated to workers on 28 October 2017 for Peranap estate and 17 November 2017 for Peranap mill. The list of attendance was available. From workers interview in the field it was observed that the workers were clearly understood of what is required in the procedure.</p> <p>Accident procedure written in Bahasa Indonesia was available and described the accident chronology, cause and impacts of the accident and also to find the root causes of the accident happened and establish the corrective and preventive action. Accident investigation has been documented. Accidents happened were investigated and maintained properly. The accidents have been reported to the local authority and the risk assessment has been updated to prevent the same accident happened.</p> <p>Example for accident on 7 October 2017 named Parjiono as harvester at Peranap estate. During 2017 (YTD October 2017) there were 17 accidents recorded at Peranap estate and 15 accidents recorded at Peranap mill.</p> <p>First Aid operators were available at working area as paramedic and foreman. There were first aider at mill and estate that have been certified as first aider from Ministry of Manpower.</p> <p>The first aid equipment were available at spraying area carried by group leader, mill, workshop, warehouse, office etc. and were checked in accordance with local regulation Permenaker 15/2008. However the First Aid equipment were not found at several worksites such as at harvesting working area Block B95a division 02, block B93a division 02 and block C93A division 3. Moreover the material safety data sheet as materials used for spraying activities and water treatment plant additive were not available at working area.</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Minor Non Conformances 2017-10:</p> <p>The emergency equipment was not available at working location. There was no first aid kit carried by foreman at harvesting working area Block B95a division 02, block B93a division 02 and block C93A division 3.</p> <p>Major Non-conformances 2017-05 (the same with indicator of 4.6.5):</p> <p>a. There was no MSDS available for Kenrane and Elang at spraying working location block A95c division 01.</p> <p>b. There was no MSDS available for NaOH as water treatment plant material</p>	
4.7.6	All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
	<p>a. Is there evidence that all workers are provided with medical care (refer to Criterion 6.5.3), and covered by accident insurance by the company? For contract workers, the contract between the company and the contractor shall be in compliance.</p> <p>b. For accidents that have occurred, is there evidence that the affected workers received appropriate medical treatment, and was able to claim and receive compensation under the insurance policy (if relevant)?</p> <p>c. Is there evidence that the insurance policies are valid?</p>	<ul style="list-style-type: none"> • Bank slip payment of medical care and accident insurance (BPJS) period January – September 2017 • Worker medical records 	<p>All workers have been provided with medical care and accident insurance. The insurances were still valid as seen by the recent slip payment in January – October 2017 for estates and mill. Several insurance payments were reviewed such as:</p> <p>BPJS Ketenagakerjaan (accident insurance) October 2017</p> <ul style="list-style-type: none"> - Bank slip payment on 9 November 2017 for 104 mill workers - Bank slip payment on 9 November 2017 for 650 estate workers <p>BPJS Kesehatan (medical insurance) October 2017</p> <ul style="list-style-type: none"> - Bank slip payment on 10 October 2017 for mill and estate workers <p>There were evidence that the affected workers received claim and compensation from accident that happened, such as for Ms Rahmani</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)												
			received money compensation for accident happen on 6 April 2016.													
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.															
	Specific Guidance <i>For 4.7.7: Lost Time Accident requirements should refer to Decree of the Minister of Manpower and Transmigration No. 609 year 2012 regarding Guidance to Solve Working Accident Case and work-related Illness.</i>															
	a. Are occupational injuries recorded using Lost Time Accident (LTA) metrics?	<ul style="list-style-type: none"> Accident reports and investigation Frequency rate and severity rate calculation table (YTD September 2017) 	<p>Lost Time Accidents metrics were using to record the accidents and injuries during year 2017. The Lost Time accidents and injuries were determined according to Decree of the Minister of Manpower and Transmigration No. 609 year 2012. Safety performance for both mill and estates was calculated using frequency rate (FR) and severity rate (SR).</p> <p>The calculation for FR and SR as below:</p> <ul style="list-style-type: none"> FR= total lost time accident x 100/total man hour SR=total lost time hours x 100/total man hour <p>The calculation for frequency rate and severity rate was generated from lost time accident (LTA) data, employee working hour's data and lost time hours/lost time day (LTH/LTD) data. The timesheet calculation for each month was shown during audit</p> <p>The calculated FR and SR for mill and estate 2016 and 2017 were stated as below:</p> <p>Estate</p> <table border="1" data-bbox="1169 1193 1532 1396"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>LTA</td> <td>11</td> <td>17</td> </tr> <tr> <td>FR</td> <td>9</td> <td>13</td> </tr> <tr> <td>SR</td> <td>57</td> <td>50</td> </tr> </tbody> </table>		2016	2017	LTA	11	17	FR	9	13	SR	57	50	YES
	2016	2017														
LTA	11	17														
FR	9	13														
SR	57	50														

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)												
			<p>Mill</p> <table border="1" data-bbox="1171 384 1532 587"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>LTA</td> <td>5</td> <td>15</td> </tr> <tr> <td>FR</td> <td>23</td> <td>66.37</td> </tr> <tr> <td>SR</td> <td>204</td> <td>1380.53</td> </tr> </tbody> </table> <p>The calculation for frequency rate and severity rate was generated from lost time accident (LTA) data, employee working hour's data and lost time hours/lost time day (LTH or LTD) data. The timesheet calculation for each month was shown during audit.</p> <p>Sampling was taken for last incident 28 July 2017 for Mr. Tarigan as harvester with 5 lost time days.</p>		2016	2017	LTA	5	15	FR	23	66.37	SR	204	1380.53	
	2016	2017														
LTA	5	15														
FR	23	66.37														
SR	204	1380.53														
4.8	<p>All staff, workers, smallholders and contract workers are appropriately trained.</p> <p>Guidance: <i>Workers should be adequately trained on: the health and environmental risks of pesticide exposure; recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ways to minimise exposure to workers and their families; and international and national instruments or regulations that protect workers' health.</i></p> <p><i>The training programme should include productivity and best management practice, and be appropriate to the scale of the organisation.</i></p> <p><i>Training should be given to all staff and workers by growers and millers to enable them to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these Principles, Criteria, Indicators and Guidance.</i></p> <p><i>Contract workers should be selected for their ability to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of the RSPO Principles, Criteria, Indicators and Guidance.</i></p> <p><i>Growers and millers should demonstrate training activities for schemes smallholders who provide Fresh Fruit Bunches (FFB) on a contracted basis.</i></p> <p><i>Workers on smallholder plots also need adequate training and skills, and this can be achieved through extension activities of growers or millers that purchase fruit from them, This training may be conducted through smallholders' organizations, or through collaboration with other institutions and organizations (See Guidance on Scheme Smallholders', July 2009)</i></p>															

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><i>The contract workers in Indonesia refer to the Fixed Term Contract (PKWT) and Non-fixed Term Contract (PKWTT) based on the Decree of the Minister of Manpower No. 100 year 2004; and the Regulation of the Minister of Manpower & Transmigration No. 19 year 2012 regarding Requirements for Transfer of Parts of Work to Other Company(ies).</i></p>				
4.8.1	(M) Records of training program related to the aspects of RSPO Principles and Criteria shall be available.			
	<p>a. Does the company maintain a list of staff, workers, smallholders and contract workers whom training must be provided to?</p> <p>b. Is there a formal training programme in place that covers all aspects of the RSPO Principles and Criteria? Does the formal training program include:</p> <ul style="list-style-type: none"> • Regular assessment of training needs of all staff, workers, smallholders and contract workers; • Training for workers on smallholder plots; • Documentation of all the training assessment needs, formal training conducted and the list of participants attending these formal training; • Does the training for workers cover, at minimum, to the following: <ul style="list-style-type: none"> ○ The health and environmental risks of pesticide exposure; ○ recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); ○ ways to minimise exposure to workers and their families; ○ International and national instruments or regulations that protect workers' health; and ○ Productivity and best 	<ul style="list-style-type: none"> • Training Identification Matrix year 2017 • Training Programme 2017 Training records (list attendance, evaluation, documentation, photo) 	<p>Training programme 2017 were sighted both mill and estate. The training programme is established based on the training needs identification matrix and covered all aspects of the RSPO criteria such as safety, environment, social, best practice, human rights, HCV, and ethical. Assessment of training needs was performed using Training Need Matrix Identification region by SPO region. The assessment was conducted once in a year and the records of assessment were maintained properly. All functions were included in this training identification from mill manager, estate manager, assistant head, group leader, operator at mill, sprayer, welder, boiler operator including for contractor (civil, mechanic and transporter).</p> <p>Several trainings have been conducted as listed below:</p> <ul style="list-style-type: none"> • Fire Fighting Training on 17 November 2017 • Basic Safety Training on 31 March 2017 • PPE Training on 31 July 2017 • First Aid Training on 20 October 2017 • ISO 14001 Training on 13 April 2017 • Safety Working Practices Training on 13 April 2017 • Etc. <p>Based on interview to workers (spraying workers at block A95C Division 01 and harvesting workers at block B95 Division 02) during audit they were aware the need of the training and they were assisted by information provided during training.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>management practice.</p> <p><i>Note to auditor: To interview staff, workers, smallholders and contract workers to verify that the training has been conducted effectively.</i></p>			
4.8.2	Records of training for each employee shall be maintained.			
	<p>a. Are training records maintained for each employee?</p>	<ul style="list-style-type: none"> • Training Programme 2017 • Personal Training Records of Safety officer (Ferdinand Munthe) 	<p>Evidence of training for key persons were verified and sighted and the records were maintained for each employee such as for Denny M Sitompul as safety officer.</p> <p>The training which has been completed by each person was recorded in Personal Training Record Form. Training realisation records are sighted such as heavy equipment used training, restricted pesticide training, first aid training, best practice on harvesting, etc. The personal training records available on hard copy.</p>	YES

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

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

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Job and business opportunities; • Community's standard of living; • Public health 		<p>The company shall submit the required periodical environmental management implementation and monitoring report to the relevant authorities. The company is responsible for providing sufficient objective evidence to the audit team demonstrating full compliance to the Environmental Impact Assessment (AMDAL) requirement covering all aspects of plantation and mills operations, as well as incorporating all changes recorded over that period of time.</p> <p>The environmental impact assessment should cover the following activities, where they are undertaken:</p> <ol style="list-style-type: none"> a. Building new roads, processing mills or other infrastructure; b. Putting in drainage or irrigation systems; c. Replanting and/or expansion of planting areas; d. Management of mill effluents (Criterion 4.4); e. Clearing of remaining natural vegetation; f. Management of pests and diseases by controlled burning (referred to clause 11 of Government Regulation No. 4 year 2001 (Criteria 5.5 and 7.7). <p>Impact assessment can be a non-restrictive format e.g. ISO 14001 EMS and/or EIA report incorporating elements spelt out in this Criterion and raised through stakeholder consultation.</p> <p>Environmental impacts may be identified on soil and water resources (criteria 4.3 and 4.4), air quality (criterion 5.6), greenhouse gases calculation analysis, biodiversity and ecosystems, and people's amenity (Criterion 6.1), both on and off-site.</p> <p>Stakeholder consultation has a key role in identifying environmental impacts. The inclusion of consultation should result in improved processes to identify impacts and to develop any required mitigation measures.</p> <p>For smallholder schemes, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results (refer to 'Guidance on Scheme Smallholders', July 2009 or its endorsed final revision).</p> <p>The Strategic Environment Study Result (KLHS) by the government, shall be placed as main consideration while conducting replanting</p> <p>Regulations related to the environment documents, are such as:</p> <ol style="list-style-type: none"> 1. Government Regulation (PP) No. 27 of 2012 regarding Environment Permit 2. Regulation of the Minister of Environment No. 13 year 2010 regarding Environment Management and Monitoring Effort (UKL-UPL) and Environment Management and Monitoring Effort (UKL-UPL) and Declaration Letter for Managing and Monitoring Environment (SPKL) 3. Regulation of the Minister of Environment No. 5 year 2012 regarding Environment Evaluation Document (DELH) 4. Regulation of the Minister of Environment No. 14 year 2010 regarding Environment Management and Monitoring Document (DPPL) 5. Regulation of the Minister of Environment No. 12 year 2007 regarding Environment Management and Monitoring Document for Business and or Activities, with Absence of Environment Management Document. 6. Regulation of the Minister of Environment No. 5 year 2012 regarding Types of Business Obligated to Have AMDAL 7. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in the AMDAL Process 8. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL Preparation 9. Decree of the Head of Bapedal No. No. 299 of 1996 regarding Technical Guidance of Social Aspects Study in Establishing AMDAL 10. Regulation of the Minister of Environment No. 11 year 2008 regarding Competence Requirements for AMDAL Preparation Documents and Requirements for Training Institutions 	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>in Conducting Training for AMDAL competence.</i></p> <p>11. Regulation of the Minister of Environment No. 15 year 2013 regarding Measurement, Reporting and Verification for Mitigation Action of Climate Change <i>In the Regulation of the Minister of Environment No. 14 year 2010, the environment document is a document covering environment management and monitoring, and may be in the form of AMDAL, Environment Management and Monitoring Efforts (UKL-UPL), Declaration Letter for Managing and Monitoring Environment (SPKL), Environment Management and Monitoring Document (DPPL), Study to Evaluation on the Environment Impacts (SEMDAL), Environment Evaluation Study (SEL), Environment Information Performance (PIL), Environment Evaluation Performance (PEL), Environment Management Document (DPLH), Environment Management and Monitoring (RKL-RPL), Environment Evaluation Document (DELH), and Environment Audit.</i></p>			
5.1.1	(M) Environmental impact assessment document(s) shall be available.			
	<p>a. Has an EIA been conducted according to the scope of operation covering at minimum the following:</p> <ul style="list-style-type: none"> • Building new roads, processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents (Criterion 4.4); • Clearing of remaining natural vegetation; • Management of pests and diseased palms by controlled burning (Criteria 5.5 and 7.7). <p>b. Has the EIA been conducted and documented according to local requirements?</p> <p>c. Does the assessment include consultation with relevant stakeholders to identify impacts and to develop any mitigation measures?</p>	<ul style="list-style-type: none"> • Document of RKL and RPL for Rigunas Agri Utama Mill and Estate #KPTS 332/VII/2005 dated 8 July 2005 • EMS-431-003-LT Rev.10 form updated on 3rd March 2015 Identification of Environmental Aspect • Procedure AA-EMS-431-PR Rev.3 dated January 2007 Identification and Evaluation of Environmental Aspects. 	<p>Initial Environmental Impact Assessment documents (ANDAL, RKL and RPL) which were approved by Governor of Riau Province KPTS 332/VII/2005 dated July, 8 2005 for RAU Mill and Estate.</p> <p>The company have the document approval of KA-ANDAL for PT. RAU Plantation and Mill No. 660.1/BAPEDAL Prop/AMDAL/567a, on 04 November 2002. EIA Area of 5,215.24 ha (core), 23,502.26 ha (smallholder), and Process Capacity of 60 MT/hour at PT. RAU Plantation and Mill in Peranap District, Indragiri Hulu Regency, Riau Province.</p> <p>For internal environmental aspect and evaluated its impact document, as required by the procedure AA-EMS-431-PR Rev.3 dated January 2007, the information of environmental aspect and impact was reviewed and updated at least once a year. Last review and update of environmental aspect and impact register was performed on 3 September 2017. Document of environmental impact assessment included:</p> <ul style="list-style-type: none"> • Processing mills or other infrastructure; • Putting in drainage or irrigation systems; • Replanting and/or expansion of planting areas; • Management of mill effluents; • Clearing of remaining natural vegetation; • Management of pests and diseases palms by controlled burning; • Road management <p>The assessment include consultation with relevant stakeholders to identify impacts and to develop any mitigation measures.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.1.2	Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.			
	<p>a. Is there an environmental management plan in place?</p> <p>b. Is the environmental management plan documented to include the following:</p> <ul style="list-style-type: none"> • Identification of responsible person(s); • Potential impacts from current practices; • Measures to mitigate negative impacts; • Timetable for change (where changes in current practices are required). <p>c. Has the environmental management plan been implemented?</p>	<ul style="list-style-type: none"> • Procedure AA-EMS-431-PR – Environmental aspect and impact identification • EMS-431-003-LT Rev.10 form updated on 3 March 2017 Identification of Environmental Aspect. 	<p>Peranap Mill, Peranap Estate, and Smallholders implemented procedure for identifying environmental aspect and evaluating its impact based on Environmental Management System ISO 14001:2004. As required by the procedure, the information of environmental is reviewed and updated annually. Last review and update of environmental aspect and impact register Peranap Mill, Estate, and Smallholders were performed on 3 September 2017. No changes of identification of impacts since last audit.</p> <p>Peranap Mill, Peranap Estate, and Smallholders has ensured that all activities with significant environmental impacts were managed. Control measure were defined and implemented for ensuring that negative environmental impact were prevented or mitigated. There were several types of control measures defined: engineering control, administrative control and PPE. The implementation of those control measures are monitored during monthly environmental patrol and also round of internal audits. The result of environmental patrol and internal audit described that management plan has implemented.</p>	YES
5.1.3	Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.			
	<p>a. Does the plan incorporate a monitoring protocol?</p> <p>b. Is the monitoring protocol adaptive to operational changes?</p> <p>c. Is the monitoring protocol implemented to monitor the effectiveness of the mitigation measures?</p> <p>d. Is the plan reviewed at a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative</p>	<ul style="list-style-type: none"> • Report of RKL RPL Semester II 2016 • "Evaluation of Environmental Aspect and Impact PT. RAU dated 3 September 2017" • Interview with RAU Management. 	<p>Based on interview with RAU management, smallholders, and field observation, there was no changes of identification of impacts since last audit.</p> <p>Management plan and monitoring of environmental impacts documented in <i>RKL (Rencana Kelola Lingkungan)</i> and <i>RPL (Rencana Pantau Lingkungan)</i> as monitoring protocol. Environmental management plans adapted to estate and mill operations change and regulations, if there are changes in the regulations related to operational and environmental, management plan will be reviewed and re-conducted the update to be relevant annually.</p> <p>The reporting of RKL/RPL was conducted 6 monthly issued by</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	environmental impacts?		<p>Sustainability Department that consist of the implementation of environment management and monitoring plan include analysis of waste water quality and flow rate also the air emissions measured by third party (Environmental Laboratory). The effectiveness of the outcome from the implementation of environmental management and monitoring was reviewed on the report through the evaluation of compliance, evaluation of trends and evaluation of the effectiveness of management and environmental monitoring.</p> <p>The environmental management plan (RKL-RPL) was reported to Indragiri Hulu District Environmental Agency and cc to Riau Province Environmental Agency, Riau Region Environmental Management Centre, and Ministry of Environmental. Receipt note was also sighted.</p> <p>Whenever there is a material change, changes in operations and regulatory changes must precede environment aspect and impact assessment. This identification was updated annually.</p>	
5.2				

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.

Guidance:
This information gathering should include checking available biological records and consultation with relevant government departments, research institutes and interested NGOs if appropriate. Depending on the biodiversity values that are present, and the level of available information, some additional field survey work may be required.

Wherever HCV benefits can be realised outside of the management unit, collaboration and cooperation between other growers, governments and organisations should be considered.

Sanctions in the protected wildlife case, may be taken through law enforcement in line with the existing regulations. The company should determine type of sanctions, based upon SOP or policy of the company, considering level of violations (capture, harm, keep, and kill) and category of the species (rare, endangered, and threatened).

National regulations related to the protection of habitat and species, such as:

- 1. Act No. 5 year 1990 regarding Conservation on Biodiversity and its Ecosystems*
- 2. Act No. 16 year 1992 regarding Quarantine for Animals, Fish and Plants*
- 3. Act No. 5 year 1994 regarding Ratification of the United Nations on Convention to Biodiversity*
- 4. Government Regulation No. 13 year 1994 regarding Wildlife Hunting*
- 5. Government Regulation No. 68 year 1998 regarding Areas of Natural Sanctuary and Natural Conservation*
- 6. Government Regulation No. 7 year 1999 regarding Preservation of Flora and Fauna (List of Protected Flora and Fauna is on the annex).*

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>7. Regulation of the Minister of Forestry No.: P.48/Menhut-II/2008 regarding Guideline of Conflict Resolution between Human and Wildlife</p> <p>8. Presidential Decree No. 43 year 1978 regarding Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) ratification.</p> <p>Growers need to consider a variety of land management and tenure options to secure HCV management areas in ways that also secure local people's rights and livelihoods. Some areas are best allocated to community management and secured through customary or legal tenures in certain period. In other cases, co-management options can be considered. Where communities are asked to relinquish rights so that HCVs can be maintained or enhanced by the companies or State agencies, then great care needs to be taken to ensure that communities retain access to adequate land and resources to secure their basic needs; all such relinquishment of rights must be subjected to their free, prior, and informed consent (see Criteria 2.2 and 2.3).</p>			
5.2.1	<p>(M) Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available</p> <p>Specific Guidance: This information will cover:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller; • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or miller; <p>HCV Identification may be conducted internally (by the company, where the team leader shall be registered in the HCVRN-Assessors Licensed Scheme (ALS), through peer-review by the competent experts, prepared in accordance to the common Guidance for the identification of HCV 2013. If the company has no expert for assessing certain HCV type(s), then it may use the external assessor(s). The HCV assessor team needs to have experience in the assessed ecosystem to minimise inaccuracy risk of the HCV assessment. If possible, each external assessor who comes from outside the assessed areas should cooperate with the local or regional expert(s). The HCV report shall describe the composition and qualification of the assessor team in biological and social aspects.</p>			
	<p>a. Has a High Conservation Value (HCV) assessment been conducted and cover the following:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or 	<ul style="list-style-type: none"> • HCV Assessment Report by Forestry Department, Bogor Agriculture Institute in 2014 • Field observation in Block B97B Afdeling II. 	<p>HCV Assessment has been conducted at RAU and smallholders areas by independent assessors from Forestry Department, Bogor Agriculture Institute on 24 - 28 September 2012. Assessment has been conducted and cover the following:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by the grower or miller; • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered (RTE) species that could be significantly affected by the grower or miller. 	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>millier.</p> <ul style="list-style-type: none"> • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or millier; <p>b. Was the HCV assessment performed by a qualified HCV assessor?</p> <p>c. Was the HCV assessment performed in consultation with relevant stakeholders?</p> <p>d. Does the HCV assessment include checking of available biological records?</p> <p>e. Does the HCV assessment include both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors)?</p> <p>f. Was the HCV assessment performed in accordance to the latest methodology available at global and national level?</p> <p>g. Are identified HCVs mapped?</p>		<ul style="list-style-type: none"> • Identification of HCV habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower or millier. <p>HCV assessment performed by a qualified HCV assessor. All assessors were approved in RSPO as HCV assessor - Discipline Specialist, coordinated by an RSPO approved HCV assessor - Team Leader.</p> <p>Lead Assessor : Dr. Ir. Nyoto Santoso, MSi</p> <p>Assessor:</p> <ul style="list-style-type: none"> • Ir Heru Bagus Punggono, MSc. (Expert- Environment, RSPO Registered and JNKTI) • Ahmad Faisal Siregar, S.Hut, MSI (Expert - Social and Culture, RSPO Registered and JNKTI). • Rae Birumbo, S.Pi (Expert- Vegetation, RSPO Registered and JNKTI). • Gilang Prasstyia Pambudi, S.Hut (Expert – Wildlife, RSPO Registered and JNKTI). • Irham Fauzi (Expert – GIS). <p>HCV assessment performed in consultation with relevant stakeholders around plantation. Public consultation conducted on December 2012 with the community leaders and figures around the estate and government agencies (Village Head, his officials and community leaders in the village).</p> <p>HCV assessment also include checking of available biological records and include both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Methodology of assessment using a toolkit of HCV 2008, implementation of the assessment consists of: Secondary data collection, field survey, mapping and landscape, Assessment of fauna aspect with a rapid assessment (direct observation, interviews</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																								
			with the parties), assessment of flora aspects (direct survey and interview), assessment of socio-economic and cultural aspects (interviews and direct observation at selected sites), analysis and mapping. All HCV identified areas was mapped in HCV Identification Report.																									
5.2.2	(M) Where rare, threatened or endangered (RTE) species or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan. Specific Guidance: These measures will include: a. Ensuring that any legal requirements relating to the protection of the species or habitat are met; b. Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created; c. Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. incursions by elephants) d. Improving HCV, if possible, through management options, such as habitat enrichment.																											
	a. Are HCVs and/or RTEs present? b. If HCVs and/or RTEs are present, has a management plan containing appropriate measures that are expected to maintain and/or enhance them been prepared? The measures should include the following: <ul style="list-style-type: none"> • Ensuring that any legal requirements relating to the protection of the species or habitat are met; • Avoiding damage to and deterioration of HCV habitats such as by ensuring that HCV areas are connected, corridors are conserved, and buffer zones around HCV areas are created; • Controlling any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts (e.g. 	<ul style="list-style-type: none"> • HCV Assessment Report by Forestry Department, Bogor Agriculture Institute in 2014 • Conservation Management Plan 2017. • HCV Management and Monitoring report Semester II 2016 and Semester I 2017. • RTE species monitoring result 2017 • Field observation in Block B97B Afdeling II. 	HCV assessment results showed that in the plantation area of Peranap Estate were identified several areas of HCV, i.e. : <table border="1" data-bbox="1171 922 1843 1209"> <thead> <tr> <th>Description</th> <th>HCV Type</th> <th>Wide (Ha)</th> </tr> </thead> <tbody> <tr> <td>Ketipo River</td> <td>1.2 & 4.1</td> <td>15.70</td> </tr> <tr> <td>Todung River</td> <td>1.2 & 4.1</td> <td>16</td> </tr> <tr> <td>Pelengkawan River</td> <td>1.2 & 4.1</td> <td>22.96</td> </tr> <tr> <td>Sengkilo River</td> <td>1.2 & 4.1</td> <td>55.10</td> </tr> <tr> <td>Water ponds</td> <td>4.1</td> <td>0.22</td> </tr> <tr> <td>Sialang / Pohon Madu (<i>Koompasia sp</i>)</td> <td>6</td> <td>0.01</td> </tr> <tr> <td>Total</td> <td></td> <td>109.99</td> </tr> </tbody> </table> HCV Type: <ul style="list-style-type: none"> - HCV 1.2 : critically endangered species - HCV 4.1 : areas or ecosystems important for the provision of water and prevention of floods for downstream communities 	Description	HCV Type	Wide (Ha)	Ketipo River	1.2 & 4.1	15.70	Todung River	1.2 & 4.1	16	Pelengkawan River	1.2 & 4.1	22.96	Sengkilo River	1.2 & 4.1	55.10	Water ponds	4.1	0.22	Sialang / Pohon Madu (<i>Koompasia sp</i>)	6	0.01	Total		109.99	YES
Description	HCV Type	Wide (Ha)																										
Ketipo River	1.2 & 4.1	15.70																										
Todung River	1.2 & 4.1	16																										
Pelengkawan River	1.2 & 4.1	22.96																										
Sengkilo River	1.2 & 4.1	55.10																										
Water ponds	4.1	0.22																										
Sialang / Pohon Madu (<i>Koompasia sp</i>)	6	0.01																										
Total		109.99																										

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>incursions by elephants).</p> <p>c. Are the measures contained in the management plan actively implemented to maintain and/or enhance HCV values?</p> <p>d. Are the HCV values and the presence of RTEs periodically monitored?</p> <p>e. Are the field inspections conducted regularly to ensure implementation of mitigation plan (especially along areas bordering natural area)?</p>		<p>- HCV 6 : areas critical for maintaining the cultural identity of local communities</p> <p>Estate has establish the management plan to maintain and/or enhance High conservation value area. HCV management and monitoring plan described measures taken for each HCV and its monitoring. Relevant laws were taken into account for determining appropriate measure including UU #5/1990 about Natural resources conservation, PP#7/1999 about List of protected plan and wildlife, Kepres #32/1990, and PP26/2008 Management plan consist of :</p> <p>Management plan was available containing appropriate measures that are expected to maintain and/or enhance them, includes:</p> <ul style="list-style-type: none"> - Maintenance of HCV marking, manual upkeep - Placement of warning sign/sign board - Monitoring of riparian area - Monitoring the presence of wildlife (Protected animal) - Monitoring of illegal hunting and HCV Patrol <p>Management plans and monitoring of HCV was documented in "Conservation Management Plan PT RAU Peranap Estate 2017" breakdown in Division HCV Management Program, each Division assistant was responsible for the program and its implementation. The measures contained in the management plan was actively implemented to maintain and/or enhance HCV values.</p> <p>Field observation to HCV area and document verification "<i>Laporan Monitoring Biodiversity</i>" of PT RAU Peranap Estate and Smallholders in 1st Semester 2017 was available and demonstrate that the measures contained in the management plan been actively implemented.</p>	
5.2.3	Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.			
	a. Does the company have policies or rules to	<ul style="list-style-type: none"> • Company Policy dated 1st 	Organization has a policies or rules to protect RTE species based on	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>protect RTE species?</p> <p>b. Is there a programme to regularly educate the workforce about the status of the RTE species?</p> <p>c. Is there evidence or action taken to implement the rules and programs? E.g. Inspections conducted to check no traps/snares put up within or nearby areas.</p> <p>d. Have appropriate disciplinary measures been imposed in accordance with company rules and national law, should any individual working for the company is found to have captured, harmed, collected or killed any RTE species?</p>	<p>December 2014</p> <ul style="list-style-type: none"> • Environmental Field Procedure Conservation Area Monitoring (AA-PL-08-EFP) • Conservation Management Plan 2017 • HCV Management and Monitoring Report in 2017 • Field observation in Block B97B Afdeling II and interview with workers. 	<p>UU No.5 / 1990. Penalties under the UU No.5 / 1990 "person who deliberately capture, injure, kill, keep, possess, maintain, transport, and trade in protected animals alive or dead can shall be punished with imprisonment of 5 years and a maximum fine 10000, - (one hundred million). Policy also documented in Company Policy on 1st December 2014 and Environmental Field Procedure Conservation Area Monitoring (AA-PL-08-EFP).</p> <p>Penalties were communicated directly to all employees and the local community during HCV socialization and through the HCV sing boards and warnings board. Based on interview with workers and stakeholders, there was no disturbance to HCV area.</p> <p>Organisation also establish the programme to regularly educate the workforce about the status of the RTE species. The program has been implemented, the evidence of socialization invitation, list of attendance and photographs, minutes of socialization was proved. HCV protection and wildlife protection dissemination conducted twice a year internally to employee and once a year externally to surrounding community.</p> <p>Inspections conducted regularly through HCV patrol to check no traps/snares put up within or nearby areas of HCV. Schedule and report of HCV patrol was sighted.</p> <p>Organization has been appointed PIC HCV (Officer HCV Mr. Harianto) at Peranap Estate and Smallholders. The responsibility of HCV area management is part of the job description of the HCV Officer. The HCV Officers have no particular background for HCV management, however they has been trained in regard identification, management and monitoring of HCV.</p> <p>Relevant laws were taken into account for determining appropriate measure including UU #5/1990 about Natural resources conservation, PP#7/1999 about List of protected plan and wildlife, Keppres #32/1990, and PP26/2008.</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.2.4	<p>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>Specific Guidance: <i>For 5.2.4: The result of HCV monitoring may become considerations while reviewing HCV management plan.</i></p>			
	<p>a. Does the management plan contain ongoing monitoring of status of HCV and RTE species that are affected by plantation or mill operations?</p> <p>b. Is the status documented and reported?</p> <p>c. Are the outcomes of monitoring fed back into the management plan?</p>	<ul style="list-style-type: none"> • Conservation Management Plan 2017 • HCV Management and Monitoring report 2017 • Field observation in Block B97B Afdeling II and interview with workers 	<p>Management plan of HCV has been established based on HCV assessment in 2012. Ongoing monitoring of the HCV management plan is performed regularly in monthly basis. HCV Officer is the personnel in charge for conducting the monitoring of HCV. Records of HCV monitoring were available and it was observed that monitoring was performed consistently.</p> <p>HCV management plan is updated once a year based on the outcome of the HCV monitoring that performed regularly in monthly basis. HCV monitoring was conducted periodically twice in a year (January – June and July – December).</p> <p>HCV and RTE species that are affected by plantation or mill operations have been monitored, documented and reported each semester to Indragiri Hulu District Environmental Agency and cc to Riau Province Environmental Agency, Riau Region Environmental Management Centre, and Ministry of Environmental. A record was available in Monitoring of RTE species existences and HCV area. Items checked contain RTE species existence, disturbance of people hunting and warning sign condition. The outcomes of monitoring fed back into the management plan that contained in RKL – RPL implementation document.</p>	YES
5.2.5	<p>Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights</p> <p>Specific Guidance: <i>For 5.2.5: If a negotiated agreement cannot be reached, there should be evidence of sustained efforts to achieve such an agreement. These could include third party arbitration (see Criteria 2.3, 6.3 and 6.4).</i></p>			
	<p>a. Is there HCV set-asides with existing rights of local communities?</p>	<ul style="list-style-type: none"> • HCV Assessment report by Forestry Department, Bogor Agriculture Institute in 	<p>Based on HCV map and public consultation with local communities there was no HCV set-asides with existing rights of local communities. Nevertheless, HCV 6 identified in the plantation area</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. Who are the affected communities?</p> <p>c. Is the identified HCV areas mapped?</p> <p>d. Is there evidence of stakeholder consultation and negotiated agreement, in accordance to FPIC principles, with local community to optimally safeguard both the HCVs and rights of local communities?</p> <p>e. If a negotiated agreement cannot be reached, is there evidence of sustained efforts to achieve an agreement? Refer to specific guidance for 5.2.5.</p>	<p>September 2012</p> <ul style="list-style-type: none"> Field observation in Block B97B Afdeling II and interview with workers Interview with stakeholder 	<p>was Sialang tree (<i>Koompassia sp.</i>) which were not used as cultural identity and not used for ceremonial culture by surrounding community. Company allow the surrounding communities who will access to this area and keep the area together. The organization has had the negotiated agreement between organization and local community to safeguards both the HCV 6 (Sialang tree) and these rights. The document was shown during audit.</p>	
5.3	<p>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> <p>Guidance: <i>The waste management and disposal plan should include measures for:</i></p> <ol style="list-style-type: none"> <i>Identifying and monitoring sources of waste and pollution.</i> <i>Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes).</i> <i>Appropriate management and disposal of hazardous chemicals and their containers. Surplus chemical containers should be reused, recycled or disposed of in an environmentally and socially responsible way based on best available practices (e.g. returned to the vendor or cleaned using a triple rinse method) and existing regulations. This is to prevent pollutions to the water sources and risk to human health. The disposal instructions on the manufacturer's labels should be adhered to.</i> <p><i>Use of open fire for waste disposal should be avoided.</i></p> <p><i>Regulations relate to waste management, such as:</i></p> <ol style="list-style-type: none"> <i>Government Regulation No. 18 year 1999 regarding Management of Toxic and Hazardous Waste (B3)</i> <i>Government Regulation No. 85 year 1999 regarding Amendment of Government Regulation No. 18 year 1999 regarding Management of B3 (the annex shows a list of B3 from specific and non-specific sources, expired chemicals, leakage, remaining containers and waste of unspecified products).</i> <i>Government Regulation No. 82 year 2001 regarding Management of Water Quality and Control of Water Pollution. This includes criteria for water quality, and requirements for utilising and disposing waste water)</i> <i>Government Regulation No. 81 year 2012 regarding Management of Domestic Waste</i> <i>Decree of the Minister of Environment No. 51 year 1995 regarding Waste Water Standard for Industries</i> <i>Decree of the Minister of Environment No. 28 year 2003 regarding Technical Guidance for Study for Utilising Palm Oil Mill Effluent (POME) on Oil Palm Plantation.</i> <i>Decree of the Minister of Environment No. 29 year 2003 regarding Guidance for Permit Requirements and Administration for Utilising POME on Oil Palm Plantation</i> <i>Decree of the Minister of Environment No. 112 year 2003 regarding Domestic Waste Water Standard</i> <i>Decree of the Head of Bapedal No. 255/Bapedal/08/1996 regarding Procedure and Requirements for Storing and Collecting Used Oil</i> 			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
10. <i>Guidance for Use of Pesticides, Directorate General of Infrastructure and Facilities, Ministry of Agriculture, 2011</i>				
5.3.1	(M) A documented identified source of all waste and pollution, shall be available.			
	<p>a. Is there a registry/list of waste products produced?</p> <p>b. Is there a registry/list of pollution sources?</p>	<ul style="list-style-type: none"> • Procedure AA-KL-06-EFP – Handling of Hazardous Waste • Procedure AA-KL-07-EFP – Handling of Medical Waste. • Procedure AA-KL-11-EFP – Handling of Laboratory Waste. • Form AA-KL-601-FM – Record of Hazardous waste • Form AA-KL-602-FM – record of hazardous waste circulation • EMS-431-003-LT Rev.10 form updated on 3rd March 2015 Identification of Environmental Aspect 	<p>Identification of waste and pollution sources from Peranap Mill and Estate activities was evident. The source of pollution, type and control method of waste was recorded.</p> <p>The waste products from estate generally were domestics waste and also several hazardous waste from estate operations activities as detailed below (but not limited):</p> <ul style="list-style-type: none"> • Ex-pesticides containers (bottles and jerry cans) • Used oils • Used battery from the vehicles • Plastics • Medical waste (first aid usage) • Rags • Fertilizer containers • Emissions from vehicles • Usage lamps • Tires • Usage batteries • Usage oil filters <p>While at the Mill it was several hazardous waste generated from the mill operations, in detailed below (but not limited):</p> <ul style="list-style-type: none"> • POME • Palm shell • Fibre • Empty bunch • Boiler ash • Chemicals jerry can and bottles • Gunny sacks from chemicals materials • Welding materials from workshop activities 	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> • Lubricants from workshop materials • Contaminated rags from workshop activities • Usage lamps • Tires • Usage batteries • Usage oil filters • Emissions from vehicles and other engines (generator, boilers) <p>The agrochemical of scheme smallholders were management by RAU, such as triple rinsed and collected in the temporary storage of hazardous waste, recording of pesticides containers quantity, and transporting by authorised transporter (PT PPLI and PT Indo Star Cargo).</p>	
5.3.2	(M) There shall be evidence that all chemicals and their empty containers are disposed of responsibly			
	<p>a. Is there an inventory of chemicals and their containers that are used and kept on site?</p> <p>b. How are chemicals and their containers stored and disposed off? Is it in accordance to best practices? (as prescribed by manufacturers' labels, local requirement, national or international best practice)</p> <p>c. Are collection and disposal records of chemicals and their containers maintained?</p>	<ul style="list-style-type: none"> • Procedure AA-KL-06-EFP – Handling of Hazardous Waste. • Procedure AA-KL-07-EFP – Handling of Medical Waste. • Procedure AA-KL-11-EFP – Handling of Laboratory Waste. • Form AA-KL-601-FM – Record of Hazardous waste • Form AA-KL-602-FM – record of hazardous waste circulation • Hazardous waste manifest • Observation to temporary storage of hazardous waste • Permit of temporary storage of hazardous waste for Peranap Mill No.4/BPMD&PPT/BP-LB3/XI/2013 dated 28 	<p>Procedure waste handling including hazardous waste handling has been established and implemented. The procedure required waste to be segregated from point of generation. In addition Mill and Estate also established waste register, which described wastes generated from each activity/location, its classification (organic, inorganic or hazardous), and its control measure.</p> <p>All empty agrochemical containers were triple rinsed, the jerry can were reused to spraying activities, while bottles containers were stored in the designated area and categorized as hazardous waste (B3). Records of chemical containers quantity disposed were evident. Liquid waste from agrochemical was reused for the next spraying application.</p> <p>Several ex-chemicals materials containers that use at mills operations such as laboratory chemicals ex-containers and the others, such as boiler additive liquids, lubricants, workshop materials, use battery, etc. were categorized as hazardous wastes that stored at hazardous waste temporary warehouse (TPS B3) that will be managed by licensed vendor, PT. Inti Indosawit Subur and PT. Sumatera Deli Lestari Indah-PT. Indostar Cargo, PT. Andhika Makmur Persada and PT. PPLI No. 004/AA-SDLI-ISC-PPLI/III/2017</p>	<p>YES</p> <p>(Major NCR 2017-11 closed)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<p>November 2013 valid for 5 years</p> <ul style="list-style-type: none"> • Permit of extension storage of hazardous waste from BLH Indragiri Hulu Regent No.660/BLH-Wasdal/III/2015/87 dated 16 March 2015 valid for 5 years • Agreement Letter PT. Inti Indosawit Subur and PT. Sumatera Deli Lestari Indah-PT. Indostar Cargo, PT. Andhika Makmur Persada and PT. PPLI No. 004/AA-SDLI-ISC-PPLI/III/2017 dated 3 March 2017. • Interview with stakeholders and smallholders 	<p>dated 3 March 2017 regarding the hazardous waste cleaning, transportation, and destruction. Type of waste, such as waste oils, used batteries, light bulbs, and waste non-economical (fabric <i>majun</i> former, filters used, gloves former, former jerry cans, packing a used chemical, contaminated soil waste, medical waste / clinic, and waste oil). Transportation by PT. Indo Star Cargo and PT. PPLI in the period January - November 2017 was carried out 2 times, on 29 April 2017 and 3 October 2017. The manifest showed that deliveries are made to some of the processing that is medical waste, LED light bulbs, oil filter, air filter, chemical containers contaminated, and filter contaminated former PT. PPLI. Report was sent to BLH Indragiri Hulu Regent, BLH Riau Province, KLH Jakarta, and PPE Sumatra.</p> <p>License of hazardous wastes temporary storage (TPS B3) as issued from <i>Kepala Badan Penanaman Modal Daerah and Pelayanan Perizinan Terpadu</i> Indragiri Hulu Regent No. 4/BPMD&PPT/BP-LB3/XI/2013 on 28 November 2013 valid through 5 (five) years and permit as issued from BLH Indragiri Hulu Regent No. 660/BLH-Wasdal/III/2015/87 on 16 March 2015 for extension storage valid through 5 (five) year, defined that the time limit was 90 days but if produce (less than) < 50 kg per days may store 180 days.</p> <p>The license include: lubrication oil, battery, oil filter, rugs and medical wastes, pesticides/chemical containers, used lamp, used cartridge, toner, used fibber.</p> <p>Based on interview with stakeholders and smallholders, it was verified and confirmed that there was no complaints from local communities related to disposal of hazardous chemicals and its resolution.</p> <p>Major Non-Conformance 2017-11:</p> <p>The handling of hazardous waste has not been managed properly:</p> <p>a. The licenses of Hazardous Waste Transport of Truck BM 9172</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>TU and BM 8085 TU cannot be shown during audit.</p> <p>b. Based on field observation in emplacement Afdeling I, II, III, it was found that empty used oil containers has not been managed properly. The empty used oil containers are disposed at emplacement area.</p>	
5.3.3	A documented waste management plan to avoid or reduce pollution and its implementation shall be available			
	<p>a. Is there a documented waste management and disposal plan to avoid or reduce pollution?</p> <p>b. Does the waste management and disposal plan, at minimum, include measures for:</p> <ul style="list-style-type: none"> • Identifying and monitoring sources of waste and pollution? • Improving the efficiency of resource utilisation and recycling potential of wastes as nutrients or converting them into value-added products (e.g. through animal feeding programmes)? • Appropriate management and disposal of hazardous chemicals and their containers? • Reduction, re-use and recycle of waste? <p>c. Is there evidence that the plan has been implemented?</p> <p>d. Is there evidence that waste has not been disposed off using open fire?</p>	<ul style="list-style-type: none"> • Procedure AA-KL-06-EFP – Handling of Hazardous Waste. • Procedure AA-KL-07-EFP – Handling of Medical Waste. • Procedure AA-KL-11-EFP – Handling of Laboratory Waste. • Form AA-KL-601-FM – Record of Hazardous waste • Form AA-KL-602-FM – record of hazardous waste circulation • Observation to temporary storage of hazardous waste • EMS-431-003-LT Rev.10 form updated on 3rd March 2015 Identification of Environmental Aspect 	<p>Procedure waste handling including hazardous waste handling has been established and implemented. The procedure required waste to be segregated from point of sources. In addition Mill and Estate also established waste register, which described wastes sources from each activity/location, its classification (organic, inorganic or hazardous), and its disposal, reusing or recycling.</p> <p>EFB was used as fertilizer in Peranap Estate. POME was applied to land application as liquid fertilizer in Peranap Estate. Fibre and Shell from Peranap Mill was used for boiler feed. It was observed that organic and inorganic waste was segregated at point of source. Mill and Estate including housing has provided different colour of waste bin for each type of waste. Organic and inorganic wastes from Mill and Estate including housing were disposed to landfill in the Estate area. Areas of organic and inorganic wastes disposal was far from housing, in the flood-free area and not in swamp area and completed with warning sign not burning wastes.</p> <p>There are evident the measurement periodical report include air ambience quality; emissions of vehicles and other engines (boilers, generators, etc.) also the programme on how to reduce the fuel usage and environmentally friendly.</p> <p>Hazardous wastes generated by Mill and Estate are used oil, used oil filter, used battery, medical waste and used lamp. Temporary storage of hazardous waste was available to collect hazardous waste prior to be transported by licensed vendor.</p> <p>Disposal of hazardous waste was completed with manifest. Manifest of disposal were sighted for on 29 April 2017 and 3 October 2017.</p>	<p>NO</p> <p>(Minor NCR 2017-12)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Hazardous waste was reported to BLH Indragiri Hulu Regent, BLH Riau Province, PPE Sumatra and KLH Jakarta. Receipt note was also sighted. Other than that, the company has management domestic waste through the waste container available in the emplacement and office area, and also the company cooperate with relevant institution in Peranap Regency to transport weekly the domestic waste.</p> <p>Based on field observation and interview with worker, there was no domestic waste burning.</p> <p>Minor Non-Conformance 2017-12:</p> <p>Domestic waste monitoring plan inappropriate with the implementation</p> <p>a. Based on field observation, it was found traces of burning of domestic waste in the emplacement Afdeling I, II and III.</p> <p>b. Based on field observation, it was found domestic waste in Pump House-Land Application has not been managed properly.</p>	
5.4	<p>Efficiency of fossil fuel use and the use of renewable energy is optimised.</p> <p>Guidance: <i>Renewable energy use per tonne of Crude Palm Oil (CPO) or palm product in the mill should be monitored. Direct fossil fuel use per tonne of CPO or Fresh Fruit Bunches (FFB) should be monitored. Energy efficiency should be taken into account in the construction or upgrading of all operations.</i></p> <p><i>Growers and millers should assess the direct energy use of their operations, including fuel and electricity, and energy efficiency of their operations. This should include estimation of fuel use by on-site contract workers, including all transport and machinery operations.</i></p> <p><i>If possible, the feasibility of collecting and using biogas should be studied.</i></p>			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.			
	<p>a. Is there a plan for improving efficiency of the use of fossil fuels and to optimise renewable energy?</p> <p>b. Has the plan been implemented and is it</p>	<ul style="list-style-type: none"> • Fossil fuels efficiency programme 2017 • Renewable energy (Fibre and shell) optimization programme 	<p>Peranap Mill and Estate has been develop the programme/plan on how to conduct efficiency for utilization of fossil fuel by develop the standard to manage the consumption each of vehicles and electricity generator within litre per hours for organization owned; the</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)																														
	<p>monitored?</p> <p>c. Does the monitoring system encompass the following :</p> <ul style="list-style-type: none"> • Renewable energy use/tCPO or palm product; • Direct fossil fuel use/tCPO or tFFB; • Estimated fuel use by on-site contract workers and transport and machinery operations; • Electricity use in operations. <p>d. Was energy efficiency taken into account during the construction or upgrading of all operations?</p> <p>e. Has studies on the feasibility of collecting and using biogas been carried out?</p>	<p>2017</p> <ul style="list-style-type: none"> • Records of diesel fuels usage 2017 • Records of fibre and shell usage 2017 	<p>monitoring conducted by monthly and reported to technical department. In order to support the target, there are several programme executed on how to efficiency of fossils fuels, such as:</p> <ul style="list-style-type: none"> - Control hour mater of heavy vehicle with car-lock and control diesel consumption with evidence of heavy vehicle utilisation - Decrease diesel consumption of dump truck with increase - Decrease diesel consumption for heavy vehicle. - Decrease electrical consumption; using photocell for lighting on road and housing; using MCB 2 Ampere for housing. <p>There are monitoring records sighted regarding the utilization of fossils fuels and fibre shell that presented as below:</p> <table border="1" data-bbox="1171 751 1839 911"> <thead> <tr> <th>Renewable Energy (Fibre and shell)</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017 (October)</th> </tr> </thead> <tbody> <tr> <td>Fibre (ton)</td> <td>1,118,761</td> <td>5,917</td> <td>28,516</td> <td>25,853</td> </tr> <tr> <td>Shell (ton)</td> <td>821</td> <td>2,266</td> <td>3,102</td> <td>3,646</td> </tr> </tbody> </table> <table border="1" data-bbox="1171 943 1839 1070"> <thead> <tr> <th>Fossil fuels</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017 (October)</th> </tr> </thead> <tbody> <tr> <td>Vehicles (litre)</td> <td>23,597</td> <td>28,954</td> <td>26,875</td> <td>23,358</td> </tr> <tr> <td>Genset (litre)</td> <td>41,550</td> <td>60,670</td> <td>63,850</td> <td>41,290</td> </tr> </tbody> </table> <p>So far there is a plan regarding feasibility of collecting and using biogas, however it still on management discussion.</p>	Renewable Energy (Fibre and shell)	2014	2015	2016	2017 (October)	Fibre (ton)	1,118,761	5,917	28,516	25,853	Shell (ton)	821	2,266	3,102	3,646	Fossil fuels	2014	2015	2016	2017 (October)	Vehicles (litre)	23,597	28,954	26,875	23,358	Genset (litre)	41,550	60,670	63,850	41,290	
Renewable Energy (Fibre and shell)	2014	2015	2016	2017 (October)																														
Fibre (ton)	1,118,761	5,917	28,516	25,853																														
Shell (ton)	821	2,266	3,102	3,646																														
Fossil fuels	2014	2015	2016	2017 (October)																														
Vehicles (litre)	23,597	28,954	26,875	23,358																														
Genset (litre)	41,550	60,670	63,850	41,290																														
5.5	<p>Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p> <p>Guidance: <i>Clause 11 of the Government Regulation No. 4 year 2001 regarding Control of Environmental Damage and or Pollution associated with Forest and or Land Fire, describes that the activities causing forest and or land fire are including land clearing in forestry, plantation, agriculture, transmigration, mining, tourism which are carried out through burning. Therefore, the use of fire is prohibited in those activities, unless for unavoidable circumstances or specific purposes, such as forest fire control, pest and disease control, and habitat management of flora and fauna. Implementation of restricted burning shall be authorised by the relevant agency.</i></p>																																	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
5.5.1	(M) Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognized techniques based on the existing regulations.			
	<p>a. Does the company have a zero burning policy or any statement on zero burning?</p> <p>b. Does the company have SOPs for land preparation which mentions zero burning?</p> <p>c. Was land prepared using the burn method? If yes, was it based on the specific situations identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>d. Has the policy been implemented throughout the operations?</p> <p>e. Is there training programmes for associated smallholders on zero burning where appropriate?</p>	AA-APM-OP-1100.20-R1 – Procedure for replanting	<p>Replanting plan will be begun in 2021. It was noted that Peranap Estate has not conducted replanting activities since its first plant in 1992, as defined within the procedure that the replanting are within 25 years since its first plant year.</p> <p>However it was described within the replanting procedure (AA-APM-OP-1100.20-R1) that the organisation committed to zero burning by using “chipping technique” at the <i>ganoderma</i> risks plantation by conducting topple to the palm trees, chopping and stacking using excavator by bucket modification.</p> <p>Procedure replanting mentioned that Field Assistant, Assistant Chief and Estate Manager must perform checks to ensure that the contractor does not perform burning for land preparation for replanting.</p> <p>All the replanting activities requires to be documented and monitored, such as: Schedule of replanting (chipping, digging and planting), progress planting LCC (<i>Legume Cover Crop</i>) and Minutes Works replanting (Progress in the Works Contractor)</p> <p>In the procedure of replanting mentioned that, the methods used are:</p> <ul style="list-style-type: none"> • Toppling trees using heavy equipment (excavators) • Chipping: cutting palm trunk, so as not infected with <i>ganoderma</i> • Planting LCC / legumes (<i>Mucuna</i> and <i>Puereria javanica</i> etc. So that the decay of the old oil palm trunks can be faster • Planting of oil palm. <p>This method has been used in replanting the whole plantation belonging to Asian Agri group including PT. Rigunas Agri Utama.</p>	YES
5.5.2	<p>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available</p> <p>Specific Guidance:</p>			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><i>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimizing the risk of severe pest and disease outbreaks, and exceptional levels of caution should be required for use of fire on peat. This should be subject to regulatory provisions under respective national environmental legislation. This should refer to the ASEAN Policy on Zero Burning (2003) and existing national environment regulations.</i></p> <p><i>The company shall have procedure and records of emergency response to ground fire, including the means and facilities.</i></p>				
	<p>a. Where fire has been used for preparing land for replanting, is there evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>b. What was the justification for using fire?</p>	<ul style="list-style-type: none"> • Zero burning policy • Field observation 	<p>It was evident that no fire has been used. Replanting will started in 2018.</p>	<p>YES</p>
5.6	<p>Preamble:</p> <p><i>Growers and millers commit to report greenhouse gas emissions from their operations. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that to reduce or minimise these emissions is not always practical or feasible. Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO.</i></p>			
5.6	<p>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> <p>Guidance:</p> <p><i>Where practically feasible, operations should follow best management practices to measure and reduce emissions. Advice on this is available from the RSPO.</i></p>			
5.6.1	<p>(M) Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4)</p> <p>Specific Guidance:</p> <p>For 5.6.1: <i>Assessment document covers identification of pollutant and emission sources, and evaluation of potential pollution level.</i></p>			
	<p>a. Has an assessment of all polluting activities been conducted including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4)?</p> <p>b. Is there a documented list of all identified polluting activities?</p>	<p>EMS-431-003-LT Rev.10 form updated Identification of Environmental Aspect Mill and Smallholders</p>	<p>Identification of pollution and emission sources at Peranap Mill activities was evident. The source of pollution, type of pollution and its control was documented. The information of pollution and emission sources at Peranap Mill was reviewed and updated including boiler emission, methane from Palm Oil Mill Effluent, diesel electricity generator and vehicles and heavy equipment.</p> <p>Identification of pollution sources from smallholders' activities was</p>	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			evident. The source of pollution, type and its control was recorded. The information of pollution and emission sources at smallholder was reviewed and updated annually including emission from vehicles and electricity generator (not limited), electricity usage.	
5.6.2	<p>(M) Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Specific Guidance: For 5.6.2: Plans will include objectives, targets and timelines. These should be responsive to context and any changes should be justified. Examples of reducing greenhouse gas emission are including empty bunch application, effluent land application, efficiency of fertilizer use, fuel efficiency, compost application and or methane capture.</p> <p><i>For 5.6.2 and 5.6.3: The treatment methodology for POME will be recorded.</i></p>			
	<p>a. Is there a documented list of all identified significant pollutants and GHG emissions?</p> <p>b. Are there plans to reduce or minimise the identified pollutants and GHG emissions?</p> <p>c. Do the plans include objectives, targets and timelines for reduction that are responsive to context?</p> <p>d. Are the plans being implemented? Was there any changes? Is it justified?</p> <p>e. Is the treatment methodology for POME recorded? (refer to C 4.4.3)</p>	Greenhouse gas emissions reduction Programme year 2017.	<p>The program was identify the source of greenhouse gas emissions as listed below:</p> <ol style="list-style-type: none"> 1. Methane from POME at mill 2. Fossil fuels emissions from vehicles and engines 3. Chemical fertilizer 4. Electricity usage <p>There are also established the GHG reduction plan completed. The records of each programme were sighted as evident implementation. For examples, such as:</p> <ul style="list-style-type: none"> • Fertilizer use in accordance with recommendation. • Pesticide application on time, target, and dose. • Training for operators of fertilizer and pesticide. • Road maintenance. • Etc. <p>Peranap Mill waste water was processed through a series of waste water treatment ponds: one cooling pond, one acid pond, two anaerobic ponds, one aeration pond, one sediment pond, and three buffer ponds. Process parameter monitoring and maintenance of the ponds were sighted. Quality of waste water effluent is monitored</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>quarterly in line with the requirements</p> <p>The results of monitoring of waste water effluent were reviewed including measurement of BOD; the result of discharge effluent conforms to the limits for parameters.</p> <p>Smallholders with scheme smallholder have been developed the programme on how to reduce emission. The programs such as reduce diesel consumption, reduce electricity consumption, reduce chemical fertilizer, pesticide training, etc. The records of each programme were sighted as evidence implementation.</p>	
5.6.3	<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>Specific Guidance: For 5.6.2 and 5.6.3: The treatment methodology for POME (Palm Oil Mill Effluent) will be recorded.</p> <p>For 5.6.3 (GHG): For the implementation period until December 31st, 2016, an RSPO-endorsed modified version of PalmGHG which only includes emissions from operations (including land use practices) can be used as a monitoring tool.</p> <p>In addition, during the implementation period, growers will start to assess, monitor and report emissions arising from changes in carbon stocks within their operations, using the land use in November 2005 as the baseline. The implementation period for Indicator 5.6.3 is the same implementation period for Criterion 7.8.</p> <p>During the implementation period, reporting on GHG will be to a relevant RSPO working group (composed of all membership categories) which will use the information reported to review and fine tune the tools, emission factors and methodologies, and provide additional guidance for the process. Public reporting is desirable, but remains voluntary until the end of the implementation period. During the implementation period the RSPO working group will seek to continually improve PalmGHG, recognising the challenges associated with measuring GHG and carbon stock.</p> <p>PalmGHG or RSPO-endorsed equivalent will be used to assess, monitor and report GHG emissions. Parties seeking to use an alternative to PalmGHG will have to demonstrate its equivalence to the RSPO for endorsement. Methodology for calculating GHG refers to 7.8.1.</p>			
	<p>a. Is there a system in place to monitor emission of pollutants including greenhouse gases from estate (plantation) and mill operations?</p> <p>b. Is there regular reporting of the monitoring outcomes? How often and to whom is reporting done?</p>	<p>Calculation of GHG RSPO calculation Year assessment 2016.</p>	<p>The GHG emission calculation for Peranap Mill of PT RAU uses PalmGHG V 3.0. As RSPO requirement. The reporting GHG emission Y2016 was not conducted to the RSPO, the company was received an email from RSPO on 5 April 2017 that the GHG emissions report is sufficiently checked by CB and does not need to be reported to RSPO.</p> <p>Reports was sighted that summarized as below:</p>	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR				COMPLIANCE (YES/NO)												
	<p>c. Is the monitoring and reporting conducted using appropriate tools? What tool is being used to assess, monitor and report on GHG emissions?</p> <p><i>Please refer to specific guidance for GHG requirements.</i></p>		<table border="1"> <thead> <tr> <th data-bbox="1173 347 1384 427">Emission</th> <th data-bbox="1384 347 1534 427">Own Crop</th> <th data-bbox="1534 347 1646 427">Group</th> <th data-bbox="1646 347 1825 427">Out grower</th> </tr> </thead> <tbody> <tr> <td data-bbox="1173 427 1384 491">Total field emissions (tCO₂e)</td> <td data-bbox="1384 427 1534 491">9,799.09</td> <td data-bbox="1534 427 1646 491">16,941.63</td> <td data-bbox="1646 427 1825 491">6,923.79</td> </tr> <tr> <td data-bbox="1173 491 1384 552">Total mill emissions (tCO₂e)</td> <td data-bbox="1384 491 1534 552">10,722</td> <td data-bbox="1534 491 1646 552">0</td> <td data-bbox="1646 491 1825 552">0</td> </tr> </tbody> </table>				Emission	Own Crop	Group	Out grower	Total field emissions (tCO ₂ e)	9,799.09	16,941.63	6,923.79	Total mill emissions (tCO ₂ e)	10,722	0	0	
Emission	Own Crop	Group	Out grower																
Total field emissions (tCO ₂ e)	9,799.09	16,941.63	6,923.79																
Total mill emissions (tCO ₂ e)	10,722	0	0																

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

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

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>Reserved Land of the Customary Law Abiding Community</i>				
6.1.1	(M) A social impact assessment (SIA) including records of meetings shall be documented.			
	<p>a. Has an SIA been conducted? When was the last SIA conducted?</p> <p>b. Is the process in conducting the SIA and the findings documented?</p> <p>c. Does the SIA cover all of the potential impact factors, including:</p> <ul style="list-style-type: none"> • Access and use rights; • Economic livelihoods (e.g. paid employment) and working conditions; • Subsistence activities; • Cultural and religious values; • Health and education facilities; • Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force. 	<ul style="list-style-type: none"> • Analisis Dampak Lingkungan – PT. Rigunas Agri Utama. • DPLH (Dokumen Pengelolaan Lingkungan Hidup) PT. Rigunas Agri Utama (Asian Agri group) year 2011 by LP-USU (Lembaga Penelitian Universitas Sumatera Utara) • Attendance list of small holders dated 6-8 December 2015 • Social Study and Economic Impact at Peranap Estate – Rigunas Agri Utama 2017 	<p>Social impact assessment result was documented in AMDAL document and DPLH (Dokumen Pengelolaan Lingkungan Hidup) PT. Rigunas Agri Utama (Asian Agri group) year 2011 by LP-USU (Lembaga Penelitian Universitas Sumatera Utara). The AMDAL studies including pre operation and operation phase of estate and mill. In line with AMDAL legal requirements, the studies involved participation of affected parties and local communities. It was reviewed that social component covered is in line with the minimum guidance of AMDAL coverage including Access and use rights;</p> <ul style="list-style-type: none"> - Economic livelihoods (e.g. paid employment) and working conditions; - Subsistence activities; - Cultural and religious values; - Health and education facilities; <p>Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force.</p> <p>Other than that, the company also conducted Social Study and Economic Impact in 2017 for aspects:</p> <ul style="list-style-type: none"> - Traditional or customary rights owned by the local community, if identifiable - Welfare of workers/labour and women, children and vulnerable group - Contribution to the local development, including improvement of human resources, local and customary communities. <p>Positive impacts were identified such as: Regional development, increased population of the village economy and ease of road access. Negative impacts were identified such as: increase of road</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>due to FFB transport (public health), Noise and dust coming from transport (social cultural. The assessment scope are :</p> <ul style="list-style-type: none"> a) Village monography b) Relationship between company and village c) Livelihoods d) Religion activities e) Village infrastructure f) Positive impact g) Negative impact <p>Positive impacts on SIA were identified, such as:</p> <ul style="list-style-type: none"> - CSR program - Work opportunities - General infrastructure (praying facility, sport facility, etc.) <p>Negative impacts on SIA was identified, such as:</p> <ul style="list-style-type: none"> • Dust pollution due to a passing truck on the road. 	
6.1.2	(M) There shall be evidence that the assessment has been conducted with the participation of affected parties.			
	<p>a. Does the assessment involve consultation with the affected parties? Who are the affected parties?</p> <p>b. Is there record of how the participatory assessment has been conducted? Were the affected parties able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, review of findings and planning for mitigation?</p>	<ul style="list-style-type: none"> • Analisis Dampak Lingkungan – PT. Rigunas Agri Utama. • DPLH (Dokumen Pengelolaan Lingkungan Hidup) PT. Rigunas Agri Utama (Asian Agri group) year 2011 by LP-USU (Lembaga Penelitian Universitas Sumatera Utara). • Social Study and Economic Impact at Peranap Estate – Rigunas Agri Utama 2017 	<p>Social Impact assessments in 2011 involve consultation with the affected parties covered Gumanti Village, Pauh Ranap Village, Tebing Village and Buah Tangga Village.</p> <p>Evidence of participatory action from local communities was also sighted in related SIA documentation including photos.</p> <p>SIA method is done by interview and questionnaire. Assessment has been done with the participation of affected parties such as head of villages, village representatives, and sub district police head, etc.</p> <p>Affected parties have been able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for</p>	<p>YES</p> <p>(Major NCR 2017-13 closed)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<ul style="list-style-type: none"> Interview with stakeholder on 22 November 2017 	<p>mitigation, and monitoring the success of implemented plans. This is demonstrated by interview result with stakeholder.</p> <p>Major Non-conformance 2017-13:</p> <p>There was no evidence that the SIA (Social Study and Economic Impact at Peranap Estate – Rigunas Agri Utama 2017) has been involved consultation with the affected parties.</p>	
6.1.3	<p>(M) Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</p> <p>Specific Guidance: For 6.1.3 and 6.1.4: Plan for management and monitoring of social impacts shall be established to avoid or reduce negative impacts and promote the positive ones, and monitoring of identified impacts shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Methodology to identify customary right and local community and social impacts assessment can be made with the following:</p> <ol style="list-style-type: none"> Document review Field observation Interview FGD (Focus Group Discussion) Participatory mapping <p>These involve participation of the community to define potential social impacts and management recommendation. The process refers to Regulation of the Minister of Environment No. 17 year 2012 regarding Community involvement and Information Transparency in the Process of Environment Impact Assessment (SEIA).</p>			
	<ol style="list-style-type: none"> Is there any documented record to outline the plan on mitigation, implementation and monitoring according to the SIA report? Have plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts been developed? Have these plans been documented, with clear timetables? Is the timeline reasonable? Have the persons responsible for implementation of the plans been identified? 	<ul style="list-style-type: none"> Monitoring and CSR Program year 2016 and 2017 CSR Report for year 2016 - 2017 Action Plan and Implementation SIA PT. Rigunas Agri Utama for Peranap Estate year 2016 and 2017 Social Study and Economic Impact at Peranap Estate – 	<p>PT. Rigunas Agri Utama has a management plan and monitoring of social impacts as contained in SIA report, has been developed into Monitoring and CSR Program.</p> <p>Social Assessment Monitoring conducted every year by CSR Region, monitoring between planning and realization were identified and evident. Negative impact was used and identified for CSR programme e.g. road repair facilities, road watering, health checks</p> <p>All the planning and realization have been documented and are also completed with photos relevant to CSR activities. Action plan and their implementation was documented.</p>	<p>YES (Major NCR 2017-14 closed)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		Rigunas Agri Utama 2017	<p>Major Non-conformance 2017-14:</p> <p>There was no timetable and responsibilities for implementation in plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive.</p>	
6.1.4	<p>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</p> <p>Specific Guidance: For 6.1.3 and 6.1.4: Plan for management and monitoring of social impacts shall be established to avoid or reduce negative impacts and promote the positive ones, and monitoring of identified impacts shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Methodology to identify customary right and local community and social impacts assessment can be made with the following:</p> <ol style="list-style-type: none"> a. Document review b. Field observation c. Interview d. FGD (Focus Group Discussion) e. Participatory mapping <p>These involve participation of the community to define potential social impacts and management recommendation. The process refers to Regulation of the Minister of Environment No. 17 year 2012 regarding Community involvement and Information Transparency in the Process of Environment Impact Assessment (SEIA).</p>			
	<ol style="list-style-type: none"> a. Is the plan reviewed every two years? b. Has the plan been updated as necessary (i.e. in cases where the review has concluded that changes should be made to current practices)? c. Have the changes to the plan been implemented? d. Is there evidence that the review has been done with the participation of the affected parties? e. Has the process been recorded/documented? 	<ul style="list-style-type: none"> • RKL RPL PT Rigunas Agri Utama • Analisis Dampak Lingkungan – PT. Rigunas Agri Utama. • Social Study and Economic Impact at Peranap Estate – Rigunas Agri Utama 2017 • Monitoring and CSR Program year 2016 and 2017 • CSR Report for Y2016 - 2017 	<p>Review of Social Management Plan (RKS) and Social Monitoring Plan (RPS) was conducted minimum one times every year. Improvement and corrective action regarding RKS and RPS would be performed as soon as possible based on the relevant and actual condition.</p> <p>Management and monitoring social impact was conducted internally by the company. This can be seen on document “RKL RPL PT Rigunas Agri Utama Period Semester 1 and 2 Y2016 and Semester 1 Y2017”.</p> <p>During the audit there was no changes regarding RKS and RPS, the management and monitoring plan of social impact was still relevant with the actual condition. But, prove/evidence of stakeholder participation in social impact management and monitoring can't be</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			shown.	
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).			
	<p>a. Are there schemed smallholders involved?</p> <p>b. Have they been considered and involved in the whole process of the SIA?</p> <p>c. What are the main impacts affecting these smallholders?</p>	<ul style="list-style-type: none"> • Analisis Dampak Lingkungan – PT. Rigunas Agri Utama. • RKL RPL PT Rigunas Agri Utama Period Semester 1 and 2 Y2015 and Semester 1 Y2016 • Action Plan and Implementation SIA PT. Rigunas Agri Utama for Peranap Estate year 2016 and 2017 	<p>Plantation included smallholder as scheme. Smallholder has been identified as part of Social Impact Assessment. Main impact affecting smallholders and they are already assessed during SIA are:</p> <p>a. request for partnership for replanting,</p> <p>b. development business unit not for land and</p> <p>c. capital for development of cooperatives.</p>	YES
6.2	<p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p> <p>Guidance: <i>Decisions that the growers or mills are planning to make should be made clear, so that local communities and other interested parties understand the purpose of the communication and/or consultation.</i></p> <p><i>Communication and consultation mechanisms should be designed in collaboration with local communities and other affected or interested parties. These should consider the use of appropriate existing local mechanisms and languages. Consideration should be given to the existence/formation of a multi-stakeholder forum. Communications should take into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.</i></p> <p><i>In these communications, consideration should be given to involve third parties, such as disinterested community groups, NGOs, or government (or a combination of these), to facilitate smallholder schemes and communities, and others as appropriate.</i></p>			
6.2.1	(M) Communication and consultation procedures shall be documented			
	<p>a. Does the company maintain a list of local communities and other affected or interested parties?</p> <p>b. Is there SOP being developed by the company for communication and consultation between the company and the local communities and other affected or interested parties?</p> <p>c. Is the FPIC approach incorporated in the SOP</p>	<ul style="list-style-type: none"> • Public consultation on 22 November 2017 • SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation for interested parties. • Stakeholder list of PT Rigunas 	<p>The Company has a list for the local community and other interested parties and mentioned in the List of Stakeholder updated in October 2017.</p> <p>SOP related to communication and consultation is described in the SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation for interested parties.</p> <p>FPIC was not applicable in PT. Rigunas Agri Utama, however FPIC</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>for communication and consultation with the local communities and other affected or interested parties?</p> <p>d. Has the SOP been developed together with the local communities and other affected or interested parties using appropriate existing local mechanisms and in languages understood by these parties?</p> <p>e. Has the SOP been socialized with the local communities and other affected or interested parties taking into account the differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups?</p> <p>f. Have interviews with affected parties been carried out to verify that the SOPs are effective?</p>	<p>Agri Utama, updated in October 2017</p>	<p>approach was incorporated in the SOP for communication and consultation with the local communities and other affected or interested parties</p> <p>The existing communication and consultation mechanisms (SOP related to communication and consultation is described in the SOP AA-GL-50009.1-R0 - Mechanism local communication / public consultation) has been designed with consideration to the use of appropriate existing local mechanisms and languages. Consideration has been given to the existence/formation of a multi-stakeholder forum.</p> <p>The Procedure has disseminated to the stakeholder in 18 April and 26 September 2016. Minutes of socialization and attendance list was sighted. The existing communication and consultation was taken into account differential access to information by women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.</p> <p>Procedure was available in Indonesian and easily to understand and it was effective. It was verified during public consultation and interview with stakeholder dated 22 November 2017.</p>	
6.2.2	The company shall have official(s) who is responsible for consultation and communications with parties.			
	<p>a. Who in the company is appointed to be responsible for communication and consultation with the affected parties?</p> <p>b. Has the position been made official with clear and proper job description?</p> <p>c. Have the affected parties been made aware and have access to the person in charge?</p>	<ul style="list-style-type: none"> - Assignment Letter as PIC Social PT Rigunas Agri Utama - Jobs descriptions - Interview with stakeholder on 22 - 23 November 2017 	<p>PT Rigunas Agri Utama has appointed one of its staff to become PIC Social through Confirmation Letter No 005/HRD/AA/CFM/VII/2014 dated 3 July 2014 in behalf of Mr Doni Soemarto Zendrato as SSL Officer (Public Relations Officer).</p> <p>Job description PIC Social are :</p> <ul style="list-style-type: none"> a. Responsible to consult and communicate with stakeholder b. Responsible to report to Group Manager regarding point 1 above <p>From the interview with the local community that represented by village head, they already know that the PR Officer is responsible for the communications and consultation</p>	YES
6.2.3	The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and			

Audit Report

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

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.3			<p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p> <p>Guidance: See also to Criterion 1.2.</p> <p>Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties.</p> <p>Complaints should be dealt with by mechanisms such as Joint Consultative Committees (JCC), with gender representation as necessary. Grievances may be internal (employees) or external.</p> <p>For scheme and independent smallholders, refer to 'Guidance for Independent Smallholders under Group Certification', June 2010, and 'Guidance on Scheme Smallholders', July 2009.</p> <p>Where a resolution is not found mutually, complaints can be brought to the attention of the RSPO Complaints System. This refers to United Nations Commission on Human Rights (UNCHR) document to support 'Guiding Principles on Business and Human Right' to implement UN framework to "Protect, Respect and Remedy" 2011. If all the above stages of conflict resolution have been carried out but the conflict cannot be resolved, then the next process is done through legal proceedings in court.</p> <p>Conflict resolution process with the community is still continued although transfer of company's ownership occurs.</p>	
6.3.1			<p>(M) The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.</p> <p>Specific Guidance: For 6.3.1: The system should aim to reduce the risks of reprisal. For 6.3.2: Records can be in the form of evidence from process or end-result of the resolution</p>	
	<p>a. Is there a system in place to deal with complaints and grievances for all affected parties?</p> <p>b. Who in the company is responsible to receive complaints and grievances?</p> <p>c. Is the existence of the system been made known and communicated to all parties?</p> <p>d. Is there evidence that the system is understood by all parties?</p> <p>e. Is training provided to the workers on the procedures/systems?</p>	<ul style="list-style-type: none"> • SOP handling of customer complaints / stakeholders SOP: AA-HR-3085.5 – R.0. • Interview with stakeholder on 22 November 2017 • Asian Agri Sustainability Policy 	<p>Organization has defined the system to deal with complaints and grievances for all affected parties which documented in SOP handling of customer complaints / stakeholders SOP: AA-HR-3085.5 – R.0. Person who responsible to receive complaints and grievances has assigned by organization was Estate Manager. In the procedure also described stages follow up of complaint, problem identification and escalation of complaint to Estate Manager, General Manager, Region Head and Head Office (if necessary)</p> <p>The existence of the system has been communicated and made known to all parties. It has been disseminated to all parties together.</p> <p>The last socialization and procedures training have been performed to all levels of employees were conducted in 18 April 2016 and 26</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>f. Is the system effective to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner?</p> <p>g. Does the mechanism or procedure provide a way for workers to report a grievance against a supervisor to someone other than the supervisor?</p> <p>h. How is a complaint or grievance investigated, addressed and resolved? Are complaints dealt with by mechanisms such as JCC?</p> <p>i. Is there a non-retaliation or non-reprisal policy that protects complainants or whistle-blowers?</p> <p>j. Is the privacy of parties protected?</p> <p>k. Where a resolution is not found mutually, is there a process for complaints to be brought to the RSPO Complaints System?</p>		<p>September 2016.</p> <p>The system was effective to ensure that complaints or grievances are addressed or resolved in an effective, timely and appropriate manner. Evidence that the procedures have been implemented is the logbook of complaint. Records are routinely monitored monthly. Since January to October 2017 there were complaints submitted by the employees, such as Complaint from harvester date on 16 August 2017 regarding <i>seng bocor dan lantai ruang tamu rusak</i>, status closed. No complaint its period by external stakeholder.</p> <p>Mechanism and procedure was providing a way for workers to report a grievance against a supervisor to someone other than the supervisor.</p> <p>The system was enable resolution of disputes in an effective and appropriate manner by way of classifying complaints into internal and external, appointed the person who responsible for handling complaints, including level of officials who make decisions for complaint resolution.</p> <p>Non-retaliation or non-reprisal policy that protects complainants or whistle-blowers was described in Company Policy Privacy of parties who submitted the compliant and aspirations were protected if necessary.</p> <p>Where a resolution is not found mutually by means of deliberations between two parties, the problem can be resolved through third-party mediation / authorities, including grievance if there is no agreement it will be resolved through the RSPO Complaints System and it is described in the Asian Agri Sustainability Policy.</p> <p>Based on public consultation with stakeholder it was verified and confirmed that there was no complaints from local communities related to disposal of hazardous chemicals and its resolution.</p>	
6.3.2	<p>(M) There shall be records of process and outcome of dispute resolution.</p> <p>Specific Guidance:</p>			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
For 6.3.2: Records can be in the form of evidence from process or end-result of the resolution				
	a. Is the complaints or grievance resolution process documented? b. Are outcomes or decisions reported to the parties? c. Who has access to the documentation of the process and/or outcomes?	<ul style="list-style-type: none"> • Complaint log book – PT. RAU • Interview with stakeholder on 22 November 2017 • Interview with union, workers and committee gender on 22 November 2017 	Complaints or grievance resolution process documented in the logbook of Complaint. Records are routinely monitored monthly. Since during January – October 2017 there were several complaints submitted by the public community and employees. It was also confirmed based on interview with surrounding village representative, labour union, workers, and gender committee. Outcomes or decisions as response to followed up the complaint reported to affected parties as described in example above. For example: <ul style="list-style-type: none"> - Complaint from worker date on 07 August 2017 regarding damage of worker's house door. 	YES
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. Guidance: <i>This criterion should be considered in conjunction with Criteria 2.2 and 2.3, and the associated Guidance</i>			
6.4.1	(M) A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court. Specific Guidance: For 6.4.1: Customary Right in the Local Regulation/Perda (based on Constitution Court Decision No. 35/PUU-X/2012 regarding Customary Forest) determined through participatory mapping of customary land by the customary law community who are recognized by the surrounding customary law community and refers to Regulation of the Minister of Home Affairs (Permendagri) No. 52 year 2014 regarding Guideline of Recognition and Protection of Legitimate Customary Community and Regulation of the State Minister of Agrarian Affairs/Head of National Land Agency (BPN) No. 5 year 1999 regarding Guidelines for the Settlement of Problems Related to the Communal Reserved Land of the Customary Law Abiding Community.			
	a. Are procedures for identifying legal, customary or user rights in place? b. Are procedures for identifying people entitled to compensation in place? c. Are those procedures jointly developed, agreed and accepted by local communities?	<ul style="list-style-type: none"> • SOP AA-GL-5003.1-R1 - Calculation and compensation method for land • Interview with stakeholder on 22 November 2017 	Calculation and compensation method for land has been described in a procedure SOP AA-GL-5003.1-R1. The steps of the procedures to identification and calculation of land compensation, consist of: <ol style="list-style-type: none"> 1. Identification of land owner 2. Measurement 3. Data input (mapping) 	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>4. Negotiating compensation</p> <p>5. Payment of compensation</p> <p>6. Data documentation.</p> <p>Procedure also described identifying people entitled to compensation.</p> <p>Procedures was jointly developed, agreed and accepted by local communities It has been designed with consideration to the use of appropriate existing local mechanisms and languages. Consideration has been given to the existence/formation of a multi-stakeholder forum.</p>	
6.4.2	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</p> <p>Specific Guidance:</p> <p>For 6.4.2: Companies should make best efforts to ensure that equal opportunities have been provided to the heads of family, both female and male, to hold land titles in smallholder schemes if the land ownership is individual.</p> <p>The calculation procedure shall consider:</p> <p>a. Gender differences in the power to claim rights, ownership and access to land;</p> <p>b. Differences of transmigrants and long-established communities;</p> <p>c. Differences between legal ownership evidence with communal ownership of ethnical group (customary community)</p>			
	<p>a. Has a procedure for calculating and distributing fair compensation (monetary or otherwise) been established and implemented?</p> <p>b. Are the procedures jointly developed, agreed, accepted and clearly understood by affected parties?</p> <p>c. Is the procedure monitored and evaluated in a participatory way? Have corrective actions been taken as a result of this evaluation?</p> <p>d. Does this procedure take into account the</p>	<ul style="list-style-type: none"> • SOP AA-GL-5003.1-R1 - Calculation and compensation method for land • Public consultation with stakeholder on 23 November 2016 	<p>Procedure for calculating and distributing fair compensation (monetary or otherwise) has been established and available in procedure of Identification and calculation of land compensation SOP AA-GL-5003.1-R1 - Calculation and compensation method for land. The steps are as described in criterion 6.4.1.</p> <p>Procedures was jointly developed, agreed and accepted by local communities It has been designed with consideration to the use of appropriate existing local mechanisms and languages. Consideration has been given to the existence/formation of a multi-stakeholder forum.</p> <p>The procedure monitored and evaluated in a participatory way,</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	following: <ul style="list-style-type: none"> • Gender differences in the power to claim rights; • Ownership and access to land; • Differences of transmigrants and long-established communities; • Differences in ethnic groups' proof of legal versus communal ownership of land. e. Where there are schemed smallholders, is there effort to ensure equal opportunity has been provided to.		procedures will be revised if there is a reasonable request from stakeholders. This procedure take into account of the gender differences in the power to claim rights, ownership and access to land, differences of transmigrants and long-established communities, differences in ethnic groups' proof of legal versus communal ownership of land.	
6.4.3	(M) Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.			
	a. Is the process and outcome of negotiated agreements and compensation claims documented? b. Does this documentation include evidence of the participation of affected parties? Is there any approval/signed by effected parties? c. Was consent obtained from all parties to make the documents publicly available?	- Public consultation with stakeholder on 22 November 2017	It was noted that there was no ongoing progress of new land acquisition during interview with sampled villager's representative, all previous land acquisition was solved before Land Use Title-Hak Guna Usaha (HGU).	N/A
6.5	Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages. Guidance: <i>Labor union agreement or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official or Labor Union if any.</i> <i>Regulation related to the minimum wage such as, Regulation of the Minister of Manpower & Transmigration No. 7 year 2013 regarding Minimum Wage, shall be implemented.</i> <i>Definition of Decent Living Wage refers to the Act No. 13 year 2003 (Manpower Act) is a set of standard necessities that must be fulfilled by a worker in order to have a decent physical and social living for a month.</i>			
6.5.1	(M) Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.			
	a. What types of employment arrangements are	- Payroll list	Payment of wages in 2017 based on the Letter form Governor of	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>there in the company? (E.g. contractual, outsourced, apprenticeships, direct hires, piecemeal basis, etc.)</p> <p>b. Is there documentation of pay and conditions for each employee?</p> <p>c. Is there a definition for living wage in the country? If not, how was the decision on wage for employees and contract workers made?</p>	<ul style="list-style-type: none"> - Letter form Governor of Riau No: 120/I/2017 dated 26 January 2017 - Internal Memorandum No 010/HR-AAS/MEMO/04/17 dated 27 April 2017 about PHL and SKU wages. - Joint Agreement or PKB (<i>Perjanjian Kerja Bersama</i>) Period 2015 – 2017 - Interview with employees dated on 22 and 23 November 2017 	<p>Riau No: 120/I/2017 dated 26 January 2017, minimum wages (UMP) for Riau Province is Rp. 2,516,812/month. The company also released Internal Memorandum No 010/HR-AAS/MEMO/04/17 on 27 April 2017. In PT Rigunas Agri Utama there are 2 types of worker status of SKU and PHL. Beside basic salary, SKU workers get monthly fixed aid called “Catu beras” or Rice Ration with details below :</p> <ul style="list-style-type: none"> a. Workers alone : 15 kg b. One legal wife: 9 kg c. Children (until 3): 7,5 kg <p>If worker have one wife and 2 kids then he will receive 15 kg + 9 kg + 15 kg (for 3 kids), total 39 kg of rice every month.</p> <p>Based on Internal Memorandum No 010/HR-AAS/MEMO/04/17 about PHL workers wages, PHL wages is Rp. 100,672.48/day with working days are 6 days per week.</p> <p>Recordings are available in the employee's salary slip salary payment.</p>	
6.5.2	<p>(M) Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>Specific Guidance: For 6.5.2: <i>Collective Labor Agreement (Perjanjian Kerja Bersama/PKB) and or Company Regulation are developed by the company together with the Labor Union, if any, in the company referring to the manpower regulations, such as the Regulation of the Minister of Manpower No. 6 year 2011 regarding Procedure for Establishing and Endorsing the Company Regulation, and Developing and Registering Collective Labor Agreement.</i></p>			
	<p>a. Is the pay and conditions of employment clearly detailed in the employment or service contracts? (E.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.)</p> <p>b. Is the contract prepared in languages</p>	<ul style="list-style-type: none"> - Joint Agreement or PKB (<i>Perjanjian Kerja Bersama</i>) Period 2015 - 2017 - Contract for PHL workers - List of employees of PT RAU updated October 2016 	<p>Agreement / contract of employment for workers, has been included in the PKB (Joint Agreement) has been endorsed by Disnakertrans (Labour Governance Body) District of Banyuasin. In the agreement regulates the : working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.).</p> <p>Based on field observation in Peranap Estate, it was found 3 (three)</p>	<p>YES (Major NCR 2017-16 closed)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>understood by the workers, explained carefully to workers by management officials, and signed by both the authorised signatory of the company and employee?</p> <p>c. Does the pay and conditions provided in labour laws, union agreements or direct contracts of employment comply with:</p> <ul style="list-style-type: none"> • The decent living wage as provided in the National Interpretation for the country; or • The local legal requirements in meeting the minimum wage; or • The industry minimum standard for a similar position or work responsibilities <p>d. Is the pay received by the employee consistent with the terms of the contract and the law (relates to P2)?</p> <p>e. Have there been any cases recorded of breach by the company, or complaint made by employees against the company on unjust pay and conditions?</p>	<p>- Interview workers union and workers on 22 - 23 November 2017</p>	<p>woman working as “<i>Kutip brondolan</i>” or loose-fruit picker in behalf of Mrs. Isoh, Mrs. Warsini and Mrs. Tuminsih. They said that they are working to help their husband and doesn't have a work contract.</p> <p>This information followed up to review document and it was found workers contract for Mrs. Isoh, Mrs. Warsini and Mrs. Tuminsih can't be shown during audit.</p> <p>Major Non-conformances 2017-16 :</p> <p>a. PHLs SPK did not reported to Dinas Tenaga Kerja in accordance with Kepmenakertrans 100/2004; article 12.</p> <p>b. PHLs on behalf Karmin, Oca Sunarya, and Edison Manurung (Estate) and Lalu Sabrun (Mill) have worked for more than 21 days/month during 3 months consecutive (August, September, and October 2017), nevertheless PHLs SPK did not change to SKU/PKWTT.</p> <p>c. Based on interview with harvester at Afdeling 3, Block C93a that he was still assisted his wife to picking up the loose fruit, while she did not a worker registered in the company.</p> <p>d. It was found inconsistent daily pay rate stated in BHL's SPK. For example, some workers are given Rp 100,6000 and Rp 100,000 per day, which is lower than the minimum wage, Rp 100,672.481 per day.</p>	
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Specific Guidance: For 6.5.3: Incentives to the employees refer to Act No. 13 year 2003 regarding Manpower.</p>			
	<p>a. Have growers and millers provided adequate housing and other basic necessities such as that listed below to national standards or above, where no such public facilities are available or</p>	<p>- List of public facilities of PT RAU</p> <p>- Site visit and field observation</p>	<p>Public facilities were provided by the organisation and covered residential facilities, day care, kindergarten, building for prayers, sports facility (e.g. volley ball, badminton, futsal, and tennis), etc. Housing for workers and medical facilities (clinics) were was</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	accessible? <ul style="list-style-type: none"> • adequate housing; • adequate electricity; • clean water supplies (availability of clear water all year round); • medical services (distance to health care facility i.e. clinic, hospital); • children education (distance to school and schooling attendance (%) of children under 12) • welfare amenities. 	in emplacement PT RAU <ul style="list-style-type: none"> - Certificate of clean water analysis in PT RAU on 17 April 2017 and 20 June 2017 	provided by the organisation with basic facilities. Company has provided housing complex for the workers, its permanent house with two doors in one roof and permanent house. Clean water of MCK was available in housing complex, the resource is from the well or ground water. Water has been analysed by <i>UPT Pengujian Material Dinas Bina Marga Provinsi Riau</i> on 17 April 2017 and 20 June 2017. The results comply with Permenkes No 416/1990.	
6.5.4	There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food Specific Guidance: <i>For 6.5.4: This applies if public facility is unavailable or inaccessible to provide adequate, sufficient and affordable food. The examples of the efforts are provision of transportation, employee cooperative shop, weekly market, etc.</i>			
	a. Have growers and millers made demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food?	Interview with workers on 22 - 23 November 2017	Company policy stated that workers will be given 15 kg additional rice (if worker is not married) and if worker have a family the he will be give 15 kg additional rice, 9 kg rice for wife and 7,5 kg rice for each child, maximum 3 child. Besides that, extra food given for the workers such as milk and green-bean porridge.	YES
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. Guidance: <i>The right of workers, including migrant and transmigrant workers (Angkatan Kerja Antar Daerah/AKAD) and contract workers, to form associations and bargain collectively with their employer should be respected, in accordance with The Act No. 21 year 2000 regarding Labor Union.</i> <i>Labour laws and collective labor agreements, or in their absence direct contracts of employment detailing payments and other conditions, should be available in the languages understood by the workers or explained comprehensively to them by a management official.</i> <i>Definition of Employer refers to the Act No. 13 year 2003 regarding Manpower.</i>			
6.6.1	(M) A record of the company's policy in understandable language recognising freedom of association, shall be available			
	a. Has the company published a statement in local languages recognising the rights of	- Company Policy – dated 1	Freedom of association has been mentioned in Company Policy dated 1 December 2014. Organizations understand that workers	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>employees to freedom of association?</p> <p>b. Are the employees, including migrant and transmigrant workers and contract workers, allowed to form associations and bargain collectively with their employer?</p> <p>c. Was the outcome, if any, from the collective bargaining process between the company and the association respected, implemented and adopted in full or partially by the company?</p> <p>d. Are there Labour laws and union agreements, or in their absence direct contracts of employment detailing payments and other conditions, made available in the languages understood by the workers or explained carefully to them by a management official?</p>	<p>December 2014.</p> <p>- Collective Labour Agreement / PKB – PT. RAU Peranap Estates period 2015 – 2017</p>	<p>have the right to argued, associate and organize in a labour union.</p> <p>Organization committed to provides opportunities for workers to organize in unions and express an opinion.</p> <p>Commitment covered in the policy are: “Respect the right of every employee to form or join trade unions in accordance they want and to bargain collectively”</p> <p>Based on interview with labour union leader, the company has accommodated employee rights to argued, associate and organize in a labour union. Until now there has been no bargaining between companies and unions. Normative rights of employees was already filled with the company</p> <p>Employees, including migrant and transmigrant workers and contract workers were allowed to form associations and bargain collectively with their employer.</p> <p>There were union workers represent estate and mill employee incorporated in the SPSI /Union Labour - Perkebunan PT. Rigunas Agri Utama and registered as “PUK Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia PT. Riguna Agri Utama” which was founded on 11 October 2012 (registration no. Kep 036/PC-FSPPP-SPSI/K/10/2012).”</p> <p>Labour laws, union agreements which described in working agreement/PKB and direct contracts of employment detailing payments and other conditions was made available in the languages which understood by the workers and explained carefully to them by management official.</p>	
6.6.2	Records of meetings with labor unions or workers representatives shall be available.			
	<p>a. Are there documented minutes of meetings between the company and main trade unions or workers representatives?</p> <p>b. Are the minutes made readily available to employees upon request?</p>	<p>- Minutes meeting of SPSI</p>	<p>Based on the information the chairman of the union, the union meeting conducted in accordance with the requirements of temporary and existing issues, the recording of this meeting with the unions, among others: the attendance list and note taker.</p> <p>Several meetings were conducted with the unions, among others:</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			- Meeting between Labour Union and Peranap's Management on 18 July 2017 about preparation of Indonesia Independence Day Celebration, PPE, and finger print.	
6.7	<p>Children are not employed or exploited.</p> <p>Guidance: <i>Growers and millers clearly define the minimum working age and working hours, based on existing regulations, such as:</i></p> <ol style="list-style-type: none"> 1. Act No. 13 year 2003 regarding Manpower. 2. Act No. 20 year 1999 regarding Ratification of International Labour Organization (ILO) Convention No. 138 year 1973 on Allowable Minimum Age for Work. 3. Regulation of the Minister of Manpower and Transmigration No. 235 year 2003 regarding Types of Work Endangering Child Health, Safety or Morale <p><i>It is advisable to do socialisation to all level of operations regarding prohibition on employing children.</i></p>			
6.7.1	(M) There shall be documented evidence that minimum age requirements are met.			
	<ol style="list-style-type: none"> a. Is the minimum working age for workers together with working hours clearly defined in the company's recruitment policy? b. Are workers employed above the minimum school leaving age of the country or who are at least 15 years of age? c. Is there evidence that the nature of work for workers under 18 is in accordance with International Labour Organisation (ILO) Convention 138? d. Does ground verification show evidence of employment of workers below the minimum working age? 	<ul style="list-style-type: none"> - Collective Labour Agreement / PKB – PT. RAU Peranap Estates period 2015 – 2017. - Procedure AA-HR-305-2-00 – Recruitment and Selection. - List of worker for Peranap Estate and Mills updated October 2017 - Cooperative policy dated 7 July 2014, point no 8 - Interview with workers on 22 - 23 November 2017 	<p>PT Rigunas Agri Utama has a policy for minimum working age. It was stated that company committed to not employ underage workers required by national legislation.</p> <p>Besides that, company has a procedure AA-HR-305-2-00 – Recruitment and Selection which stated that every candidate must have identity card "(KTP), Kartu Keluarga, Surat Nikah (if married)".</p> <p>Based on document review as listed in "Daftar Tenaga Kerja PT Rigunas Agri Utama there are no underage workers in List of workers did not show any worker under 18 years old when they joined the company.</p> <p>List of workers did not show any worker under 18 years old when they joined the company. Some copies of worker's ID were also filled as evidence. No underage worker was met during the audit. Workers interviewed indicated no worker under 18 years old.</p>	YES
6.8	<p>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p> <p>Guidance: <i>Examples of compliance can be appropriate documentation (e.g. job advertisements, job descriptions, appraisals, etc.), and/or information obtained via interviews with relevant stakeholders such as affected groups which may include women, local communities, foreign workers, and migrant workers, etc.</i></p>			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p><i>Notwithstanding national legislation and regulation, medical conditions should not be used in a discriminatory way.</i></p> <p><i>The grievance procedures detailed in Criterion 6.3 apply. Positive discrimination to provide employment and benefits to specific communities is acceptable as part of negotiated agreements.</i></p>				
6.8.1	(M) A company's policy on equal opportunity and treatment for work shall be available and documented.			
	<p>a. Is there a company policy on non-discrimination and equal opportunities? Does it at least cover the items mentioned in the criteria (6.8)?</p> <p>b. Is the policy made publicly available for the relevant stakeholders?</p> <p>c. Is there evidence that the policy has been implemented?</p>	<ul style="list-style-type: none"> - Collective Labour Agreement / PKB – PT. RAU Peranap Estates period 2015 – 2017. - Company Policy - List of worker for Peranap Estate and Mills updated October 2016 - Interview with stakeholder on 23 November 2016 - Cooperative policy dated 7 July 2014, point no 7. - Attendance list socialization of cooperative policy on 9 April 2016 in KUD Serangge Permai and 21 May 2016 in KUD Lakat Makmur 	<p>The company encourage equal working opportunities without discrimination as committed and written in the Company Policy dated 1 December 2014.</p> <p>An equal opportunities policy was documented in Company Policy No. 13 and mentioned :</p> <p>“Respect for human rights by putting all employees fairly, both in terms of reception, assessment, conditions and working environment, as well as the representation, regardless of race, caste, national origin, religion / belief, disability, gender, sexual orientation. union membership workers, political affiliation or age”</p> <p>The policy has been communicated to workers and relevant stakeholders.</p> <p>Recruitment data and list of worker notifies that workers are from different race, religion, sexual orientation, etc. are treated equally. Based on interview with PHL (casual workers) they know the promotion process in the company, usually there are workers performance review in the end of year and if the review is good the the workers will be suggest to be promoted.</p>	YES
6.8.2	(M) Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.			
	<p>a. Is there evidence that employees and groups including local communities, women, and migrant workers have not been discriminated against?</p> <p>b. Are the employees and groups including local communities, women, and migrant workers happy with the way the company is treating them?</p>	<ul style="list-style-type: none"> - Procedure: AA-HR-305-2-00 – Recruitment and Selection. - Collective Labour Agreement / PKB – PT. RAU Peranap Estates period 2015 – 2017. - List of worker for Peranap Estate and Mills updated 	<p>Recruitment process was documented in Procedure: AA-HR-305-2-00 – Recruitment and Selection.</p> <p>Process covers :</p> <ul style="list-style-type: none"> - The collection of application file - Selection of administration - Announcement of the selection schedule 	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>c. Are there complaints against the company on issues relating to discrimination?</p> <p>d. What is the nature of complaints employees and groups including local communities, women, and migrant workers have lodged against the company, if any?</p>	<p>October 2017</p> <ul style="list-style-type: none"> - Interview with union and workers on 22 - 23 November 2017 - Cooperative policy dated 7 July 2014, point no 7. 	<ul style="list-style-type: none"> - Test questions and physical tests - Summary of the results of the selection - Announcement of selection results - Provision of a cover letter MCU to candidates who pass the selection - Implementation of MCU <p>Through interviews with workers in mill and plantation, it confirmed that there was no discrimination on working opportunities, all workers treated equally.</p> <p>List of workers and payment list shows that the payment of wages of workers also seen that there is no discrimination related to wages earned and includes working hours. From the interviews with workers, they feel that the basic rights of workers already filled by company. From the interview with Union, there is no complaint related to discrimination.</p>	
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available</p> <p>Specific Guidance: For 6.8.3: Recruitment and promotion are based on skills, capabilities, qualities and health conditions</p>			
	<p>a. Does the company keep and maintain a record of their employees' work credentials and medical history?</p> <p>b. Does the company explicitly state the indiscriminatory policy during the recruitment selection, hiring and promotion process?</p> <p>c. Is the company's indiscriminatory policy reviewed regularly?</p> <p>d. Are the company's employees recruited and promoted based on skills, capabilities, qualities, and medical fitness necessary for the job? How</p>	<ul style="list-style-type: none"> - Procedure AA-HR-305-2-00 – Recruitment and Selection - Medical Records for workers. 	<p>Recruitment process was documented in procedure AA-HR-305-2-00 – Recruitment and Selection. Based on that procedure, it was described that the selection, recruitment and promotion of workers based on worker competency.</p> <p>Employees credential and medical history were documented and recorded, medical history employees are available and kept by the nurse at the clinic.</p> <p>All company policy reviewed every year by Sustainability Department, PT. Rigunas Agri Utama. Employee's evaluation was conducted every year to decide promotion of employees. The process of recruitment, selection and promotion is conducted transparently, and this is communicated to of candidates. In</p>	<p>NO (minor NCR 2017-17)</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	is this evidenced?		<p>discriminatory policy is reviewed once a year during according that stated in the Company Policy. Recruitment process and promotion was done in accordance with competency and medical fitness result. And this is evident from ratings performance review that conducted every year. And it looks that personnel accordance with his/her competency (e.g, Estate Asst, Public Relations, Nurse, foreman, etc.). Workers appraisal for Y2017 was reviewed.</p> <p>Minor non-conformances 2017-17:</p> <p>a. Based on job vacancy information for Field Assistant that issued by HRD Recruitment and Selection Dept date on 22 August 2017, that required maximum age of 25 years, minimum height of 165 cm, and male sex. Those were discrimination form.</p> <p>b. There were no medical test in recruitment process on behalf Risky Sitohang on 01 October 2014 in accordance with company's procedure AA-HR-305.2-RO – Worker Recruitment and Selection. And his age 16 years, 6 month when he joined.</p>	
6.9	<p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p> <p>Guidance: <i>There should be a clear policy developed in consultation with employees, contract workers and other relevant stakeholders, and the policy should be publicly available. Progress in implementing the policy should be regularly monitored, and the results of monitoring activities should be recorded.</i></p> <p><i>Notwithstanding national legislation and regulation, reproductive rights are respected.</i></p>			
6.9.1	<p>(M) A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>Specific Guidance: For 6.9.1 and 6.9.2: <i>These policies should include education for women and awareness of the workforce.</i></p> <p><i>There should be programmes provided for particular issues faced by women and men, such as violence and sexual harassment in the workplace.</i></p> <p><i>A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to</i></p>			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</i>				
	<p>a. Does the company have the policy to prohibit any form of sexual and all other forms of harassment and violence?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. Is there a clear protocol for the company to deal/handle such issues/complaints received from the workforce?</p> <p>d. Is there a list of awareness programs or training provided to the workforce in relation to these issues?</p> <p>e. Has the company formed a Gender Committee to address areas of concern to women? Is there a list of the members sitting in the committee? What are the Terms of Reference of the committee? Does it include the handling of issues such as:</p> <ul style="list-style-type: none"> • training on women's rights; • counselling for women affected by violence; • child care facilities to be provided by the growers and millers; • women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and • women to be given specific break times to enable effective breastfeeding. <p>f. Is the policy regularly reviewed?</p>	<ul style="list-style-type: none"> - Company Policy dated 1 December 2014. - Organization structure Gender Committee PT. Rigunas Agri Utama. - Interview with gender committee on 22 – 23 November 2017 - Cooperative policy dated 7 July 2014, point no 9. 	<p>The company has prohibited sexual harassment and violence as committed and written in company policy dated 1 December 2014. This policy has been documented, implemented and communicated to all level workers. Communication was conducted by Afdeling Assistant to his team. Awareness/training program was listed and discussed during Gender Committee meeting. Gender Committee has been made regular program for all employees, women and the training required. Company has formed A Gender Committee since April 2013 and consist, the members are :</p> <ul style="list-style-type: none"> - Head of Committee - Vice of head committee - Secretary - Vice of secretary - Members <p>Gender Committee activities such as handle complaint from female workers, reporting and data collecting if case appeared concerning sexual harassment.</p> <p>Based on interview with Gender Committee, their activities include training on women's rights, counselling for women affected by violence, child care facilities and breastfeeding policy. It was verified, no harassment or abuse in the work place, and reproductive rights are protected.</p>	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
6.9.2	<p>(M) A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce</p> <p>Specific Guidance: For 6.9.1 and 6.9.2: <i>These policies should include education for women and awareness of the workforce.</i></p> <p><i>There should be programmes provided for particular issues faced by women and men, such as violence and sexual harassment in the workplace.</i></p> <p><i>A gender committee specifically to address areas of concern to women will be used to comply with this Criterion. This committee, which should include representatives from all areas of work, will consider matters such as: training on women's rights; counselling for women affected by violence; child care facilities to be provided by the growers and millers; women to be allowed to breastfeed up to nine months before resuming chemical spraying or usage tasks; and women to be given specific break times to enable effective breastfeeding.</i></p> <p>For 6.9.2: <i>see Indicator 4.6.12</i></p>			
	<p>a. Is there a policy to protect the reproductive rights of all, especially of women?</p> <p>b. Has this policy been documented, implemented and communicated clearly to all levels of the workforce?</p> <p>c. How is this policy communicated to all levels of the workforce?</p>	<p>- Company Policy dated 1 December 2014.</p> <p>- Interview with workers on 22 – 23 November 2017</p>	<p>The company gave protection of reproductive rights for female workers as committed and written in Company Policy dated 1 December 2014. This policy has been documented and communicated to all the employees by the Afdeling Assistant to all women workers.</p>	YES
6.9.3	<p>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</p>			
	<p>a. Does the company have a mechanism to handle employment grievances, that respects anonymity and protects complainants where requested?</p> <p>b. Does the mechanism provide a way for workers to report a grievance against a supervisor to someone other than that supervisor?</p> <p>c. Is the mechanism documented, implemented and communicated clearly to all levels of the workforce?</p> <p>d. Has the company identified personnel who will be responsible to receive and manage</p>	<p>- Company Policy dated 1 December 2014.</p> <p>- Interview with workers on 22 – 23 November 2017</p>	<p>Company has procedure: SOP: AA-HR-3085.5 - R.0 "Complaints of employees - the delivery and settlement of employee complaints".</p> <p>In the procedure also described the process of complaint. Complaint process cannot report only to Supervisor but other such Union, Gender Committee.</p> <p>Grievances complaint procedures already communicated all employees by the estate manager.</p> <p>Company has appointed that the PR Officer is responsible to receive and handling complaint.</p> <p>Until now no complaint regarding harassment or abuse received by the company.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>complaints received from the workforce?</p> <p>e. Has the company received any reports or complaints of harassment or abuse? How was it addressed or resolved?</p> <p>f. Is the policy reviewed regularly?</p>		<p>Policy related to the handling of complaint related to harassment and reviewed once a year during by the Sustainable Department</p> <p>According log book and interview with related workers in the company, there is no complaint that received by company.</p>	
6.10	<p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p> <p>Guidance: <i>Transactions with smallholders should consider issues such as the role of middle men, transport and storage of FFB, quality and grading. The need to recycle the nutrients in FFB (see Criterion 4.2) should also be considered; where it is not practicable to recycle wastes to smallholders, compensation for the value of the nutrients exported may be considered through the FFB price.</i></p> <p><i>Smallholders should have access to the grievance procedure under Criterion 6.3 if they consider that they are not receiving a fair price for FFB, whether or not middle men are involved.</i></p> <p><i>The need for a fair and transparent pricing mechanism is particularly important for outgrowers who are contractually obliged to sell all FFB to a particular mill.</i></p> <p><i>If mills require smallholders to change practices to meet the RSPO Principles and Criteria, consideration should be given to the costs of such changes, and the possibility of advance payments for FFB can be considered.</i></p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>Specific Guidance: For 6.10.1: <i>FFB pricing in Indonesia refers to the Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013</i></p>			
	<p>a. How is the price of FFB determined?</p> <p>b. Is current and past prices paid for Fresh Fruit Bunches (FFB) publicly available? How?</p> <p>c. Was there any complaint on FFB pricing?</p> <p>d. How was the complaint handled?</p> <p>e. What was the solution?</p>	<p>Letter from Local Government Disbun Pemprov Riau related to FFB price determination no. 41/TPH TBS-X/2017 for period 18 – 24 October 2017.</p>	<p>The FFB price for smallholder was determined by government via Weekly Pricing Letter from Dishutbun. The latest Pricing Letter #41/TPH TBS-X/2017 for period 18 – 24 October 2017 from Dishutbun Riau Province was available. The price was identified IDR 1,861.72/kg for the FFB 23 years. There was no complaint regarding to the FFB price.</p>	YES
6.10.2	<p>(M) Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).</p>			
	<p>a. What is the mode of recording/documenting transactions between millers with middlemen</p>	<p>- Log Book FFB Received 2017</p> <p>- Letter from Local Government</p>	<p>Transactions to smallholder and 3rd party supplier have been recorded by form Log Book of FFB Received.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>and/or smallholders?</p> <p>b. Is there evidence that growers/millers have explained FFB pricing and pricing mechanisms for FFB?</p> <p>c. Are there any inputs/services rendered by the millers to smallholders/middle men? Are these inputs/services having any influence to the pricing and pricing mechanisms for FFB?</p> <p>d. Have inputs/services been documented (where these are under the control of the mill or plantation)?</p> <p>e. Where it is not practicable to smallholders to recycle waste (i.e. EFB), is there compensation for the value of the nutrients of EFB given to the smallholders? Is this translated into the pricing factors of FFB?</p>	<p>Disbun Pemprov Riau related to FFB price determination no. 41/TPH TBS-X/2017 for period 18 – 24 Oktober 2017.</p>	<p>Several records were sighted such as for Smallholder: KUD Bukit Makmur on 21 October 2017</p> <p>The update FFB price was informed to the FFB supplier via email and directly informed by Mill through information board that placed in the front area of the factory. There were services rendered to the smallholder however there were no influence to the price of FFB. The services was spraying application. The value of the waste of FFB (as EFB nutrient) has been compensated in the pricing calculation.</p>	
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Specific Guidance: For 6.10.3 : Referring to Regulation of the Minister of Agriculture No. 14/Permentan/OT.140/2/2013, requirements to be considered in the contract are such as:</p> <ol style="list-style-type: none"> 1. <i>K Index, which is open and transparent to the smallholders or their institutions</i> 2. <i>Distributing the information about the decision of the Pricing Team to the smallholders institutions</i> 3. <i>Method of fruit sortation</i> 4. <i>Involvement of smallholders institutions on the evaluation of weigh instrument by authorised local agency.</i> 			
	<p>a. Is there a contractual agreement between the miller and smallholders/ middle men?</p> <p>b. Do all parties understand the contractual agreements they have entered into?</p> <p>c. Are all contractual agreements fair, legal and transparent?</p> <p>d. Who keeps the contractual agreements?</p>	<ul style="list-style-type: none"> - Contract agreement with local contractor as Well Driller #008/P2/PB/KPN/VI/16 - Contract Agreement with KUD Serangge Permai and KUD Lakat Makmur (smallholder). - The contract document with FFB Transporter no. 01/KUD- 	<p>The agreement/contract documents between contractor and organisation is sighted such as for FFB Transporter.</p> <p>All contracts are acknowledged by all parties as part that contain of contract are well understood. The contract contains all relevant information such as payment method, work requirements, force majeure, contract period, cancellation of contract, etc. Both parties kept the contract.</p> <p>The agreement/contract documents between contractor and</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
		<p>MR/XII/2015 dated 1 December 2015 (KUD Serangge Permai).</p> <ul style="list-style-type: none"> - The contract document with FFB Transporter (Mr. Hendri Hakim) no. 01/KUD-SP/XII/2016 dated 1 December 2016 (KUD Lakat Makmur). 	<p>smallholder is sighted such as for FFB transporter. The contract was acknowledged by both parties and well understood. The contract contained all relevant information such as payment method, work requirements, force majeure, contract period, cancellation of contract, etc.</p>	
6.10.4	Agreed payments shall be made in a timely manner.			
	<ul style="list-style-type: none"> a. How are all payments made to the smallholders/middle men? b. What is the mode of recording/documenting transactions between millers with middlemen and/or smallholders? c. Have agreed payments been made in a timely manner? 	<ul style="list-style-type: none"> - Slip payment for Riskyanto Anwar as FFB Transporter on 19 October 2017 as IDR 27,500,968 - Slip payment IDR 1,507,442,918 for 895,750 kg of FFB from KUD Serangge Permai on 2 September 2016 	<p>A review to several payment records in year 2016 - 2017 demonstrated that the payment has been made according to the agreement. The payment was been made periodically according to the contract agreement.</p> <p>The receipt of payment for Riskyanto Anwar was evident for 19 October 2017 IDR 27,500,968 for 14,771 kg of FFB.</p>	YES
6.11	<p>Growers and millers contribute to local sustainable development where appropriate.</p> <p>Guidance: <i>Contributions to local development should be based on the results of consultation with local communities and social impact assessment. See also Criterion 6.2 for consultation process. Such consultation should be based on the principles of transparency, openness and participation, and should encourage communities to identify their own priorities and needs, including the different needs of men and women.</i></p> <p><i>Where candidates for employment are of equal merit, preference should always be given to members of local communities. Positive discrimination should not be recognised as conflicting with Criterion 6.8.</i></p> <p><i>Private plantations refer to the Act No. 40 year 2007 regarding Limited Company (PT), clause 74 (1&2) and their explanations; Government Regulation No. 47 year 2012 regarding Environment and Social Responsibilities, clause 5 (1) and explanation whereas social and environment responsibilities shall be executed.</i></p> <p><i>State plantations refer to Act No. 19 year 2003 regarding State Owned Company (BUMN) clause 9 (1).</i></p>			
6.11.1	Records of Contributions to local development based on the results of consultation with local communities shall be available.			
	<ul style="list-style-type: none"> a. Have the local development needs and priorities been identified in consultation with local communities? (refer also to C 6.2) 	<ul style="list-style-type: none"> - CSR Program PT Rigunas Agri Utama in 2016 and 2017 - Realization of CSR Program 	<p>Records of organization contribution to regional development were evident, among either: agreement contract, and social assistance list.</p> <p>CSR program was provided by the organization and deployed in to</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>b. What are the contributions made to local development? Are they in accordance with the results of consultation?</p> <p>c. Are there efforts to improve or maximise employment opportunities at the company for local communities?</p>	<p>in 2016 and 2017</p> <ul style="list-style-type: none"> - Public consultation on 22 November 2017 	<p>CSR program. Activity of CSR was identified by the estate/mills, including: repairs the village road, low-cost market, mosques renovation in surrounding villages, checks and medical for free, etc. Implemented document was recorded within photo and minutes of aid delivery. Evidence of the implementation of CSR program is also evidenced by confirmation from the stakeholders during the public consultation on 23 November 2016. However company have to keep trying to improve and develop CSR programs based on the needs of local communities.</p> <p>Company's contribution towards improving the local economy around is also quite large it can be seen by the number of local employees who work in the company. Where candidates for employment are of equal merit, organization has preference always been given to members of local communities.</p> <p>Another local business was supported for growers and mills, main supports were pertinent to procurement spare parts and vehicle maintenance. The local business is assigned and controlled by central purchasing in Head Office.</p> <p>To improve the manpower recruitment for local communities, company through Public Relations Officer conduct communication to head of village. All above activity has been recorded.</p>	
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.			
	<p>a. Is there a complete registry of independent smallholders in the supply base?</p> <p>b. Have efforts been made to improve the farming practices of independent smallholders?</p> <p>c. Where there are schemed smallholders, have efforts and/or resources been allocated to improve smallholder productivity?</p>	<ul style="list-style-type: none"> - Public consultation with stakeholder on 22 November 2017 	<p>The company has been paying particular attention and allocated resources to improve smallholder productivity to smallholder scheme. PT RAU have the pattern cooperation of plantation (partnership) for the community (smallholdings) of 5.142 ha. Cooperation Agreement with Koperasi was available. A form of cooperation is PIR Trans with full Manage by smallholders.</p> <p>Whole plant maintenance and harvesting activities performed by smallholders and supervised by company. Standard maintenance and care of plants and harvesting in accordance with best practice agronomic also applied by smallholders and supervised by company.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			FFB price determination mechanism has been disseminated to farmers through meetings between board smallholder organization with the Company.	
6.12 ¹	<p>No forms of forced or trafficked labour are used.</p> <p>Guidance <i>Migrant workers should be legalised, and a separate employment agreement should be drawn up to meet immigration requirements for foreign workers and international standards. Any regulated deductions made should not jeopardise a decent living wage.</i></p> <p><i>Passports should only be voluntarily surrendered.</i></p> <p><i>There should be evidence of due diligence in applying these indicator and guidance to all sub-contract workers and suppliers.</i></p> <p><i>Definition of types of worker refers to Acts No.13 year 2003 regarding Manpower.</i></p>			
6.12.1	<p>(M) There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Specific Guidance: For 6.12.1: <i>Workers should enter into employment voluntarily and freely, without the threat of a penalty, and should have the freedom to terminate employment without penalty given reasonable notice or as per agreement.</i></p>			
	<p>a. What is the company's policy on forced or trafficked labour?</p> <p>b. How does the company define forced or trafficked labour?</p> <p>c. What is the process of recruiting foreign/ migrant workers directly and/or through licenced outsourcing agencies/ labour suppliers?</p> <p>d. Who is the person responsible for selecting/ screening labour suppliers/ outsourcing agents?</p> <p>e. Do the foreign workers have to pay a fee to the employment recruitment agency or labour suppliers in the workers' countries of origin? If yes, does it jeopardise decent living wage?</p>	<ul style="list-style-type: none"> • Company policy • Procedure : AA-HR-305-2-00 – Recruitment and Selection • <i>Daftar Tenaga Kerja Kebun Peranap dan PKS Peranap</i> updated October 2016 • Interview with union and workers on 22 – 23 November 2017 	<p>Policy related forced or trafficked labour has been determined in the company policy dated 1 December 2014.</p> <p>There are no foreign workers in Peranap Site, based on evidences which has been reviewed such as "<i>Daftar Tenaga Kerja Kebun Peranap dan PKS Peranap</i>"</p> <p>Recruitment process was documented in Procedure: AA-HR-305-2-00 – Recruitment and Selection stated that Staff recruitment conduct by Head Office in Jakarta.</p> <p>For workers in site, recruitment processes conduct by Site Management with approval from company management.</p> <p>There are no restrictions for workers to leaving mill or estate area outside working hours.</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>f. Are there restrictions on workers from leaving the mill or estate or their housing facilities outside working hours?</p> <p>g. What is the process if a worker wants to terminate their employment before their contract expires? In this case, who pays for the return transportation?</p> <p>h. What are the penalties imposed if the workers were terminated or fired before their contract expires?</p> <p>i. Who keeps the workers passports or identity documents?</p> <p>j. If workers do not keep their passports or identity documents, is this legally allowed?</p> <p>k. What is the process for workers' to hand over their passports or identity documents to the company?</p> <p>l. Do workers have unrestricted access to their passports or identity documents? Describe how workers are able to access their documents?</p>			
6.12.2	<p>It shall be demonstrated that no contract substitution has occurred.</p> <p>Specific Guidance: For 6.12.2: <i>Contract substitution is the change of initial contract without prior consultation and agreement from the workers.</i></p>			
	<p>a. Is there evidence of contract substitution occurring?</p> <p>b. Are foreign workers asked to sign a contract upon arriving in the receiving country? If yes, is that contract identical to the one signed in the country of origin?</p> <p>c. Are workers given a copy of their employment</p>	<p>- Interview with workers on 22 - 23 November 2017</p> <p>- Perjanjian Kerja Bersama (Joint Agreement) PT RAU Period 2015 - 2017 and PHL contract</p>	<p>There was no substitution contract occurred. Workers get the job and contract conform with agreement between company and its workers.</p>	<p>N/A</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	contracts? If yes, is the contract identical to the one signed at the time of recruitment?			
6.12.3	<p>(M) Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.</p> <p>Specific Guidance: For 6.12.3: The special labour policy should include: a. Statement of the non-discriminatory practices; b. No contract substitution; c. Post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.; d. Decent living conditions to be provided.</p>			
	<p>a. What is the company's policy and procedures for temporary or foreign/migrant workers? Does the special labour policy include:</p> <ul style="list-style-type: none"> • Statement of the non-discriminatory practices? • No contract substitution? • Post-arrival orientation programme with emphasis on language, safety, labour laws, cultural practices etc.? • The provision of decent living conditions? <p>b. Have the policies and procedures been implemented?</p>	<ul style="list-style-type: none"> - List of Employees in October 2017 - Interview with stakeholder, union and workers on 22 - 23 November 2016 	<p>There was no migrant workers in PT. Rigunas Agri Utama – Peranap Estate. Its verified during audit documentation list of employee, interview with employee and stakeholders</p>	N/A
6.13 ²	<p>Growers and millers respect human rights.</p> <p>Guidance: See Criteria 1.2, 2.1 and 6.3 <i>All levels of operations include contracted third parties (e.g. those involved in security).</i> <i>Regulations related to the Human Rights refer to the Act No. 39 year 1999 regarding Human Rights.</i></p>			
6.13.1	<p>(M) A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.</p>			
	<p>a. Is there a company policy on human rights?</p> <p>b. How is this communicated to all employees, including outsourced workers, customers and suppliers? If by training, how often is the</p>	<ul style="list-style-type: none"> • Company Policy dated 01 December 2014 • Dissemination of policy on 18 April 2016 and 26 September 	<p>Human rights policy was determined on the Company Policy dated 01 December 2014. Policy has been disseminated to all workforce on 18 April 2016 and 26 September 2016. This policy also has been communicated to all customer and supplier. Communication is</p>	YES

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	training conducted? c. Who has the task of communicating the policy internally and externally? d. Does the company have any outstanding cases of human rights violations?	2016 • Interview with union and workers on 22 - 23 November 2017	conducted through company web site or email that distributed by the Head Office. Public Relation officer is appointed by the company to responsible for internal and external communications. Based on the interview with worker, Union and stakeholder there is no issues related human right violations.	

PRINCIPLES 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

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

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>flooding;</i></p> <p><i>f. Analysis of type of land to be used (forest, degraded forest, cleared land);</i></p> <p><i>g. Analysis of land ownership and user rights;</i></p> <p><i>h. Analysis of current land use patterns;</i></p> <p><i>i. Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents;</i></p> <p><i>j. Identification of activities which may generate significant GHG emissions.</i></p>		<p><i>If AMDAL or UKL-UPL documents still do not cover point a to j, additional social and environment impact assessment shall be conducted.</i></p> <p><i>If internal assessment identifies sensitive social and environment issues or areas, then independent assessment shall be conducted.</i></p> <p><i>Documents of environment impact assessment are the environment documents based on the regulations, such as:</i></p> <p><i>a. Environmental Impact Assessment (Analisis Mengenai Dampak Lingkungan Hidup/AMDAL) for plantation with areas of > 3000 Ha</i></p> <p><i>b. Environmental Management Effort (Upaya Pengelolaan Lingkungan Hidup/UPL) and Environmental Monitoring Effort (Upaya Pemantauan Lingkungan Hidup/UKL) for plantation with areas of < 3000 Ha.</i></p> <p><i>c. Environmental Management Document (Dokumen Pengelolaan Lingkungan Hidup/DPLH)</i></p> <p><i>d. Environmental Evaluation Document (Dokumen Evaluasi Lingkungan Hidup/DELH)</i></p> <p><i>e. Environmental Information Performance (Penyajian Informasi Lingkungan Hidup/PIL)</i></p> <p><i>f. Environmental Evaluation Performance (Penyajian Evaluasi Lingkungan Hidup/PEL)</i></p> <p><i>g. Environmental Evaluation Study (Studi Evaluasi Lingkungan Hidup/SEL)</i></p> <p><i>h. Environment Management and Monitoring Document (Dokumen Pengelolaan dan Pemantauan Lingkungan Hidup/DPPL)</i></p> <p><i>i. Declaration Letter for Managing and Monitoring Environment (Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup/SPPL)</i></p> <p><i>j. And other documents required by the regulation.</i></p> <p><i>Regulations relate to the environment documents, such as:</i></p> <p><i>a. Government Regulation No. 27 year 2012 regarding Environment Permit</i></p> <p><i>b. Regulation of the Minister of Environment No. 13 year 2010 regarding Environmental Management and Monitoring Effort (UKL-UPL) and Declaration Letter for Managing and Monitoring Environment (SPKL)</i></p> <p><i>c. Regulation of the Minister of Environment No. 5 year 2012 regarding Environmental Evaluation Document (DELH)</i></p> <p><i>d. Regulation of the Minister of Environment No. 14 year 2010 regarding Environmental Management and Monitoring Document (DPPL)</i></p> <p><i>e. Regulation of the Minister of Environment No.12 year 2007 regarding Environmental Management and Monitoring Document for Business and or Activities, with No Environmental Management Document.</i></p> <p><i>f. Regulation of the Minister of Environment No. 5 year 2012 regarding Types of Business Obligated to Have Amdal</i></p> <p><i>g. Regulation of the Minister of Environment No. 8 year 2006 regarding Guidance for AMDAL preparation</i></p> <p><i>h. Regulation of the Minister of Environment No. 17 year 2012 regarding Involvement of Community and Information Transparency in the AMDAL Process</i></p> <p><i>i. Decree of the Head of Bapedal No. No. 299 year 1996 regarding Technical Guidance of Social Aspects for AMDAL preparation</i></p> <p><i>j. Regulation of the Minister of Environment No. 11 year 2008 regarding Competence Requirements for AMDAL preparation documents and Requirements for Training Institutions in</i></p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<i>Conducting Training for AMDAL Competency</i>				
7.1.1	(M) An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.			
	<p>a. Is there any new planting or operations, or expanding existing ones by the company? What is the size of the new planting area?</p> <p>b. Has an independent social and environmental impact assessment (SEIA) been documented for the new plantings?</p> <p>c. Are the impact assessments prepared by accredited independent experts?</p> <p>d. Are all environmental and social impacts adequately identified?</p> <p>e. Is the SEIA undertaken based on the scope of operation?</p> <p>f. Is the SEIA undertaken in a participatory manner, including the relevant affected stakeholders?</p> <p>g. Does the SEIA assessment include and as a minimum:</p> <ul style="list-style-type: none"> • Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure? • Assessment, including stakeholder consultation, of High Conservation Values (see Criterion 7.3) that could be negatively affected? • Assessment of potential effects on adjacent natural ecosystems of planned developments, including whether development or expansion will increase pressure on nearby natural ecosystems? 	<ul style="list-style-type: none"> - Area statement 2017 - Document of RKL and RPL for Rigunas Agri Utama Mill and Estate #KPTS 332/VII/2005 dated 8 July 2005 - Social Study and Economic Impact at Peranap Estate – Rigunas Agri Utama 2017 - HCV Assessment Report by Forestry Department, Bogor Agriculture Institute in 2014 - Decree of the Head of National Land Agency (Badan Pertanahan Nasional), No.18/HGU/ BPN/2000, dated 27th April 2000 	<p>The organisation did not acquire any new land after HGU in 2000. It was noted that there was no new planting and land acquisition during field observation and interview with stakeholders. Years of plating in 1992, 1993, 1994, 1995, 1996, and 1997. The was no planting after November 2005.</p>	<p>NA</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Identification of watercourses and wetlands and assessment of potential effects on hydrology and land subsidence of planned developments. Measures should be planned and implemented to maintain the quantity, quality and access to water and land resources? • Baseline soil surveys and topographic information, including the identification of steep slopes, marginal and fragile soils, areas prone to erosion, degradation, subsidence, and flooding? • Analysis of type of land to be used (forest, degraded forest, cleared land)? • Analysis of land ownership and user rights? • Analysis of current land use patterns? • Assessment of potential social impacts on surrounding communities of a plantation, including an analysis of potential effects on livelihoods, and differential effects on women versus men, ethnic communities, and migrant versus long-term residents? • Identification of activities which may generate significant GHG emissions? <p>h. What were the main findings of the assessment?</p> <p>i. Were secondary impacts of oil palm development identified in the SEIA?</p>			
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.			
	a. Does the finding of the SEIA uncover any negative impacts? If yes, has a management plan and operational procedures been developed to mitigate the negative impacts?	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 	There was no new planting since November 2005.	NA

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	b. Has the management plan and operational procedures been implemented?	November 2017 - Field observation		
7.1.3	<p>Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>Specific guidance: For 7.1.3. : <i>Outgrower scheme is a farmer selling the FFB through exclusive contract to the growers and millers. Schemed smallholders (plasma) included into this scheme.</i></p>			
	<p>a. Are any outgrowers involved in the new plantings?</p> <p>b. Has management prepared a plan for the outgrower scheme?</p> <p>c. Does the SEIA include an assessment of impacts and the implications of the way the outgrower scheme is managed?</p>	<p>- Area statement in 2017</p> <p>- Public consultation with stakeholders on 22 & 23 November 2017</p> <p>- Field observation</p>	There was no new planting since November 2005.	NA
7.2	<p>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p> <p>Guidance: <i>These activities can be linked to the Social and Environmental Impact Assessment (SEIA) (see Criterion 7.1) but need not be done by independent experts.</i></p> <p><i>Soil surveys should be appropriate to identify soil suitability of oil palm cultivation for the scale of operation.</i></p> <p><i>Maps of Soil suitability or soil survey should be established in line with the operational scale and include information on soil types, topography, hydrology, rooting depth, moisture availability, stoniness and fertility to ensure long-term sustainability of the development. Soils requiring appropriate practices should be identified (see Criteria 4.3 and 7.4). This information should be used to plan planting programs, etc. Measures should be planned to minimize erosion through appropriate use of heavy machinery, terracing on slopes, appropriate road construction, rapid establishment of land cover, protection of riverbanks, etc. Areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation will be delineated in plans and included in operations for conservation or rehabilitation as appropriate (see Criterion 7.4).</i></p> <p><i>Assessing soil suitability is also important for smallholders, particularly where there are significant numbers operating in a particular location. Information should be collected on soil suitability by companies planning to purchase Fresh Fruit Bunches (FFB) from outgrowers scheme (<i>skema kemitraan</i>) in certain location. Companies should assess this information and provide information to smallholders involving in the outgrowers scheme, and/or in conjunction with relevant government/public institutions and other organizations (including NGOs) provide information in order to assist independent smallholders to grow oil palm sustainably.</i></p> <p><i>One of referred guidances is on the table 1 (page. 6) regarding Land Suitability Criteria for Oil Palm in the Technical Guidance for Developing Oil Palm Estate issued by Directorate General of Estate Crops, Ministry of Agriculture, 2006.</i></p>			
7.2.1	(M) Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Are soil suitability/survey maps for the planted areas available or in place?</p> <ul style="list-style-type: none"> • Is the map adequate to establish the long-term suitability of land for oil palm cultivation? • Are the soil suitability maps or soil surveys appropriate to the scale of operation? • Does the soil suitability maps or soil surveys include information on soil types, topography, and hydrology, rooting depth, moisture availability, stoniness and fertility? • Do the soil suitability maps or soil surveys identify soils requiring appropriate practices? <p>b. Are there any areas located within the plantation perimeters that are considered unsuitable for long-term oil palm cultivation?</p> <ul style="list-style-type: none"> • Are such areas delineated in the plans? • Are there areas set aside for conservation? • Or are there plans for rehabilitation as appropriate? <p>c. Does the company plan to purchase Fresh Fruit Bunches (FFB) from potential developments of independent suppliers in a particular location?</p> <p>d. If yes, the following information should be obtained:</p> <ul style="list-style-type: none"> • Is information on soil suitability collected and assessed? • Has the company provided information on soil suitability to the independent 	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	<p>There was no new planting since November 2005.</p>	<p>NA</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	smallholders in order to assist them to grow oil palm sustainably?			
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.			
	<p>a. Does the area where plantings are done require drainage or irrigation?</p> <p>b. If yes, is there adequate topographic information to guide the planning of drainage and irrigation systems?</p> <p>c. Is the topographic information and best practices taken into consideration during the development of roads and infrastructure?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	There was no new planting since November 2005.	NA
	<p>New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p> <p>Guidance: <i>This Criterion applies to forests and other vegetation types. This applies irrespective of any changes in land ownership or farm management that have taken place since November 2005 unless if previous owner have conducted HCV assessment.</i></p> <p><i>HCVs may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCVs to be maintained or enhanced. This refers to the Guidance for HCV Management and Monitoring approved by the RSPO.</i></p> <p><i>The HCV assessment process requires appropriate training and expertise, and will include consultation with local communities, particularly for identifying social HCVs. HCV assessments should be conducted according to the Guidance for Identifying HCV in Indonesia (HCV Toolkit Indonesia) of 2008 or its revision.</i></p>			
7.3	<p>Developments should actively seek to utilise previously cleared and/or degraded land on mineral soil. Plantation development should not put direct or indirect pressure on primary forests and HCV through the use of all available agricultural land in an area.</p> <p><i>Although the planned development is consistent with the landscape planning by the local and national government, the requirements of protecting HCV still shall be met.</i></p> <p><i>For new planting with areas ≤ 3000 Ha, assessment of HCV can be conducted internally and externally. If the assessment of HCV is conducted internally, in accordance with the scheme of HCV RSPO using ALS system, assessor team leader of HCV shall be an assessor who has obtained license of HCV Assessor from HCVRN. Peer review from the competent party shall be conducted referring to the Common Guidance for the Identification of HCV 2013. For the new planting with the area > 3000 Ha, the assessment of HCV shall be conducted by the external party who has obtained license of HCV Assessor from HCVRN.</i></p> <p><i>In case of small areas located either in hydrologically sensitive landscapes or in HCV areas where conversion can jeopardize large areas or species, the HCV assessment shall be conducted by independent assessor who has obtained license of HCV Assessor from HCVRN (see Guidance: Criterion 7.2). HCV areas can be very small. Once established, new development should comply with Criterion 5.2.</i></p>			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.3.1	<p>(M) There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>Specific Guidance: For 7.3.1: Evidence should include historical remote sensing imagery which demonstrates that there has been no conversion of primary forest or any area required to maintain or enhance one or more HCV. HCV Assessment should apply satellite or aerial photographs, land use maps and vegetation maps should be used to inform the HCV assessment.</p> <p>Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, it will be excluded from the RSPO certification programme until an adequate HCV compensation plan has been developed and accepted by the RSPO.</p>			
	<p>a. Since November 2005, have any new plantings replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs)? If yes, was an adequate HCV assessment carried out prior to the clearing of the land?</p> <p>b. Where HCVs have been identified on the land that is intended for new plantings, have new plantings been planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2)?</p> <p>c. Are there finalised HCV maps and areas endorsed/signed off by management showing type of HCV and area coverage (ha)?</p> <p>d. Has the company comply with NPP procedures? i.e. NPP documents was submitted and put for public notification.</p> <p>e. Is CB verification of NPP documents include field verification? If not, field verification of HCV is required during certification audit.</p> <p>f. Where land has been cleared since November 2005, and without a prior and adequate HCV assessment, is there evidence that an adequate HCV compensation plan for the</p>	<ul style="list-style-type: none"> - Area statement 2017 - Document of RKL and RPL for Rigunas Agri Utama Mill and Estate #KPTS 332/VII/2005 dated 8 July 2005 - Social Study and Economic Impact at Peranap Estate – Rigunas Agri Utama 2017 - HCV Assessment Report by Forestry Department, Bogor Agriculture Institute in 2014 - Decree of the Head of National Land Agency (Badan Pertanahan Nasional), No.18/HGU/ BPN/2000, dated 27th April 2000 	There was no new planting since November 2005.	NA

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	affected area has been developed and accepted by the RSPO?			
7.3.2	(M) Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.			
	<p>a. Is the prepared HCV assessment comprehensive? Was the assessment prepared in consultation with the affected stakeholders prior to any conversion or new planting?</p> <p>b. Do the HCV assessments include land use change analysis to determine changes to the vegetation since November 2005? (This analysis shall be used, with proxies, to indicate changes to HCV status)</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	There was no new planting since November 2005.	NA
7.3.3	Records of land preparation and clearing dates shall be available.			
	a. Are the dates of land preparation and commencement recorded?	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	There was no new planting since November 2005.	NA
7.3.4	(M) An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2).			
	<p>a. Has the company developed an action plan that describes operational actions consequent to the findings of the HCV assessment?</p> <p>b. Does the action plan reference the grower's relevant operational procedures (see Criterion 5.2)?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	There was no new planting since November 2005.	NA
7.3.5	Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2).			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
<p>Specific Guidance: For 7.3.5: <i>The management plan will be adaptive to changes in HCV 5 and 6. Decisions will be made in consultation with the affected communities.</i></p>				
	<p>a. Have areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, been identified in consultation with the communities?</p> <p>b. Have these areas been incorporated into HCV assessments and management plans (see Criterion 5.2)?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	<p>There was no new planting since November 2005.</p>	<p>NA</p>
<p>7.4</p>	<p>Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p> <p>Guidance: <i>The process of identifying fragile and marginal soil should be conducted after getting Plantation Business Permit (IUP)</i></p> <p><i>Total area planting on fragile soils including peat within the new development shall not be greater than 100 Ha or 20% of the total area, whichever is smallest (see Criterion 4.3). Adverse impacts may include hydrological risks or significantly increased risks (e.g. fire risk) in areas outside the plantation (see Criterion 5.5). The legal aspect of compliance within this national interpretation document shall follow the changed laws and regulations but should at least meet the above minimum limit.</i></p> <p><i>Planting on peat soils should not be conducted on peat with ≥3 m depth. If planting conducted on peat with <3 m depth, then the area (as regulated by Regulation of the Minister of Agriculture No. 14 year 2009: Guidance on Peatland Utilization for Oil Palm Cultivation) shall meet the following requirements:</i></p> <ul style="list-style-type: none"> a. <i>Within designated cultivation area</i> b. <i>Whereas the proportion of ≤ 3 m depth of peat and mineral soil (if any) is minimal 70% of the total concession area</i> c. <i>The mineral soil below peat layer is not quartz sand or acidic sulfate soil</i> d. <i>The peat soils maturity level is mature (sapric)</i> e. <i>The fertility level is eutropic</i> <p><i>Cultivation on peatland must also comply with Government Regulation No 71 year 2014 concerning the Protection and Management of Peatland Ecosystems</i></p> <p><i>Excessive slope is defined as slope more than 40% referring to Regulation of the Minister of Agriculture No.11/Permentan/OT.140/3/2015 regarding Guidance of Indonesia Sustainable Palm Oil and the Regulation of the Minister of Agriculture No. 47 year 2006 regarding General Guidance for Agriculture at Mountain Area.</i></p> <p><i>Soil conservation measures (such as terracing, individual terrace, legume cover crops, silt pit, frond stacking, etc.) should be conducted.</i></p> <p><i>Soil suitability should be determined using crop and environmental suitability criteria.</i></p> <p><i>Those identified as marginal and/or problematic should be avoided if the soil cannot be improved through agricultural cultivation.</i></p>			

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p><i>The risky and marginal soils may include sandy soils, low organic content soils, and potential or actual acid sulphate soils. Suitability of these soils is also influenced by other factors including rainfall, terrain and management practices.</i></p> <p><i>These areas may only be developed for new plantations which have adequate management plans based on best management practices. Failure due to extensive plantings should be avoided on these soil types.</i></p> <p><i>Fragile soils on which extensive planting shall be avoided include peat soils, mangrove sites and other wetland areas.</i></p> <p><i>This activity should be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.</i></p> <p><i>Excessive planting on fragile soil refer to Annex 2 Generic RSPO P&C, 2013.</i></p> <p><i>Wetland definition refers to RAMSAR.</i></p>			
7.4.1	(M) Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.			
	<p>a. Are there maps identifying marginal and fragile soils, including excessive gradients and peat soils?</p> <p>b. If peat is present, does the map show the extent, nature, and depth of peat?</p> <p>c. Are the maps used to identify areas that are inappropriate for planting?</p> <p>d. Have the maps been incorporated for use in the social and environmental impact assessment (SEIA)?</p> <p>e. Is there evidence that planting on extensive areas of peat soils and other fragile soils have been avoided?</p>	<p>- Area statement in 2017</p> <p>- Public consultation with stakeholders on 22 & 23 November 2017</p> <p>- Field observation</p>	There was no new planting since November 2005.	NA
7.4.2	(M) Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.			
	<p>a. Are there plans to protect planted areas on fragile and marginal soils, including peat from adverse impacts?</p> <p>b. Does the plan take into consideration specific control and NI thresholds, including:</p>	<p>- Area statement in 2017</p> <p>- Public consultation with stakeholders on 22 & 23 November 2017</p>	There was no new planting since November 2005.	NA

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<ul style="list-style-type: none"> • Slope limits; • List of soil types that need to be avoided, especially peat soil; • Proportion of plantation areas that can include marginal / fragile soil. <p>c. Has the plan been implemented?</p>	<ul style="list-style-type: none"> - Field observation 		
7.5			<p>No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p> <p>Guidance: <i>This activity should be integrated with the Social and Environmental Impact Assessment (SEIA) required by Criterion 7.1.</i></p> <p><i>Where new plantings are considered to be acceptable by the communities, management plans and operations should minimise the adverse impacts (such as disturbing sacred sites) and promote positive ones. Agreements with indigenous people, local communities and other stakeholders should be made without coercion or other undue influence (see Guidance for Criterion 2.3).</i></p> <p><i>Where communities decline to release lands rights on these terms the grower or miller must explore legal alternatives such as leasing or renting or securing community land or enclaving or other mutually agreed schemes or decide not to go ahead with its proposed development.</i></p> <p><i>Relevant stakeholders include those affected by or concerned with the new plantings.</i></p> <p><i>Free, prior and informed consent (FPIC) should be applied to all RSPO members throughout the supply chain. Please refer to FPIC guidelines approved by the RSPO (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).</i></p> <p><i>Customary and user rights shall be demonstrated through participatory mapping as part of the FPIC process.</i></p> <p><i>Verification evidence may be in the form of documents on socialization to the affected community, agreement or disagreement from the community, communication and consultation with the community.</i></p>	
7.5.1			<p>(M) Evidence shall be available that affected local peoples understand they have the right to say 'yes' or 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)</p>	
	<p>a. Does the new planting area include 'local people's land'?</p> <p>b. If yes, has the community given their consent?</p> <p>c. Is there evidence to demonstrate that the</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 	<p>There was no new planting since November 2005.</p>	<p>NA</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	consent/agreement has been given? d. Has the community been given the opportunity to say 'no' to the proposed development? e. Are the principles of the FPIC process followed?	- Field observation		
7.6	Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements. Guidance: See Criteria 2.2, 2.3 and 6.4 and associated Guidance. The requirements include indigenous people, as regulated by, such as, the Act No. 5 year 1994 regarding Endorsement of UN Convention on Biodiversity. Please refer to FPIC guidelines approved by the RSPO (RSPO endorsed Free, Prior and Informed Consent Guide for RSPO Members, November 2015).			
7.6.1	(M) Records of identification and assessment of legal, customary and user rights shall be available. Specific Guidance: For 7.6.1: This activity shall be integrated with the social and environmental impact assessment (SEIA) required by Criterion 7.1.			
	a. Does the SEIA include the identification and assessment of legal, customary and user rights of the area? b. Does the company have SOPs to identify and assess any legal, customary and user rights of the local peoples? c. Is there any known notification from the stakeholders claiming to have legal, customary and/or user rights on the land for the new planting area? d. Has the claim been identified and assess according to the protocol/SOP? Does the process follow and respect the FPIC principles? e. Has the process of identification and assessment been recorded/ documented and	- Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation	There was no new planting since November 2005.	NA

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	made publicly available?			
7.6.2	(M) A procedure for identifying people entitled to compensation shall be available.			
	a. Does the company have a system in place to identify people and/or community groups entitled to compensation? b. Is the system documented? c. Does the system follow and respect the FPIC principles?	- Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation	There was no new planting since November 2005.	NA
7.6.3	(M) Records of calculation system and distribution of fair compensation shall be available			
	a. Does the company have a system in place to calculate and distribute fair compensation (monetary or otherwise)? b. Is the system documented and publicly made available? c. Does the system follow and respect the FPIC principles?	- Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation	There was no new planting since November 2005.	NA
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.			
	a. Does the company provide communities that have lost access and rights to land for plantation expansion opportunities to benefit from plantation development?	- Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation	There was no new planting since November 2005.	NA
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives.			
	a. Is the process and outcome of any compensation claims documented and made publicly available?	- Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation	There was no new planting since November 2005.	NA

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.6.6	<p>Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>Specific Guidance: For 7.6.6: Growers and millers will confirm that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to Plantation Business Permit (Izin Usaha Perkebunan/IUP) and if requested, Land Title (Hak Guna Usaha (HGU)/Hak Guna Bangunan (HGB)) to the grower and miller. There is documented evidence that communities were informed prior to being asked to release lands to growers and millers that a legal consequence of the grower or miller acquiring a HGU/HGB over their lands is that this will permanently extinguish their land rights within the same area. Related to 7.6.6, the evidences can be a company's policy to give community freedom to get information, and also socialization to the affected community.</p>			
	<p>a. Is there record to show that the community and rights holders have freedom to access information and independent advisor(s) concerning the legal, economic, environmental and social implications of the proposed operations on their lands?</p> <p>b. Is there evidence to show that the company has sought the community and the right holders' consent to the initial planning phases of the operations prior to the new issuance of a concession or land title?</p> <p>c. Did the communities (or their representatives) give consent to the initial planning phases of the operations prior to the new issuance of a concession or land title?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	There was no new planting since November 2005.	NA
7.7	No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.			
7.7.1	(M) Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available.			
	<p>a. Is there evidence of land preparation by burning?</p> <p>b. (The auditors shall conduct site verification of the newly planted site which will include interviews with workers).</p> <p>c. Was land prepared using the burn method due</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	There was no new planting since November 2005.	NA

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>to reasons or specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burnings' 2003, or comparable guidelines in other regions?</p> <p>d. If the burn method has been used for land preparation, has the company complied with the requirements of 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>e. Is document showing proper justification for such activity available?</p>			
7.7.2	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Specific guidance <i>For 7.7.2 : Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimizing the risk of severe pest and disease outbreaks, and exceptional levels of caution are required for use of fire on peat. This should also refer to the ASEAN Policy on Zero Burning (2003) and respective national environment regulations.</i></p>			
	<p>a. In exceptional cases where fire has to be used for preparing land for planting, is there evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions?</p> <p>b. Was the activity incorporated in the SEIA report?</p> <p>c. What were the mitigation measures? Was it implemented?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	There was no new planting since November 2005.	NA

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
7.8	<p>Preamble</p> <p><i>It is noted that oil palm and all other agricultural crops emit and sequester greenhouse gases (GHG). There has already been significant progress by the oil palm sector, especially in relation to reducing GHG emissions relating to operations. Acknowledging both the importance of GHGs, and the current difficulties of determining emissions, the following new Criterion is introduced to demonstrate RSPO's commitment to establishing a credible basis for the Principles and Criteria on GHGs.</i></p> <p><i>Growers and millers commit to reporting on projected GHG emissions associated with new developments. However, it is recognised that these emissions cannot be projected with accuracy with current knowledge and methodology.</i></p> <p><i>Growers and millers commit to plan development in such a way to minimise net GHG emissions towards a goal of low carbon development (noting the recommendations agreed by consensus of the RSPO GHG WG2).</i></p> <p><i>Growers and millers commit to an implementation period for promoting best practices in reporting to the RSPO, and after December 31st 2016 to public reporting. Growers and millers make these commitments with the support of all other stakeholder groups of the RSPO.</i></p>			
7.8		<p>New plantation developments are designed to minimise net greenhouse gas emissions.</p> <p>Guidance</p> <p><i>This Criterion covers plantations, mill operations, roads and other infrastructure. It is recognised that there may be significant changes between the planned and final development area, hence the assessment may need to be updated before the time of implementation.</i></p> <p><i>Public reporting is desirable, but remains voluntary until the end of the implementation period.</i></p> <p><i>Once established, new developments should report on-going operational, land use and land use change emissions under Criterion 5.6.</i></p> <p><i>According to the recommendation from RSPO GHG Working Group 2, the total carbon emission (above and below ground) from new development area ideally is not bigger than carbon that can be absorbed in one rotation period of all new developments (i.e. average of oil palm trees, riparian buffer zone, and the set aside forest area). To help achieving this, the plantation should be developed in area with low carbon stock (i.e. mineral soil, area with low biomass, etc) or within area that currently is being utilized for agriculture or intensive plantation whose owner has agreed to convert the areas into oil palm. The agreed methodology to assess and report on carbon stock and emission sources as well as default number for the both estimation is now being developed by RSPO.</i></p> <p><i>As guidance, low carbon stock areas are defined as areas with (above and below ground) carbon stores, where the losses as a result of conversion are equal or smaller to the gains in carbon stock within the new development area, including set aside areas (non- planted area) for one rotation period.</i></p>		
7.8.1			<p>(M) The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>Specific Guidance:</p> <p>For 7.8.1: <i>GHG identification and estimates can be integrated into existing processes such as HCV and soil assessments.</i></p> <p><i>The RSPO carbon assessment tool for new plantings will be available to identify and estimate the carbon stocks. It is acknowledged that there are other tools and methodologies</i></p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an assessment conducted to identify and estimate the carbon stock in the proposed development area and major potential sources of emissions that may result directly from the development?</p> <p>b. What are the tools and methodologies used to identify and estimate the carbon stock and potential sources of emission?</p> <p>c. Has the results of the carbon stock assessment been submitted and reported to RSPO according to RSPO procedures and timeline?</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 November 2017 - Field observation 	<p>There was no new planting since November 2005.</p>	<p>NA</p>
<p>7.8.2</p>	<p>Records of a plan to minimize net GHG emissions shall be available.</p> <p>Specific Guidance: For 7.8.2: Growers are strongly encouraged to establish new plantings on mineral soils, in low carbon stock areas, and cultivated areas, which the current users are willing to develop into oil palm. Millers are encouraged to adopt low-emission management practices (e.g. better management of palm oil mill effluent (POME), efficient boilers etc.) in new developments.</p> <p>Growers and millers should plan to implement RSPO best management practices for the minimization of emissions during the development of new plantations Some efforts to minimise net GHG emissions, but not limited to:</p> <ul style="list-style-type: none"> a. Avoiding high carbon stock area b. Enriching HCV c. Improving carbon sequestration d. Minimising use of fossil fuel e. Implementing zero burning 			
	<p>a. Is there a plan to minimise net GHG emissions from new development?</p> <p>b. Does this plan take into account avoidance of</p>	<ul style="list-style-type: none"> - Area statement in 2017 - Public consultation with stakeholders on 22 & 23 	<p>There was no new planting since November 2005.</p>	<p>NA</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	land areas with high carbon stocks, sequestration options and low-emission management practices?	November 2017 - Field observation		

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

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

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
	<p>a. Is there an action plan for continual improvement?</p> <p>b. Describe the main components of the plan.</p> <p>c. Has the action plan been implemented?</p> <p>d. Provide examples of continual improvements that have been implemented.</p> <p>e. Are history records available to develop the action plan?</p> <p>f. Are records of implementation of the action plan available?</p> <p>g. Does the action plan include strategies for:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6)? Is IPM widely implemented? • Environmental impacts (Criteria 4.3, 5.1 and 5.2)? • Waste reduction (Criterion 5.3)? • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8)? • Social impacts (Criterion 6.1)? • Optimising the yield of the supply base? <p>h. Do growers have a system to improve practices in line with new information and techniques, and a mechanism for disseminating this information throughout the workforce?</p>		<p>Regular evaluation of plantation and mill operation was performed through internal and external audits. The coverage of the audit including production planning, production, power generation and utilization, consumable, process control, quality control – including waste water treatment, maintenance, occupational health and safety, FFB incoming and inspection, and laboratory. The above audit reports indicated that all gaps against standard operation procedure of plantation and operation were noted. Corrective action plan was issued and implemented to demonstrate effort for compliance as well as continual improvement.</p> <p>Agronomy and mill:</p> <ul style="list-style-type: none"> ○ Strategy focus and action plan October to December 2017, covering Strategy (Harvest, Cost, and Company condition) and Action Plan. ○ VA visit for agronomic activity, date of visit 06 - 11 March 2017, with result of perfroma from PT RAU management has index valuation equal to 73. ○ VE visits for PMKS activities, date of visit January 16 to 19, 2017, with the results of perfroma from PT RAU management has an index equal of 76. ○ R & D Agronomy Visit, on 16 - 18 May 2017, report on plant growth conservation, empty bare application, flatbed treatment, fertilizer and sterilization, and other ○ Continuous Improvement Master Plan 2017 (s.d. October 2017), covering integrated pest management (occasional replacement of owls, owl dwelling, host plan planting), soil erosion management (Cross drain and EFB applications) and gramoxone usage reduction. 	<p>YES</p>

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<p>Reduction in use of certain chemicals:</p> <ul style="list-style-type: none"> ○ The organisation committed that Paraquat only used for specific species: a few species of ferns, such as: <i>Stenochlaena</i> and <i>Lycopodiophyta</i>. Reduction of Gramoxone consumption <p>Environmental impacts:</p> <ul style="list-style-type: none"> ○ Segregation of domestic water run off with industrial waste water by building trench around shell storage area to prevent contaminated water to open drainage ○ Improvement in monitoring of fuel consumption by calibrating fuel injection pumps and check fuel nozzle pipe. ○ Improvement in monitoring of domestic water consumption by installing flow meter to monitor water consumption in housing ○ Recycle the water cooler turbine discharge water basin; ○ Recycle the condensate water discharge water dilution; ○ Minimize duration of mill cleaning to be every two weeks. <p>Waste reduction:</p> <ul style="list-style-type: none"> ○ Reduction in discharged waste water. The project including: Injection of water from hydro cyclone and blow down boiler to boiler chimney. It can prevent blow down boiler drain to water body, reduce waste water treated in WWTP. <p>Pollution and emissions:</p>	

Audit Report

NO	CRITERION / INDICATOR CHECKLIST	OBSERVATIONS & OBJECTIVE EVIDENCE	SUMMARY OF FINDINGS FOR EACH INDICATOR	COMPLIANCE (YES/NO)
			<ul style="list-style-type: none"> • Reduction of potential particulate release to the atmosphere by increase boiler ash capture by the chimney <p>Social Impact:</p> <ul style="list-style-type: none"> • Improve and implementation the CSR program regularly <p>Biodiversity conservation</p> <ul style="list-style-type: none"> • Planting riparian zone/river border with barrier to erosion plant and native species to conserve riparian zone • Monitoring of RTE species regularly to control the population dynamics of wildlife • Sign board installation for HCV protection and awareness to conserve biodiversity and HCV area <p>Regular evaluation of plantation and mill operation was performed through internal and external audits. The coverage of the audit including production planning, production, power generation and utilization, consumable, process control, quality control – including waste water treatment, maintenance, occupational health and safety, FFB incoming and inspection, and laboratory. The above audit reports indicated that all gaps against standard operation procedure of plantation and operation were noted. Corrective action plan was issued and implemented to demonstrate effort for compliance as well as continual improvement.</p>	

3.3.2 Mill Supply Chain Requirements

PART A COMPANY DETAIL

Company Name (covered by certification): PT. Rigunas Agri Utama – Peranap Mill		
RSPO member name: PT. Inti Indosawit Subur	RSPO member number: 1-0022-06-000-00	
RSPO IT Platform Registration number: RSPO_PO1000002063		
Site Address: Simelinyang, Pauh Ranap, Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia: 29354		
Management Representative: Mr. Husnisyah (Mill Manager)		
Site type: Palm Oil Mill		
Site capacity: 45 MT FFB/hour		
Certified palm product sold: 8,150 MT of PK and 1,587 MT of CPO		
Certified palm product used: 78,493 MT FFB		
App/Cert No: FMS40006	Audit Type: 3 rd Annual Surveillance Audit	
SAI Global Auditor/Team: R. Yosi Zainal Muhammad	Audit Date: 22/11/2017	Activity/Audit No: WI-791792
Audit objectives To verify the volume of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers, and the implementation of any processing controls		
Supply Chain Model:	Mass Balance	
Pertinent record period:	January – October 2017	
Estimated tonnage of certified palm product produced:	22,657 MT CPO and 5,418 MT PK	

Audit Report

Estimated of tonnage of non-certified palm product produced	36,809 MT CPO and 10,222 MT PK
String description:	Palm Oil Mill
Outsource activity(ies) (if any):	None
Independent third party(ies) performing outsource activity(ies): name, address and Capability	None

PART B SUPPLY CHAIN CERTIFICATION STANDARD

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

Audit Report

<p>certification report?</p>	<p><u>ASA1 – ASA2</u> Estimated CPO : 42,791 MT Estimated PK : 10,194 MT</p> <p><u>ASA2 – ASA3</u> Estimated CPO : 39,219 MT Estimated PK : 9,632 MT</p> <p><u>ASA4 – ASA4</u> Estimated CPO : 40,995 MT Estimated PK : 10,164 MT</p>	
<p>b. Does the figure represent the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year?</p>	<p>Yes, the figure does represent the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year.</p>	<p>C</p>
<p>c. Does the actual tonnage produced have to then be recorded in each subsequent annual surveillance report?</p>	<p>The actual tonnage produced has been recorded in each subsequent annual surveillance report, i.e:</p> <p><u>ASA1 – ASA2</u> Actual CPO : 38,597 MT Actual PK : 9,565 MT</p> <p><u>ASA2 – ASA3</u> Actual CPO : 38,974 MT Actual PK : 10,121 MT</p>	<p>C</p>
<p>E.2.2. The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>		
<p>a. The mill must also meet all registration requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim)?</p>	<p>Management of the mill has been aware about the registration requirements. Among others with regards to registration through RSPO IT Platform with Reg.No. : RSPO_PO1000002063 and they also recorded registration of transactional CPO and PK on RSPO IT Platform (e-trace) consistently. Transactional CPO and PK performed as evidence could be shown</p>	<p>C</p>
<p>b. The mill must also meet all reporting requirements for the appropriate supply chain through the RSPO supply chain managing</p>	<p>PT. Rigunas Agri Utama has met all registration requirements for the appropriate supply chain through the RSPO supply chain managing</p>	<p>C</p>

Audit Report

organization (RSPO IT platform or book and claim)?	organization (RSPO IT platform), with register number RSPO_PO1000003004.	
E.3 Documented Procedure		
<p>E.3.1. The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 		
<p>a. Does the site have written procedures and/or work instructions in place to ensure the implementation of all elements specified in these requirements?</p>	<p>The site has written procedures in form of documented SOP in place to ensure the implementation of all applicable elements specified in the RSPO SC standard, as follows:</p> <p>SOP # AA-MPM-OP-1400.17-R4 with a title of Traceability, it was supported a number of dedicated forms such as:</p> <p>1/ Weighbridge card record which describes :</p> <ul style="list-style-type: none"> • Name of estate / Plasma and number of afdeling (block) • Date of harvesting • Certificate No <p>2/ Delivery Notes and Order for CPO & PK from Medan marketing which describes :</p> <ul style="list-style-type: none"> • Site Name • Name of receiver • Contract Number • Product type, model and amount of product • Delivery date <p>3/ Daily Mill Report</p> <ul style="list-style-type: none"> • FFB receiving • FFB Processing for sustainable and non sustainable product • Delivering to Bulking station 	C

Audit Report

	<ul style="list-style-type: none"> • Daily Stock Opname report • Sounding report 	
b. Are procedures / work instructions completely covering the implementation of all the elements in these requirements?	The site has determined the procedure in form of Documented SOP which covered the implementation of the requirement RSPO SC standard.	C
c. Have the site had the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements?	<p>Based on the Procedure of Traceability, Top Management has assigned personnel who having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements, who is the Mill Manager.</p> <p>Weighing clerk responsible for data input and print out weighing card.</p> <p>Receiving of FFB was based on SPB (delivery note) covers whether are sustainable or non-sustainable. If sustainable then delivery note must covers:</p> <ul style="list-style-type: none"> - Estate name and block number - Year of planting - Date of harvesting - Certificate number - Batch number - Transporter identity. <p>All related personnel regarding Mill Manager, Head of Administration, weighing clerk, security, storage keeper etc. has been trained for refreshment of Traceability and Mass Balance on 10 August 2016</p>	C
d. Is the person able to demonstrate awareness of the site's procedures for the implementation of this standard?	The person was able to demonstrate awareness of the site's procedures for the implementation of this standard.	C
E.3.2. The site shall have documented procedures for receiving and processing certified and non-certified FFBs.		
a. Has the site had documented procedures for receiving certified FFBs?	The site has had documented procedures for receiving certified FFBs in form of SOP # AA-MPM-OP-1400.17-R4 "Traceability" and SOP for station of Receiving (AA-MPM-OP-1400.02-R1)	C
b. Has the site had documented procedures for receiving non-certified FFBs?	The site has had documented procedures for receiving NON certified FFBs in form of SOP # AA-MPM-OP-1400.17-R4 "Traceability" and SOP for station of	C

Audit Report

	Receiving (AA-MPM-OP-1400.02-R1)	
c. Has the site had documented procedures for processing certified FFBs?	The site had documented procedures for processing certified FFBs in form of SOP # AA-MPM-OP-1400.17-R4 "Traceability", SOP for production (AA-MPM-OP-1400.03 to 08-R1), SOP for storing and delivering (AA-MPM-OP-1400.14-R1)	C
d. Has the site had documented procedures for processing non-certified FFBs?	The site had documented procedures for processing NON certified FFBs in form of SOP # AA-MPM-OP-1400.17-R4 "Traceability", SOP for production (AA-MPM-OP-1400.03 to 08-R1), SOP for storing and delivering (AA-MPM-OP-1400.14-R1)	C
E.4 Purchasing and Goods In		
E.4.1. The site shall verify and document the volumes of certified and non-certified FFBs received.		
a. Does the site verify and document the volumes of certified FFBs received?	<p>Person who has responsibility for recording results weighbridge can demonstrate mechanism to verify and document the volumes of certified FFBs received, among others regarding</p> <ul style="list-style-type: none"> • Name of estate (Sources of certified FFB) • Date of harvesting • Certificate No 	C
b. Does the site shall verify and document the volumes of non-certified FFBs received?	<p>Person who has responsibility for recording results Weighbridge can demonstrate mechanism to verify and document the volumes of certified FFBs received, among others regarding</p> <ul style="list-style-type: none"> • Name of growers / plasma and number of afdeling (Sources of non-certified FFBs) • Date of harvesting • Certificate No 	C
E.4.2. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.		

Audit Report

<p>a. Does the site inform the CB immediately if there is a projected overproduction of certified tonnage?</p>	<p>The site has commitment to always keep in touch with SAI Global as CB to immediately inform if there is a projected overproduction of certified tonnage.</p>	<p>C</p>
<p>E.5 Records Keeping</p>		
<p>E.5.1. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.) For further details refer to Module C.</p>		
<p>a. Does the site record and balance all receipts of RSPO certified FFB on a three-monthly basis ?</p>	<p>The site has recorded and made balancing all receipts of RSPO certified FFB on a three-monthly basis.</p>	<p>C</p>
<p>b. The site shall record and balance all deliveries of RSPO certified CPO and PK on a three-monthly basis ?</p>	<p>The site has recorded and made balancing all receipts of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>C</p>
<p>c. Are all volumes of palm oil and palm kernel oil that are delivered being deducted from the material accounting system according to conversion ratios stated by RSPO ?</p>	<p>The entire amount or volume of CPO and PK have being deducted from the material (FFB) accounting system according to OER and KER defining on average of each process (i.e.: certified and non certified).</p>	<p>C</p>
<p>d. Is the site only able to deliver Mass Balance sales from a positive stock ?</p> <p>Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>There were found that the site has delivered the certified products from positive stocks. PT. Sari Dumai Sejati which has been RSPO SC certified model IP, SG and MB based on certificate number CU-RSPO SCC 821960</p>	<p>C</p>
<p>E.5.2. In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>		
<p>a. Does the mill outsource activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately</p>	<p>No outsourced activity</p>	<p>C</p>

Audit Report

certified ?		
b. Does the mill have to ensure that the crush is covered through a signed and enforceable agreement ?	No outsourced activity	C

3.3.2.2 Supply Chain Certification System

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

Audit Report

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

3.4 Recommendation

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

Audit recommendations are always subject to ratification by RSPO.

This report was prepared by: R. Yosi Zainal Muhammad, Nanang Rusmana, Daniel Sitompul, and Fahrul Rozi.

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

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

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

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

Signed for and on behalf of PT. Rigunas Agri Utama (Peranap Mill)



Date 8 / 3 / 2018

Signed for and on behalf of PT. SAI Global Indonesia



Inge Triwulandari
Technical Manager

Date 19 / 2 / 2018

Audit Report
Appendix "A" – Audit Record

Date	Auditor	Audit meetings plus functions/ processes/ areas/ *shifts audited:	# Shifts*	Times* From - To
20/11/2017		Day 1 – Monday		
	All auditors	Travelling Jakarta – Pekanbaru (GA 172)		08:35 – 10:20
	All auditors	Travelling Pekanbaru – Peranap		11:00
21/11/2017		Day 2 – Tuesday		
	All auditors	Opening Meeting		08:00 – 08:30
	All auditors	Peranap Estate Document review and field visit; Verification on previously findings		
	Yosi	<u>Social RSPO</u> <ul style="list-style-type: none"> • Criteria: 1.1; 1.2; 1.3 all indicators • Criteria: 2.1.1 for social aspect • Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator • Criteria: 4.6.12 • Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 • Criteria: 8.1 <u>ISPO</u> <ul style="list-style-type: none"> • Criteria: 1.5, 1.8 • Criteria: 2.1.2, 2.1.4, 2.5 • Criteria: 5.2, 5.3, 5.4, 5.5 • Criteria: 6.1, 6.2, 6.3 • Criteria: 7 Interview with employee, gender committee, and labour union.		08:30 – 17:00
	Nanang	<u>Environment & HCV / Protection Area</u> <u>RSPO</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for environmental aspects • Criteria: 4.4.1, 4.4.2; 4.4.3 • Criteria: 4.6.6, 4.6.10 • Criteria: 5.1, 5.2; 5.3, 5.4, 5.5 and 5.6 (all indicators) • Criteria: 8.1 <u>ISPO</u> <ul style="list-style-type: none"> • Criteria: 2.2.1.6.2, 2.2.2.4, 2.2.2.5 • Criteria: 4.1, 4.2, 4.3, 4.4, 4.6; 4.7, 4.8, 4.9; 4.10 • Criteria: 7 		08:30 – 17:00
	Daniel	<u>Health and Safety</u> <u>RSPO</u> <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for OHS aspects 		08:30 – 17:00

Audit Report

		<ul style="list-style-type: none"> • Criteria: 4.6.11 • Criteria: 4.7 all indicators • Criteria: 4.8 all indicators • Criteria: 8.1 <p>ISPO</p> <ul style="list-style-type: none"> • Criteria: 4.5, 5.1 • Criteria: 7 		
	Rozi	<p><u>Agronomy BMP and Legality</u></p> <p>RSPO</p> <ul style="list-style-type: none"> • Criteria: 2.2.1, 2.2.2 • Criteria: 3.1 (all indicator) • Criteria: 4.1.1, 4.1.2 and 4.1.3 for estate, 4.1.4 • Criteria: 4.2, 4.3, 4.5 all indicators • Criteria: 4.6.1, 4.6.2, 4.6.3, 4.6.4, 4.6.5, 4.6.7, 4.6.8, 4.6.9 • Criteria: 6.10 • Criteria: 7.3 (if any) • Criteria: 8.1 <p>ISPO</p> <ul style="list-style-type: none"> • Criteria: 1.1, 1.2, 1.3, 1.4, 1.6, 1.7, 1.9 • Criteria: 2.1.1, 2.1.3, 2.1.5, 2.3, 2.4 • Criteria: 3 • Criteria: 2.2.1.1, 2.2.1.2, 2.2.1.3, 2.2.1.4, 2.2.1.5, 2.2.1.6.1, 2.2.1.6.3, 2.2.1.7, 2.2.2.1 • Criteria: 7 		08:30 – 17:00
22/11/2017		Day 3 – Wednesday		
		<p>Peranap Mill</p> <p>Document review and field visit; Verification on previously findings</p>		
	Yosi	<p><u>Social</u></p> <p>RSPO</p> <ul style="list-style-type: none"> • Criteria: 1.1; 1.2; 1.3 all indicators • Criteria: 2.1.1 for social aspect • Criteria: 2.2.3; 2.2.4; 2.2.5; 2.2.6; 2.3 all indicator • Criteria: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.11, 6.12, 6.13 • Criteria: 8.1 <p>ISPO</p> <ul style="list-style-type: none"> • Criteria: 1.5, 1.8 • Criteria: 2.1.2, 2.1.4, 2.5 • Criteria: 5.2, 5.3, 5.4, 5.5 • Criteria: 6.1, 6.2, 6.3 • Criteria: 7 <p>Interview with employee, gender committee, and labour union.</p> <p><u>Supply Chain – Mill and Partial Certification System of 4.2.4</u></p>		08:00 – 17:00

Audit Report

		Public Consultation with external stakeholders		10:00 – 11:00
	Nanang	<u>Environment</u> RSPO <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for environmental aspects • Criteria: 4.4.1, 4.4.3, 4.4.4 • Criteria: 4.6.6, 4.6.10 • Criteria: 5.1, 5.3, 5.4, and 5.6 (all indicators) • Criteria: 8.1 ISPO <ul style="list-style-type: none"> • Criteria: 2.2.1.6.2, 2.2.2.4, 2.2.2.5 • Criteria: 4.1, 4.2, 4.3, 4.4, 4.7, 4.10 • Criteria: 7 		08:00 – 17:00
	Daniel	<u>Health and Safety</u> RSPO <ul style="list-style-type: none"> • Criteria: 2.1 all indicators for OHS aspects • Criteria: 4.7 all indicators • Criteria: 4.8 all indicators • Criteria: 8.1 ISPO <ul style="list-style-type: none"> • Criteria: 4.5, 5.1 • Criteria: 7 		08:00 – 17:00
	Rozi	<u>Processing BMP and Legality</u> RSPO <ul style="list-style-type: none"> • Criteria: 2.2.1, 2.2.2 • Criteria: 3.1 (all indicator) • Criteria: 4.1.1, 4.1.2, and 4.1.3 for mill • Criteria: 6.10 ISPO <ul style="list-style-type: none"> • Criteria: 2.2.2.2, 2.2.2.3 • Criteria: 7 		08:00 – 17:00
23/11/2017		Day 4 – Thursday		
	All auditors	Continued audit (estate / mill)		08:00 – 12:00
	All auditors	Auditor discussing		14:00 – 15:00
	All auditors	Closing Meeting		15:00 – 16:00
	All auditors	Travelling Peranap – Pekanbaru		16:00
	All auditors	Stay in Pekanbaru		
24/11/2017		Day 5 – Friday		
	All auditors	Travelling Pekanbaru – Jakarta (GA 173)		08:30 – 10:20

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

RSPO Principle and Criteria, Indonesian National Interpretation

No	RSPO Indicator	Details	Corrective Action	PIC	Completion Date	Status
Initial Certification Audit						
1	RSPO Certificati on System clause 4.2.4	<p>Evidence of compliance with partial certification requirements can be shown during audit</p> <p>Objective evidence:</p> <p>No evidence that the organisation has evaluated partial certification requirements for un certified unit.</p>	<ul style="list-style-type: none"> - RSPO Internal Audit report for un-certified units have been shown, the report indicated that the organisation has reviewed requirements of RSPO certification system section 4.2.4. e, f, g, and h. The internal audit report indicated that partial certification requirements have been met. - Management has appointed SPO officer to ensure that all partial requirements to be covered during RSPO Internal Audit report, and to ensure that evidence of compliance with partial certification requirements are available and can be shown during audit. 	Estate and Mill	23/03/2014	Closed
2	RSPO Criterion 2.1. indicator major 1	<p>There was no documented evidence of compliance with laws and regulations.</p> <p>Objective evidence:</p> <p>a. Compliance with several laws and regulations have not been evaluated, e.g.</p> <ul style="list-style-type: none"> - PP 81/2012 (Pengelolaan sampah rumah tangga dan sejenisnya), - Per.Men LH 21/2008 (Baku Mutu Emisi Sumber tidak bergerak), - Per.Menkes 416/1990, Permenaker No.25/2008 (Diagnosis PAK), - KepMenaker No.609/2012 (Pedoman Penyelesaian kasus kecelakaan kerja dan PAK). - Per.Gub Riau No. 35/2007 (Limbah cair) <p>b. Based on latest resume medical check-up of audiometry test it was noted 16 mills employees and 34 estate employees were not in normal condition (hearing losses) also based on spirometer it was noted 22 estate employees were had lungs restriction, however there was no further investigation (anamneses and diagnoses) from the medical doctor which is required by Permenaker No.2/1980 article 3</p>	<ul style="list-style-type: none"> - Evaluation of compliance in regards to legal aspects regarding: <ul style="list-style-type: none"> ✓ PP 81/2012 (Pengelolaan sampah rumah tangga dan sejenisnya), ✓ Per.MenLH 21/2008 (Raw Mutu Emisi Sumber tidak bergerak), ✓ Per.Menkes 416/1990, ✓ PermenakerNo.25/2008 (Diagnosis PAK), ✓ KepMenakerNo.609/2012 (Pedoman Penyelesaian kasus kecelakaan kejadian PAK). ✓ No. Per.Gub Riau. 35/2007 (Limbah cair) was evident - Noise level measurement result was available and mutation letter of employee who were exposed by to the risk of occupational disease based on Medical Check Up was also available. - Registration letter of PHL worker to national insurance program (Jamsostek) was available. - KTU responsibilities have been added by the management including updating regulation and applicable laws in the Legal Compliance Evaluation. Added responsibilities also 	Estate and Mill	23/03/2014	Closed

AUDIT REPORT

No	RSPO Indicator	Details	Corrective Action	PIC	Completion Date	Status
		<p>point 6.</p> <p>c. Some workers have not been covered by national insurance program (Jamsostek) as required by Kepmenakertrans no.150/1999, e.g. some PHL workers (81 harvesters and 62 people in maintenance work)</p>	<p>cover ensuring immediate further action if there any abnormalities of workers based on the results of the MCU.</p>			
3	RSPO Criterion 2.2. indicator major 2	<p>Maintenance has not been carried out entirely on the BPN peg conforming to the BPN measurement; measurement certificate no. 01/INHU/2000, and Special Situations Map dated 01/08/1997 no. 12/1997, a map with a scale of 1 : 40,000.</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> Map of HGU pegs was not entirely equipped with BPN numbering and coordinate and peg conditions was poorly maintained. Records / documents such as map of BPN pegs, list of BPN pegs with its coordinates and maintenance of pegs (legal boundaries) cannot be shown during audit. 	<ul style="list-style-type: none"> HGU peg number has been completed and the concession coordinate map was available so that the appointed personnel (sustainability officer) can performed crosscheck between coordinate points in the map with HGU peg in the field. Records of HGU peg maintenance were available in the "Laporan Pemeriksaan dan Perawatan Patok Batas" and program of HGU peg monitoring was available in "Jadwal Pemeriksaan dan Perawatan Patok Batas" scheduled in June and December. 	Estate	23/03/2014	Closed
4	RSPO Criterion 4.4 indicator minor 2	<p>BOD of mill effluent was not complied with the environmental limit.</p> <p>Objective evidence:</p> <p>According to Report of Analysis of mill effluent dated December 5th 2013, BOD value was 9,673.5 mg/l, while the standard based on KepMenLH 28/2003, Pergubri 35/2007, SNI 06-6989.72-2009 and RKL dokumen was 5000 mg/l.</p>	<p>Another circulation pump has been installed so that now there were two circulation pumps. Record of both circulation pump operation (hour machine) was available. Result of analysis from environmental forensic laboratory of University of Riau dated December 23rd 2013 was available and the result is that BOD level was 3,185 mg/L (normal).</p>	Mill	23/03/2014	Closed
5	RSPO Criterion 4.7 indicator major 1	<p>There were no clear rules and/or mechanism to ensure of transporter personnel (especially the palm shell transporter PT. SDS/PT. SK) were concern about OHS regulation as it was observed that several transporter personnel did not use proper PPE while climbing the trucks which were above 2 metres high.</p>	<ul style="list-style-type: none"> Records related dissemination regarding the use of PPE and the importance of safety to the contractor were available. Mechanism regarding the use of PPE for contractors which enter factory work area was established in "Mekanisme Pemakaian APD bagi kontraktor memasuki areal pabrik". 	Estate and Mill	23/03/2014	Closed
6	RSPO Criterion 4.7 indicator	<p>Several high-risk routine activities were not covered in Risk Analysis in POM.</p> <p>Objective evidence:</p>	<ul style="list-style-type: none"> Risk analysis in confined spaces and for work at height has been established. Gas detector and full body harness have been provided. 	Estate and Mill	23/03/2014	Closed

AUDIT REPORT

No	RSPO Indicator	Details	Corrective Action	PIC	Completion Date	Status
	minor 3	Based on the observation during audit, it was sighted several personnel of transporter, especially transporter of palm shell (PT SDS/PT SK) was not wearing PPE (helmet and shoes) while loading the palm shell at the mill area. The transporter personnel also sighted was climbing the trucks (above 2 meters high) to assist the loading activities.	<ul style="list-style-type: none"> - Job safety analysis before doing work in confined spaces and working at heights has been established. Documented system that required job safety analysis was done before working was stated in the Job Safety Analysis format, it was also stated that Ahli K3 (OHS personnel) responsible to ensure that job safety analysis was done before working and the Manager has full responsibility for all activities in regard technical, non-technical and safety aspects. 			
7	RSPO Criterion 5.3 indicator major 2	<p>Hazardous waste temporary storage exceeds the time limits specified in the permit storage (4/BPMD&PPT/BP-LB3/XI/2013).</p> <p>Objective evidence:</p> <p>Based on the existing manifest, hazardous waste shipment was made on May 22nd, 2013 and December 9th, 2013, the time interval exceeds the maximum temporary storage limit (90 days) specified in the license no. 4/BPMD & PPT/BP-LB3/XI/2013.</p>	<ul style="list-style-type: none"> - Program of hazardous waste transportation has been established in "Rencana dan Realisasi Pengangkutan Limbah B3", for Peranap Mill was scheduled in March, June, September and December. - Logbook of hazardous waste temporary storage was available in "Lembar Kegiatan Penyimpanan Limbah B3" covers type of hazardous waste, date of entry, source, quantity, date taken out, quantity taken out and destination, evidence that Environment Staff of Regional Office Pekanbaru has monitored the logbook was available. 	Mill	23/03/2014	Closed
8	RSPO Criterion 6.2. indicator major 1	<p>The outside grower has not been recognized as stakeholder for sustainability support.</p> <p>Objective evidence:</p> <p>The stakeholder list did not contain any local farmers as outside supplier.</p>	<ul style="list-style-type: none"> - Outside FFB supplier has been added to the stakeholder list including address, contact person, phone number should be mentioned in detail - Responsibilities of Mill KTU has been added in regard of ensuring the addition of outside FFB Supplier to the stakeholders list if there was new FFB supplier. 	Estate and Mill	23/03/2014	Closed
9	RSPO Criterion 5.2. indicator major 2	<p>The company doesn't have appropriate measures to preserve existing HCV.</p> <p>Objective evidence:</p> <p>The Company doesn't have SOP which is specific for the HCV management.</p>	<ul style="list-style-type: none"> - Procedure of specific HCV management was available and can be shown. - KTU responsibilities have been added by the management in regard ensuring the availability and updating of documented procedures. 	Estate	23/03/2014	Closed
10	RSPO Criterion 5.2. indicator major 3	<p>Measures taken for protecting species and their habitats included actions to control any illegal or inappropriate hunting, fishing or collecting activities have not been in accordance with relevant laws.</p> <p>Objective evidence:</p> <p>1. The HCV Management Plan and its implementation did not cover conservation and monitoring of rare or</p>	<ul style="list-style-type: none"> - Monitoring Program of endangered habitat and species (key species) based on HCV Assessment Report of PT. Rigunas Agri Utama-Peranap Mill has been added in the Conservation Management Plan, including the method of line transect, personnel in charge and due date. - In the Conservation Management Plan, it has been described that Estate Manager and Assistant were 	Estate	23/03/2014	Closed

AUDIT REPORT

No	RSPO Indicator	Details	Corrective Action	PIC	Completion Date	Status
		<p>threatened species and their habitats, which were HCV 1 key elements: Southeast Asian Box Turtle <i>Coura amboinensis</i>, and Southeast Asian Soft shell Turtle <i>Amyda cartilaginea</i>.</p> <p>2. Controls of illegal wildlife hunting, fishing, or harvesting, have not been implemented in a planned and consistent manner. Efforts were limited to the establishing of information/warning/prohibition boards.</p>	<p>responsible for implementation of CMP, including direct method which is conducting dissemination in regard of prohibition of hunting in production area and indirect dissemination through the use of signboard in regard of prohibition of wildlife hunting.</p> <p>- Laws and Regulation have been added in the CMP as the basic of illegal wildlife hunting control, e.g.:</p> <ul style="list-style-type: none"> <input type="checkbox"/> IUCN Red list and CITES (international regulation for protected wildlife) <input type="checkbox"/> UU No.5/1990 (Conservation of Natural Resources and Ecosystems) <input type="checkbox"/> PP No.7/1999 (List of protected plants and animals) <input type="checkbox"/> Kepres No.32/1990 (Management of protected areas). 			
1st Annual Surveillance Audit						
1	RSPO 2013 2.2.2 (minor)	Organization has create the maintenance program for boundary stakes of HGU however SOP/mechanism for boundary demarcation and its maintenance was not available yet	Providing hardcopy and filing work instructions mechanism and method of determination of boundary markers and maintenance and monitoring in each division	Estate	22/11/2016	Closed
2	RSPO 2013 4.4.1 (minor)	Evidence of report and retribution payment of ground water usage cannot be shown during audit	<ul style="list-style-type: none"> • Reported the ground water usage for period 2014 – 2015 to Dinas Pendapatan Daerah (Dispenda) Indragiri Hulu District • Updating and filing the new regulation about retribution of water utilization 	Estate	28/12/2015	Closed
3	RSPO 2013 4.6.1 (Major)	Permit of pesticides use has been expired	Listing and filing the type of pesticide that used at Peranap Estate as well as completing and updating the authorization of pesticides.	Estate	28/12/2015	Closed
4	RSPO 2013 4.6.2 (Major)	Records of LD50 for each pesticides use has not been provided by Organization	Consistently include LD50 values in LUK	Estate	02/03/2016	Closed
5	RSPO	Several workers at Peranap estate have not been covered	The employee ID and family card has been the requirement for new employee recruitment and also been follow up by	Estate	02/03/2016	Closed

AUDIT REPORT

No	RSPO Indicator	Details	Corrective Action	PIC	Completion Date	Status
	2013 4.7.6 (minor)	by accident insurance	registration to the accident insurance.			
6	RSPO 2013 5.2.4 (minor)	There is no evidence that the monitoring activity of biodiversity especially RTE species give the outcomes and feed back into the conservation management plan	Make a standardized format for report writing and analysis Results of identification and biodiversity monitoring and review it routinely	Estate	22/11/2016	Closed
7	RSPO 2013 5.6.3 (minor)	GHG calculation has not been reported to RSPO	Reported to RSPO GHG calculation result regularly once a year	Estate	04/02/2017	Closed
2nd Annual Surveillance Audit						
1	RSPO 2013 2.1.1 (Major)	<p>1) PUP (Perkembangan Usaha Perkebunan) report was not sent yet periodically (bi-annually) to local agriculture authorities (Disbun) since the last report in December 2013. It was not comply with Permentan No.26/Permentan/OT.140/2/ 2007, Permentan No. 98/Permentan/OT.140/9/2013</p> <p>2) Several lifting equipment in Peranap Mill has not been retested by local authorities and one backhoe loader has not been approved by local authorities.</p>	<p>1) PIC of PUP report (KTU of Peranap Estate) must collect evidence of PUP report handover at maximum 2 weeks after delivery to Pekanbaru.</p> <p>2) Safety Officer provide monitoring checklist of the due date permits of lifting equipment and other machineries</p>	KTU	04/02/2017	Closed
2	RSPO 2013 4.2.3 (minor)	<ul style="list-style-type: none"> SOP / mechanism for soil sampling to monitor changes in nutrient was not available. There is no recording of "activities and results" related soil sampling as basic fertilizer recommendations both in 2013, 2014, 2015. It was noted that the last soil sampling in 2012 	Sustainability Officer must keep the Procedure of Soil Analysis in the form of soft and hard copy at Peranap Estate PT Rigunas Agri Utama.	Sustainability Officer	04/02/2017	Closed
3	RSPO 2013 4.6.9 (minor)	Based on document review and interview with smallholders and company staff, there was no evidence that KUD (smallholders) has been trained on handling pesticide	Sustainability Officer create training program for smallholders and its realization monitoring	Sustainability Officer	04/02/2017	Closed
4	RSPO	Safety working permit process for CPO Tank Washing on	Safety Officer conducted dissemination to workers working with high risk (confined space, height etc.) regarding the importance	Safety	04/02/2017	Closed

AUDIT REPORT

No	RSPO Indicator	Details	Corrective Action	PIC	Completion Date	Status
	2013 4.7.2 (Major)	June 2016 has not been implemented	of safety working permit process.	Officer		
5	RSPO 2013 4.7.3 (Major)	<ul style="list-style-type: none"> Pesticides operators at Peranap Estate were not equipped by safety glasses. It was found the harvesting knife (<i>egrek</i>) was kept without its cover in the emplacement (house) of Afdeling 3. 	<ul style="list-style-type: none"> Conduct dissemination to workers regarding to the importance of using PPE Conduct dissemination to workers regarding the importance of protection for working tools such as <i>egrek</i> (harvesting knives) 	Safety Officer	04/02/2017	Closed
6	RSPO 2013 5.2.2 (Major)	There was no monitoring for Sialang tree (<i>Koompasia sp.</i>) as HCV 6.	The existence of Sialang trees in the Peranap Estate and monitoring of HCV 6 was incorporated into the presence of Flora and Fauna Monitoring.	Sustainability Officer	04/02/2017	Closed
7	RSPO 2013 5.2.5 (minor)	There was no evidence negotiated agreement between organization and local community to safeguards both the HCV (Sialang tree) and these rights	The documented agreements with local communities regarding protection of HCV area was stored well in the document room.	Sustainability Officer	23/11/2017	Closed
8	RSPO 2013 5.6.3 (Major) Recurring from the 1 st ASA	There was no available the GHG emission calculating and reporting to RSPO	Sustainability Team established schedule to conduct calculation of GHG emission and reported it to RSPO periodically	Sustainability Officer	04/02/2017	Closed
9	RSPO 2013 6.1.4 (minor)	Based on document review, social impact management and monitoring Year 2015	Social impact management and monitoring which involving participation of stakeholder around Peranap Estate will carried out, evaluated and analysed periodically.	Sustainability Officer	23/11/2017	Closed
10	RSPO 2013 6.5.2 (Major)	Based on field observation in Block A93d Division 1 Peranap Estate, it was found 3 wife of workers named Mrs. Isoh, Mrs. Warsini and Mrs. Tuminsih working as loose fruit pickers.	Estate Manager issued Memorandum to all staff and harvesters in order not to bring his family or others to assist harvesting.	Estate Manager	04/02/2017	Closed
11	RSPO	Based on field observation in Division 3 Peranap Estate, it	Supervisor immediately take notes on employee complaints	KTU	04/02/2017	Closed

AUDIT REPORT

No	RSPO Indicator	Details	Corrective Action	PIC	Completion Date	Status
	2013 6.5.3 (minor)	was found one of worker house is in inadequate condition, such as the ceiling is leaking in the living room and the back door is in damaged condition.	logbook if any employee reporting. The action in response to the complaint the employee at least 14 days.			
Special Audit						
1	RSPO 2013 5.2.1 (Major)	HCV assessment process didn't included consultation with such relevant stakeholders as relevant government departments and interested NGOs	Annually reporting of HCV implementation to BKSDA Riau Province by Sustainability Staff	Sustainability Officer	27/04/2017	Closed
2	RSPO 2013 6.1.1 and 6.1.3 (Major)	Based on document review, SIA does not covered several factors and there was no plan for avoidance or mitigation of negative impacts and promotion of the positive ones, for aspects : a. Subsistence activities b. Welfare of women workers, children and vulnerable group	EMS and CSR Team will monitor the SIA implementation through implementation of management and monitoring environment (RKL/RPL) and CSR that refer to RSPO PC INANI 2016	Sustainability Officer	04/02/2017	Closed

AUDIT REPORT
Appendix “C” – Nonconformities and Opportunity for Improvement Summary

RSPO Principle and Criteria, Indonesian National Interpretation

Organisation Name:		PT. Rigunas Agri Utama – Peranap Mill		Location:		Simelinyang, Pauh Ranap, Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau Province, Indonesia	
Date:	21/11/2017	Audit team leader:	R. Yosi Zainal M.	Activity/Report ID:	WI-791792	License/Certificate No.:	FMS40006
Organisation’s acknowledgement of receipt of NCR			Employee Name:	Welly Joel Candra		Date NCR Accepted:	23/11/2017

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
01	RSPO INANI 2016 Indicator 1.1.1	minor	<p>Non-conforming situation: List of stakeholders did not include all affected parties.</p> <p>Objective Evidence : Not all stakeholders in the company were on the stakeholders list, such as local contractors on behalf Yori Chandra, Sri wahyuni, and CV Monica.</p>	<p>Due Date: Next audit</p> <p>SAI Follow up Method: on-site</p>	Update all stakeholders in the company, includes local contractors on behalf Yori Chandra, Sri Wahyuni, and CV Monica date on 2 December 2017 by Public Relation (<i>Humas</i>).	<p>Root Cause : These contractors were handled by Regional Office (contract, payment, etc.) and also domicile them no around at company. Regional Office was not inform to Humas, so they were not identified by Humas.</p> <p>Corrective Action : Inform to Regional Office that all contractors handled by them must inform to Humas and if any adding/updating.</p>	<p>Response: Acceptable Reviewer: R. Yosi Zainal M. Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> All correction evidences have been submitted and implemented. It was effectively conducted. The minor NCR can be closed at the time of the next audit (onsite) by reviewing the effectiveness of corrective action. <p>Reviewer: R. Yosi Zainal M. Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
N C R Nr .	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
02	RSPO INANI 2016 Indicator 2.1.1	Major	<p>Non-conforming situation:</p> <p>There was a regulations that have not been updated and have not been realized.</p> <p>Objective evidence :</p> <p>a. Based on document review, SK MenLHK No 130/2017 <i>"Penetapan Peta Fungsi Ekosistem Gambut Nasional"</i> have not been identified in list environment legal update 5 April 2017.</p> <p>b. Based on field observation in Spraying Activity in Block A95C Afdeling I, it was found that 5 knapsacks of the spray workers not given the B3 Symbol, it was not comply with PerMenLh No. 3/2008 <i>Pasal 3</i> related <i>"Tata Cara Pemberian Simbol dan Label B3"</i>.</p>	<p>Due Date: 23/01/2018</p> <p>SAI Follow up Method: on-site</p>	<p>a. Provide SK MenLHK No 130/2017 <i>"Penetapan Peta Fungsi Ekosistem Gambut Nasional"</i> in list of regulation evaluation date on 2 December 2017 by Humas</p> <p>b. Labelling of "Simbol B3" in knapsacks of the spray workers by Safety Officer and Head of Assistant date on 9 December 2017.</p>	<p>Root Cause :</p> <p>a. Lack of cooperation intensity between SSL Dept. Coordinator and Humas/KTU for updating regulation. At the time, regulation updating was conducted minimum once a year and the last updated on 05 April 2017.</p> <p>b. HIRAC has not analysed knapsack's symbol from Spraying Activity.</p> <p>Corrective Action :</p> <p>a. SSL Dept. Coordinator, Sustainability and CSR, Dept, and <i>Humas</i> have been coordinated date on 4 January 2018 regarding revision of regulation updating (International, National, Province, and Local Regulation) minimum every 3 months. SSL Dept. will inform to <i>Humas</i>/KTU by email and knowledge by Sustainability and CSR Dept. It was stated in Internal Memorandum NO. 030/SM-RAU/MEMO/1/2018 date on 04 January 2018.</p>	<p>Response: Acceptable</p> <p>Reviewer: R. Yosi Zainal M.</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <p>Corrective action has been verified and effectively can be implemented. Non-conformance considered as closed.</p> <p>Reviewer: R. Yosi Zainal M.</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
						b. Revised the HIRAC by AK3U that analysed knapsack's symbol from Spraying Activity, such as Hazardous and Toxic in January 2018. And HIRAC was reviewed monthly by AK3U in Safety Meeting.		
03	RSPO INANI 2016 Indicator 4.1.3	minor	<p>Non-conforming situation:</p> <p>The internal calibration tool for measuring the pressure gauge has not been calibrated.</p> <p>Objective evidence:</p> <p>The company has internal calibration for pressure gauge for some of process machine on mill, but the internal calibration tool for measuring the pressure gauge has not been calibrated</p>	<p>Due Date: Next audit</p> <p>SAI Follow up Method: on-site</p>	Manager Mill performs master calibration Pressure Gauge in cooperation with third party (PT. Jasindo Mandiri) dated 26 December 2017	<p>Root Cause:</p> <p>The internal Measurement Calibration Tool (master) does not identified in the list of tools that need to be calibrated in the Mill</p> <p>Corrective Action:</p> <p>Assistant Process updates the list of tools that need to be calibrated at the Mill by adding a master pressure gauge to the list.</p>	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> All correction evidences have been submitted and implemented. It was effectively conducted. The minor NCR can be closed at the time of the next audit (onsite) by reviewing the effectiveness of corrective action. <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
04	RSPO INANI 2016 Indicator 4.4.1	minor	<p>Non-conforming situation:</p> <p>Practices maintain the quality and availability of surface and ground water do not conducted properly.</p> <p>Objective evidence :</p> <p>Based on interview and field observation in Spraying Activity Block A95C Afdeling I, it was found that hand wash water was not accommodated in available buckets.</p>	<p>Due Date:</p> <p>Next audit</p> <p>SAI Follow up Method:</p> <p>on-site</p>	Head Assistant and AK3U has been done modified the TUS Truck by making a hand wash basin in the TUS Truck dated 9 December 2017	<p>Root Cause:</p> <p>The driver (TUS Truck) have difficulty to move the bucket of hand wash water.</p> <p>Corrective Action:</p> <p>Head Assistant and AK3U making Work Instruction related hand wash activity after spraying.</p>	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> All correction evidences have been submitted and implemented. It was effectively conducted. The minor NCR can be closed at the time of the next audit (onsite) by reviewing the effectiveness of corrective action. <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
05	RSPO INANI 2016 Indicator 4.6.5 and 4.7.5	Major	<p>Non-conforming situation:</p> <p>The emergency equipment was not available at working location.</p> <p>Objective evidence:</p> <p>a. There was no MSDS available for Kenrane and Elang at spraying working location block A95c division 01.</p> <p>b. There was no MSDS available for NaOH as water treatment plant material</p>	<p>Due Date: 23/01/2018</p> <p>SAI Follow up Method: on-site</p>	<p>a. Head Assistant and AK3U have completed all MSDS for each chemical used during spraying activity on 25 November 2017.</p> <p>Warehouse clerk has been installed again MSDS NaOH on 24 November 2017</p>	<p>Root Cause :</p> <p>a. <i>Mandor</i> still lacks understanding and considers it unnecessary to provide MSDS at work location while working.</p> <p>b. Warehouse clerk is still less concerned about the importance of MSDS for chemicals.</p> <p>Corrective Action:</p> <p>a. Head Assistant has conducted a socialisation to <i>Mandor Semprot</i> to provide MSDS at workplace during spraying activity. Head Assistant also has conducted weekly monitoring of MSDS at workplace (spraying activity) for December 2017 and January 2018.</p> <p>b. <i>KTU and AK3U</i> has conducted socialisation to warehouse clerk to check the MSDS in Warehouse on 4 December 2017. <i>KTU</i> has conducted monthly monitoring of MSDS in workplace (warehouse mill).</p>	<p>Response: Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <p>Field verification was conducted in spraying activity at Block D92a Afdeling IV on 16 January 2017, MSDS Kenrane and Elang was available at workplace. Field verification also was conducted in Warehouse Mill on 17 January 2017, MSDS NaOH was available at warehouse.</p> <p>Corrective action have been implemented, i.e.:</p> <p>a. Head Assistant has conducted a socialisation to all <i>Mandor Semprot</i> to provide MSDS at workplace area during spraying activity on 27 November 2017 (Afdeling I, II, III and IV). The result of weekly inspection by Head Assistant related MSDS at workplace area (spraying activity) was shown during follow up audit for December 2017 and January 2018 (week 1 and 2).</p> <p>b. <i>KTU and AK3U</i> has conducted a socialisation to warehouse clerk to provide MSDS at warehouse on 4 December 2017, the evidence was shown during follow up audit. The result of weekly inspection by <i>KTU</i> for December 2017 and January 2018 (week 1 and 2) related MSDS at workplace area Mill (fertilizer warehouse, fuel station, chemical storage) was shown during follow up audit.</p> <p>NCR closed.</p> <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
06	RSPO INANI 2016 Indicator 4.6.6	Major	<p>Non-conforming situation:</p> <p>There were inconsistencies implementations of waste management procedure.</p> <p>Objective evidence :</p> <p>Based on field observation in emplacement Afdeling I, it was found private knapsack and empty pesticides container stored in worker's house not well managed.</p>	<p>Due Date: 23/01/2018</p> <p>SAI Follow up Method: on-site</p>	<p>a. Head Assistant, Assistant Afdeling and Humas has been conducted sweeping in emplacement (Afdeling I) and empty pesticides container has been collected to the TPS LB3 and for private knapsack has been move out from the emplacement to the employees private fields) on 1 December 2017.</p> <p>b. AK3U has been made an information board for not bringing private knapsack and private empty pesticides container to emplacement on 1 December 2017.</p>	<p>Root Cause:</p> <p>There has been no socialization to workers related SOP AA-KL-06 EFP "Limbah B3 Industri"</p> <p>Corrective Action:</p> <p>a. Assistant has conducted a socialisation to all worker/Afdeling I, II, III and IV during morning cycle (apel pagi) on 13-14 December 2017.</p> <p>b. Assistant, Humas and Head of Security/Danru have conducted monthly monitoring at emplacement for December 2017 and January 2018.</p>	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> Field verification was conducted in emplacement Afdeling IV on 16 January 2018. Based on field verification was shown that no more private knapsack and private empty pesticides container in the emplacement. Corrective action have been implemented with conducted socialisation to all worker in Afdeling I-IV on 13-14 December 2017, the document was shown during follow up audit (photo, minutes of meeting, attendance list). The result of monthly inspection by Assistant, Humas and Head of Security/Danru for December 2017 and January 2018 (week 1 and 2) was shown during follow up audit which are monitored i.e.: Hazardous Waste, Private Knapsack. <p>NCR closed.</p> <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
07	RSPO INANI 2016 Indicator 4.6.7	minor	<p>Non-conforming situation:</p> <p>There is an application of pesticide use that have risk and impact for the employee housing environment.</p> <p>Objective evidence:</p> <p>Based on field observations, there was former applications of pesticide use in the employee housing environment of Afdeling 1.</p>	<p>Due Date:</p> <p>Next audit</p> <p>SAI Follow up Method:</p> <p>on-site</p>	<p>The workers has been the grass clearing mechanically (use the grass machine) and manual in around emplacement.</p> <p><i>AK3U</i> has been made an information board for not bringing private knapsack and private empty pesticides container to emplacement on 1 December 2017.</p>	<p>Root Cause:</p> <p>There has been no socialization to workers related application of pesticides in the emplacement.</p> <p>Corrective Action:</p> <p>Assistant has conducted a socialisation to all worker/Afdeling I, II, III and IV during morning cycle (apel pagi) on 13-14 December 2017.</p> <p>Assistant, <i>Humas</i> and Head of Security/<i>Danru</i> have conducted monthly monitoring at emplacement for December 2017 and January 2018.</p>	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> All correction evidences have been submitted and implemented. It was effectively conducted. The minor NCR can be closed at the time of the next audit (onsite) by reviewing the effectiveness of corrective action. <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
08	RSPO INANI 2016 Indicator 4.7.2	Major	<p>Non-conforming situation:</p> <p>The risk control for cutting process at warehouse mill and estate was not determined optimally</p> <p>Objective evidence:</p> <p>There was no FBA equipment attached to O2 and LPG gas tube used for metal cutting process at mill and estate warehouse.</p>	<p>Due Date:</p> <p>23/01/2018</p> <p>SAI Follow up Method:</p> <p>on-site</p>	Assistant Workshop in Estate and Mill has been installed the FBA on O2 and LPG gas tube on 27 November 2017.	<p>Root Cause:</p> <p>The HIRADC has not analysed and mentioned the use of FBA on O2 and LPG gas tube.</p> <p>Corrective Action:</p> <p>AK3U has revised the HIRADC related the use of FBA in LPG and O2 gas tube for metal cutting process in mill and estate warehouse on 27 November 2017 and also inform the change to workshop division. And HIRADC was updated monthly by AK3U and discussed in Monthly Safety Meeting.</p>	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> Field verification was conducted in Workshop-Estate on 16 January 2018 and Mill 17 January 2018, based on field verification was shown that the FBA has been installed on the O2 and LPG gas tube. Corrective action have been implemented, the HIRADC was revised by AK3U on 27 November 2017. Workshop Division (mill-estate) also has received the new HIRADC. The evidence was shown during follow up audit <p>NCR closed.</p> <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
09	RSPO INANI 2016 Indicator 4.7.3	Major	<p>Non-conforming situation:</p> <p>Appropriate protective equipment was not available to workers at the place of work,</p> <p>Objective evidence:</p> <p>a. Harvester at harvesting area block B95 afdeling 02 (safety glasses)</p> <p>b. Driver of FFB transporter at weighbridge area (safety shoes)</p> <p>c. Fertilizer workers at Afdeling 02 block B93 (safety shoes)</p> <p>d. Mill Maintenance worker at clarification station near engine room (ear plug)</p>	<p>Due Date: 23/01/2018</p> <p>SAI Follow up Method: on-site</p>	<p>a. Assistant Afdeling socializes to all employees on 23 November 2017 to use PPE, and the workers are ordered to wear them.</p> <p>b. <i>Assistant Traksi</i> and Danru conduct socialization to all FFB Drivers to use the PPE on 27 December 2017. <i>AK3U</i> has provide PPE (helmet and safety shoes) for the FFB transport (Third party) on 27 November 2017</p> <p>c. <i>Assistant Afdeling</i> and Ak3U socializes to all employees on 29 December 2017 to use PPE, and the workers are ordered to wear them.</p> <p>d. <i>Assistant Afdeling</i> and Ak3U socializes to all employees on 27 November 2017 to use PPE, and the workers are ordered to wear them</p>	<p>Root Cause:</p> <p>a. Harvesters lack the understanding of the importance of protective goggles to protect the eyes from the garbage. Monitoring the use of PPE by Assistant and <i>AK3U</i> is only done at the time of <i>apel pagi</i> before work.</p> <p>b. Lack of concern from FFB drivers to use PPE (Shoes and Helmets) into the mill area. Lack of control from security to make sure all drivers are already wearing full PPE into the mill.</p> <p>c. Fertilizer workers lack the understanding of the importance of safety shoes to protect them Monitoring the use of PPE by Assistant is only done at the time of <i>apel pagi</i> before work.</p> <p>d. The worker lack the understanding of the importance of PPE to protect them. Monitoring the use of PPE by Assistant is only done at the time of <i>apel pagi</i> before work.</p>	<p>Response: Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <p>Field verification was conducted in estate on 16 January 2018 and Mill 17 January 2018, based on field verification was shown that all workers has been used the determined PPE.</p> <p>Corrective action have been implemented, i.e.:</p> <ul style="list-style-type: none"> The evidence of socialisation from Assistant Process and Danru to all FFB Driver and third party has been shown during follow up audit i.e. to the third party driver: Beny, Asep T, A.E Sembiring, S.Purba, Hasanudin and S. Manurung. The organisation has been provide the PPE for FFB drivers and third party in Security Post, during follow up audit was verified, safety shoes 11 pcs and helmet 11 pcs. 3-4.The PPE monitoring form/checklist for estate and mill on December 2017 and January 2018 was shown during follow audit, the result of monitoring that all works have used the determined of PPE <p>NCR closed.</p> <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
N C R Nr .	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (<i>how and when</i>)	Correction : (immediate fix)	Root Cause and Corrective Action : (<i>action to prevent recurrence</i>)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
						<p>Corrective Action:</p> <p>a. Assistant and Mandor monitors the use of PPE to harvest employees at the time of <i>apel pagi</i> and when working in the workplace area.</p> <p>b. Security of mill ensure (with checklist) all FFB drivers already use PPE which have been determined and prohibit entering to mill area if not use PPE. Manager Mill provides a briefing to all security to ensure that everyone entering to the factory are required to use the determined PPE.</p> <p>c. Assistant and <i>Mandor Pupuk</i> monitors the use of PPE to harvest employees at the time of <i>apel pagi</i> and when working in the workplace area.</p> <p>d. Assistant Process monitors the use of PPE to harvest employees at the time of <i>apel pagi</i> and when working in the workplace area.</p>		

AUDIT REPORT

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
10	RSPO INANI 2016 Indicator 4.7.5	minor	<p>Non-conforming situation:</p> <p>The emergency equipment was not available at working location.</p> <p>Objective evidence:</p> <p>There was no first aid kit carried by foreman at harvesting working area Block B95a division 02, block B93a division 02 and block C93A division 3.</p>	<p>Due Date:</p> <p>Next audit</p> <p>SAI Follow up Method:</p> <p>on-site</p>	<p>Assistant has conducted socialisation on 27 November 2017 to all <i>Mandor Panen</i> to provide the First Aid kit at workplace area.</p>	<p>Root Cause :</p> <p><i>Mandor</i> still lacks understanding about importance of carrying first aid kit at workplace area while working.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> Assistant has conducted monthly monitoring at emplacement for December 2017 and January 2018 related First Aid Kit. AK3U has the schedule of refreshment related First Aid Training in Y2018 for all <i>Mandor</i>. 	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> All correction evidences have been submitted and implemented. It was effectively conducted. The minor NCR can be closed at the time of the next audit (onsite) by reviewing the effectiveness of corrective action. <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
11	RSPO INANI 2016 Indicator 5.3.2	Major	<p>Non-conforming situation:</p> <p>The handling of hazardous waste has not been managed properly.</p> <p>Objective evidence :</p> <p>a. The licenses of Hazardous Waste Transport of Truck BM 9172 TU and BM 8085 TU cannot be shown during audit</p> <p>b. Based on field observation in emplacement Afdeling I, II, III, it was found that empty used oil containers has not been managed properly. The empty used oil containers are disposed at emplacement area.</p>	<p>Due Date: 23/01/2018</p> <p>SAI Follow up Method: on-site</p>	<p>a. KTU requested to the Medan Office to submit the license on 27 November 2017 by email.</p> <p>b. Head Assistant, Assistant Afdeling and <i>Humas</i> have conducted sweeping in emplacement (Afdeling I) and empty pesticides container has been collected to the TPS LB3 on 1 December 2017.</p>	<p>Root Cause :</p> <p>a. Hazardous Waste transportation is handled by Head Office Medan (Tim Sustainability). Lack of coordination between the site (RAU) and the Head Office Medan (Tim Sustainability) related transportation of Hazardous Waste</p> <p>b. There has been no socialization to workers related SOP AA-KL-06 EFP "<i>Limbah B3 Industri</i>"</p> <p>Corrective Action :</p> <p>a. <i>KTU and Ak3U</i> have made the checklist related to the completeness of third party licensing on 1 December 2017.</p> <p>b. Assistant has conducted a socialisation to all worker/Afdeling I, II, III and IV during morning cycle (apel pagi) on 13-14 December 2017. Assistant, <i>Humas</i> and Head of Security/<i>Danru</i> has been conducted monthly monitoring at emplacement for December 2017 and January 2018. <i>AK3U</i> has made an information board not to change personal vehicle oil in the emplacement on 18 December 2017.</p>	<p>Response: Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <p>Based on document review related requested from KTU to Head Office Medan by email has been shown during follow up audit. The transportation license from Direktur Jenderal Perhubungan Darat are: BM 9172 TU - SK.1066/AJ.309/DJPD/2017/201710 25BB-0025 dated 17 March 2017 and for BM 8085 TU SK.No.500/AJ309/DJPD/2017/1207 1025B-0024 dated 28 February 2017.</p> <p>Corrective action have been implemented with conducted socialisation to all worker in Afdeling I-IV on 13-14 December 2017, the document was shown during follow up audit (photo, minutes of meeting, attendance list).</p> <p>The result of monthly inspection by Assistant, <i>Humas</i> and Head of Security/<i>Danru</i> for December 2017 and January 2018 (week 1 and 2) was shown during follow up audit which are monitored i.e.: Hazardous Waste, Private Knapsack.</p> <p>The sign board are available in the emplacement area.</p> <p>NCR closed.</p> <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
12	RSPO INANI 2016 Indicator 5.3.3	minor	<p>Non-conforming situation:</p> <p>Domestic waste monitoring plan inappropriate with the implementation</p> <p>Objective evidence :</p> <p>a. Based on field observation, it was found traces of burning of domestic waste in the emplacement Afdeling I, II and III.</p> <p>b. Based on field observation, it was found domestic waste in Pump House-Land Application has not been managed properly.</p>	<p>Due Date:</p> <p>Next audit</p> <p>SAI Follow up Method:</p> <p>on-site</p>	<p>a. The workers has been collected the domestic waste and provide trash bin in the Pump House-LA.</p> <p><i>KTU and AK3U</i> has been socialisation related handling of domestic waste to the PIC pump house LA.</p>	<p>Root Cause :</p> <p>a. The workers still lack of care about the housekeeping in the emplacement.</p> <p>b. PIC Pump House LA still lack of care about the housekeeping in the Pump House –LA area.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> • <i>AK3U</i> has made an information board in Pump House - LA and all emplacement related handling of domestic waste on 27 November 2017. • Assistant, <i>Humas</i> and Head of Security/<i>Danru</i> have conducted monthly monitoring at emplacement-<i>PKS</i> for December 2017 and January 2018. 	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: Nanang Rusmana</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> • All correction evidences have been submitted and implemented. It was effectively conducted. • The minor NCR can be closed at the time of the next audit (onsite) by reviewing the effectiveness of corrective action. <p>Name: Nanang Rusmana</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
N C R Nr .	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (<i>how and when</i>)	Correction : (immediate fix)	Root Cause and Corrective Action : (<i>action to prevent recurrence</i>)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
13	RSPO INANI 2016 Indicator 6.1.2	Major	<p>Non-conforming situation:</p> <p>SIA was not conducted participation with the affected parties.</p> <p>Objective Evidence :</p> <p>There was no evidence that the SIA has been involved consultation with the affected parties.</p>	<p>Due Date: 23/01/2018</p> <p>SAI Follow up Method: on-site</p>	<p>Provide minutes of meeting in the SIA Report regarding SIA consultation with the affected parties on 13 January 2018 by <i>Humas</i>.</p>	<p>Root Cause :</p> <p>Consultation with the affected parties regarding SIA has been conducted by <i>Humas</i>, nevertheless he did not document in the SIA Report. Other than that, there was no controlling to the SIA report content.</p> <p>Corrective Action :</p> <p><i>Humas</i> already working with CSR Team regarding compliance of SIA document, such as: consultation with the affected parties, timetable and responsibilities for implementation, etc. date on 13 January 2018. Annually controlling will be held by Sustainability at the Internal Audit.</p>	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: R. Yosi Zainal M. Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <p>Corrective action has been verified and effectively can be implemented. Non-conformance considered as closed.</p> <p>Reviewer: R. Yosi Zainal M. Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
N C R Nr .	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
14	RSPO INANI 2016 Indicator 6.1.3	Major	<p>Non-conforming situation:</p> <p>Management and monitoring plans of social impact does not include timetable and responsibilities for implementation.</p> <p>Objective Evidence :</p> <p>There was no timetable and responsibilities for implementation in plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive.</p>	<p>Due Date: 23/01/2018</p> <p>SAI Follow up Method: on-site</p>	<p>Provide timetable and responsibilities for implementation in plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive in the SIA Report on 13 January 2018 by <i>Humas</i>.</p>	<p>Root Cause :</p> <p><i>Humas</i> did not know that in the SIA Report must be available timetable and responsibilities for implementation in plans for management and monitoring of social impacts. Other than that, there was no controlling to the SIA report content.</p> <p>Corrective Action :</p> <p><i>Humas</i> has been given knowledge related to compliance of SIA document by Sustainability and CSR Dept. date on 08 January 2018.</p> <p><i>Humas</i> already working with CSR Team regarding compliance of SIA document, such as: timetable and responsibilities for implementation, consultation with the affected parties etc. date on 13 January 2018. Annually controlling will be held by Sustainability at the Internal Audit.</p>	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: R. Yosi Zainal M.</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <p>Corrective action has been verified and effectively can be implemented. Non-conformance considered as closed.</p> <p>Reviewer: R. Yosi Zainal M.</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
15	RSPO INANI 2016 Indicator 6.5.1	Major	<p>Non-conforming situation:</p> <p>Documentation of pay and conditions for workers contract was not available.</p> <p>Objective Evidence :</p> <p>There was no evidence that pay and condition for the workers contract in accordance with regulation of minimum wage and labour, for example: Sri Wahyuni Contractor; SPK No. 010/P2/SPK/KPN/IV/2017; housing maintenance of semi-permanent.</p>	<p>Due Date:</p> <p>23/01/2018</p> <p>SAI Follow up Method:</p> <p>on-site</p>	<p>Monitoring the pay and condition for the workers contract. Monitoring has been carried date on out for SPK No. 007/P2/SPK/KPN/II/2017 date on 26 August 2017. The result that pay and condition for 10 workers contract have been given in accordance with regulation of minimum wage and labour.</p>	<p>Root Cause :</p> <p>The company has not had a monitoring system for the pay and condition of the workers contract.</p> <p>Corrective Action :</p> <p>Senior Manager has disseminated information to KTU and contractors that any payment of contractor's work to its workers shall be accompanied by evidence of monitoring of contractor's wages.</p>	<p>Response:</p> <p>Acceptable</p> <p>Reviewer: R. Yosi Zainal M.</p> <p>Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <p>Corrective action has been verified and effectively can be implemented. Non-conformance considered as closed.</p> <p>Reviewer: R. Yosi Zainal M.</p> <p>Date: 17/01/2018</p>

AUDIT REPORT

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
16	RSPO INANI 2016 Indicator 6.5.2	Major	<p>Objective Evidence :</p> <p>a. PHLs SPK did not reported to Dinas Tenaga Kerja in accordance with Kepmenakertrans 100/2004; article 12.</p> <p>b. PHLs on behalf Karmin, Oca Sunarya, and Edison Manurung (Estate) and Lalu Sabrun (Mill) have worked for more than 21 days/month during 3 months consecutive (August, September, and October 2017), nevertheless PHLs SPK did not change to SKU/PKWTT.</p> <p>c. Based on interview with harvester at Afdeling 3, Block C93a that he was still assisted his wife to picking up the loose fruit, while she did not a worker registered in the company.</p> <p>d. It was found inconsistent daily pay rate stated in BHL's SPK. For example, some workers are given Rp 100,600 and Rp 100,000 per day, which is lower than the minimum wage, Rp 100,672.481 per day.</p>	<p>Due Date: 23/01/2018</p> <p>SAI Follow up Method: on-site</p>	<p>a. Reported PHLs SPK to <i>Dinas Tenaga Kerja dan Transmigrasi Kabupaten Indragiri Hulu</i> on 04 January 2018 by <i>Humas</i>.</p> <p>b. Assigned PHLs (12 workers) that have worked for more than 21 days/month during 3 months.</p> <p>c. Re-socialized by Head of Assistant, Assistant, and <i>Mandor</i> to All workers date on 4 December 2017 regarding prohibition of workers to be assisted by their family who did not a worker registered in the company.</p> <p>Revised several the BHL's SPK related to writing of daily pay rate of Rp. 100,672.481/day by KTU date on 01 December 2017.</p>	<p>Root Cause :</p> <p>a. Lack of precision from Sustainability and Security and Safety Line (SSL) Department at the time of the compliance evaluation.</p> <p>b. There was no company's control system set the PHL working day if more than 21 days must be determined to become SKU.</p> <p>c. Monitoring of illegal workers only done at the muster briefing by Assistant and <i>Mandor</i>, and when work was not done.</p> <p>d. Lack of precision from KTU after receiving SPK documents from <i>Krani</i> to check pay writing and actually no workers were paid below minimum wage.</p> <p>Corrective Action :</p> <p>a. Sustainability and Security and Safety Line (SSL) Department have coordinated on 8 January 2018 for evaluating of regulation, included PHL's SPK reporting.</p> <p>b. The company created a system through finger print to detect the PHL working day on 1 December 2017.</p>	<p>Response: Acceptable</p> <p>Reviewer: R. Yosi Zainal M. Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <p>Corrective action has been verified and effectively can be implemented. Non-conformance considered as closed.</p> <p>Reviewer: R. Yosi Zainal M. Date: 17/01/2018</p>

AUDIT REPORT

Section 1					Section 2		Section 3	Section 4
N C R Nr .	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (<i>how and when</i>)	Correction : (immediate fix)	Root Cause and Corrective Action : (<i>action to prevent recurrence</i>)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
						<p>c. Monitoring of illegal workers done at the muster briefing and when work by Assistant and <i>Mandor</i>.</p> <p>d. Senior Manager released Memorandum No. 251/SM-RAU/MEMO/12/17 date on 20 December 2017 regarding PHL SPK must be created by directly KTU at Estate Office and its SPK copy distributed to each units (afdeling and mill).</p>		

AUDIT REPORT

Section 1				Section 2		Section 3	Section 4	
NCR Nr	Standard(s) & clause(s)	Classification	Details of non-conforming situation and Objective Evidence :	SAI Verification (how and when)	Correction : (immediate fix)	Root Cause and Corrective Action : (action to prevent recurrence)	SAI Global Response Review:	SAI Global Verification of Corrective Action for Effectiveness:
17	RSPO INANI 2016 Indicator 6.8.3	minor	<p>Non-conforming situation: Implementation for equal opportunity and treatment for all workers did not overall conducted.</p> <p>Objective Evidence :</p> <p>a. Based on job vacancy information for Field Assistant that issued by HRD Recruitment and Selection Dept date on 22 August 2017, that required maximum age of 25 years, minimum height of 165 cm, and male sex. Those were discrimination form.</p> <p>b. There were no medical test in recruitment process on behalf Risky Sitohang on 01 October 2014 in accordance with company's procedure AA-HR-305.2-RO – Worker Recruitment and Selection. And his age 16 years, 6 month when he joined.</p>	<p>Due Date: Next audit</p> <p>SAI Follow up Method: on-site</p>	<p>a. Coordinated between HRD Recruitment and Selection and Sustainability Dept (Regional Pekanbaru) regarding non-discriminatory requirement of recruitment.</p> <p>b. Coordinated between KTU and <i>Personalia</i> regarding minimum age and medical test at the workers recruitment.</p>	<p>Root Cause :</p> <p>a. Lack of precision from HRD Recruitment and Selection Dept. (Regional Pekanbaru) in in making non-discriminative job requirements. And also lack of coordinate with Sustainability Dept.</p> <p>b. Lack of precision from <i>Personalia</i> for new employee recruitment (minimum age and medical test) and not re-verified by KTU.</p> <p>Corrective Action :</p> <p>a. Every job vacancy by HRD Recruitment and Selection Dept. (Regional Pekanbaru) will be cc to Sustainability Department for being verified non-discriminative job requirements.</p> <p>b. Dissemination to <i>Personalia</i> regarding recruitment requirement in accordance with company's procedure by KTU.</p>	<p>Response: Acceptable</p> <p>Reviewer: R. Yosi Zainal M. Date: 17/01/2018</p>	<p>Verification of Effectiveness:</p> <ul style="list-style-type: none"> All correction evidences have been submitted and implemented. It was effectively conducted. The minor NCR can be closed at the time of the next audit (onsite) by reviewing the effectiveness of corrective action. <p>Name: R. Yosi Zainal M. Date: 17/01/2018</p>

AUDIT REPORT

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

Date & Location	Stakeholder	Consultation Method	Feedback and or request	The response company and action to be taken	SAI Global audit observation	Relevant documentation
21/11/2017 Peranap Office	Employees (Estate)	Group discussion in the room and interview in the field.	<ul style="list-style-type: none"> - Wage and overtime calculation has appropriately provided in line with related regulation - When there was report of the need to replace PPE and work equipment, the organisation promptly respond depend of the availability of PPE and equipment stock. - Menstruation leave for women worker was given - Clean water provided and distributed from mill - Overall medical expenses covered by BPJS. - Given socialization HCV area protection and a ban on hunting, capture, and maintain protected wildlife. - If there was a complaint to the company, then the company responded to the complaint. <p>Issues:</p> <ol style="list-style-type: none"> 1. Violation of reproduction rights, e.g. workers have been stopped to work by company without given an opportunity to do other work not related to chemicals; there was pregnant woman 	<ol style="list-style-type: none"> 1. There was no violation of reproduction rights for all women workers. For information related to a pregnant woman was correct. She was pregnant in April 2017 after being checked by Medical Team. The company released Memorandum No. 155/SM-RAU/MEMO/04/17 date on 29 April 2017 regarding Work Mutation on behalf Marini from Fertilizer <i>Mandor</i> Afdeling to <i>Krani</i> Afdeling who works at Afdeling Office. Other than that, the company has replaced its position (<i>Mandor</i> Afdeling) with other worker by Memorandum No. 156/SM-RAU/MEMO/04/17 date on 29 April 2017. 2. The company has released IM No. 384/HR-R02/MEMO/10/15 date on 11 October 2015 regarding Recommendation from the company’s doctor or medical team for H1 Leave. In PKB, article VIII, that women worker who menstruation not required to work after being examined by the medical team and get a letter from a medical examining team. 	<ol style="list-style-type: none"> 1. This was identified by company’s internal system and followed up. 2. This issue was incorrect and the RSPO requirement related to woman rights have complied. 3. The information was correct. It was identified by company’s internal system and followed up. There was a woman worker brought her child to the field based on information from other workers in October 2017. 	H1 logbook monitoring in 2016-2017 for all woman workers and was applied; Pregnant monitoring; Attendance list of children in TPA

AUDIT REPORT

Date & Location	Stakeholder	Consultation Method	Feedback and or request	The response company and action to be taken	SAI Global audit observation	Relevant documentation
			still working with chemical as a field mandor. 2. Provision of H1 leave to all woman workers. 3. Workers brought their child to work or to field.	3. Gender Committee re-socialized to all workers date on 15 November 2017 regarding prohibiting of bringing children to the field and must be leave in the day care (TPA).		
22/11/2017 Peranap Office	Head of Village, Religious Leader, Public Figure	Group Discussion	<ul style="list-style-type: none"> - Organization has well relationship with community around estate - Land legality was cleared, there was no land dispute. - Organization has realized CSR programs, such assistance to the road maintenance, fatherless child, ect - Whenever there is job vacancy, the organisation informed the community through Village head. - Community has been given information of the protected wildlife 	<ul style="list-style-type: none"> - Relationship the company and Head of Village, Religious Leader, Public Figure have been established well. 	<ul style="list-style-type: none"> ▪ All observation during interview with Head of Village, Religious Leader, Public Figure have been reviewed with several supporting document. ▪ There was no issue during consultation meeting 	CSR programme and actual 2017
	Supplier and Contractor (FFB Supplier, EFB Transporter)	Group Discussion	Issues: <ol style="list-style-type: none"> a. Expect reward from the company to smallholders who have the best quality of FFB, so to increase smallholders' performance. b. Expect to be given training regarding FFB production quality from the company to smallholders. 	<ol style="list-style-type: none"> a. The company has provided information FFB quality in the mill. For FFB that meets the requirements will be received in the mill. b. Division Assistant for Smallholder was available. If need sharing knowledge can be discussed with him. 	<ul style="list-style-type: none"> ▪ All responses have been reviewed with several supporting document. ▪ Issues were closed. 	Smallholders' FFB grading; Job Description Division Assistant.
	Gender Committee	Interview	<ul style="list-style-type: none"> - Gender committee collaborated with staff to 	Relationship the company and stakeholders have been	<ul style="list-style-type: none"> ▪ All observation during interview with workers 	-

AUDIT REPORT

Date & Location	Stakeholder	Consultation Method	Feedback and or request	The response company and action to be taken	SAI Global audit observation	Relevant documentation
	and Labour Union.		<p>conduct communication concerning social harassment handling</p> <ul style="list-style-type: none"> - Daycare was available for employee's children - There was no sexual harassment - Organization has well relationship with union workers and gender committee (<i>komisi perempuan</i>). - Wage and overtime calculation has appropriately provided in line with related regulation - The union invited organisation's management whenever there was issued to discuss. 	established well.	<p>representative have been reviewed with several supporting document.</p> <ul style="list-style-type: none"> ▪ There was no issue during consultation meeting 	
23/11/2017 Peranap Office	Employees (Mill)	Group discussion in the room and interview in the field.	<ul style="list-style-type: none"> - Wage and overtime calculation has appropriately provided in line with related regulation - When there was report of the need to replace PPE and work equipment, the organisation promptly respond depend of the availability of PPE and equipment stock. - Menstruation leave for women worker was given - Clean water provided and distributed from mill - Overall medical expenses 	<p>1. <u>For SKU:</u> If working on Sundays / public holidays for 9 hours then the conversion number of hours overtime is 21 hours (calculation of overtime is the 1st 7 hours multiplied 2, 8th hour multiplied by 3, and 9th hour and so on multiplied 4).</p> <p><u>For PHL</u> If working on the day / holiday as much as 9 hours then the first 7 hours paid minimum wage (100,672 IDR) while overtime is 2 hours and overtime conversion to 4 hours</p>	<ol style="list-style-type: none"> 1. The issue was incorrect and the RSPO requirement related to minimum wage has complied by the company. 2. This issue was correct. It was identified by company's internal system and followed up. 3. This issue was correct. It was identified by company's internal system and 	PHL salary in November 2017 and the calculation was in accordance with PKB/regulation; Purchase Order (PO) for medicine in August and November 2017

AUDIT REPORT

Date & Location	Stakeholder	Consultation Method	Feedback and or request	The response company and action to be taken	SAI Global audit observation	Relevant documentation
			<p>covered by BPJS.</p> <ul style="list-style-type: none"> - Given socialization HCV area protection and a ban on hunting, capture, and maintain protected wildlife. - If there was a complaint to the company, then the company responded to the complaint. <p>Issues:</p> <ol style="list-style-type: none"> 1. Daily worker pay rate for Sunday (rest) day or public holiday which was paid normal rate 2. Availability of enough medicine at the estate's clinic. 3. The referred hospital is too far which is about 4 hour's drive. 4. No workers' promotion from daily workers to permanent workers at least for the past 2 years 	<p>(calculation of overtime is the 1st 7 hours multiplied 2, 8th hour multiplied by 3, and 9th hour and so on multiplied 4).</p> <ol style="list-style-type: none"> 2. The company has submitted the Purchase Order (PO) for medicine in August and November 2017. The realization was done gradually. 3. The referral hospital (RS. Evarina) should be taken about 4 hours, but the hospital has more facilities and services for the company's employees, especially for the provision of 24-hour transportation, if compared to the nearest local hospital. 4. - 	<p>followed up.</p> <ol style="list-style-type: none"> 4. The issue was correct and it was not identified by the company. This was raised as NCR 6.5.2 #16 (point b). 	

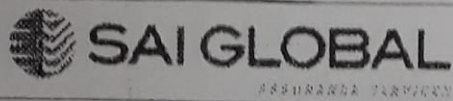
AUDIT ATTENDANCE REGISTER
PROGRAM/S: RSPD & ISD

App/Cert:
Activity ID:

COMPANY: PT. Pijungs Agri Utama		DATE(S):	
SITE: Pekanbaru Mill and its supply bases		21/11/2017	
NAME (PRINT)	ORGANIZATION & POSITION	ENTRY	EXIT
NORASHKIN RAIKON	ASI - LA	<i>[Signature]</i>	<i>[Signature]</i>
Haryo Semar /	ABI - TE	<i>[Signature]</i>	<i>[Signature]</i>
R-Fai Zairul M.	SAI Global - Auditor	<i>[Signature]</i>	<i>[Signature]</i>
Fahruddin Rofi	SAI Global - Auditor	<i>[Signature]</i>	<i>[Signature]</i>
Nanang Rusmana	SAI Global - Auditor	<i>[Signature]</i>	<i>[Signature]</i>
Daniel Sitompul	— // —	<i>[Signature]</i>	<i>[Signature]</i>
DEFRIWAN	PT. IIS / ASIAN AGRIC	<i>[Signature]</i>	<i>[Signature]</i>
Welly Joel Cardiz	PT. IIS / ASIAN AGRIC	<i>[Signature]</i>	<i>[Signature]</i>
Tuanda P. Harahap	PT. IIS / ASIAN AGRIC	<i>[Signature]</i>	<i>[Signature]</i>
Setyo	KPN / ASKER	<i>[Signature]</i>	<i>[Signature]</i>
Dahis	HERMAS	<i>[Signature]</i>	<i>[Signature]</i>
PENNY MS	KPN	<i>[Signature]</i>	<i>[Signature]</i>
BENY ANJ SAMBYA	PPN	<i>[Signature]</i>	<i>[Signature]</i>
Mawardi NS	KPN	<i>[Signature]</i>	<i>[Signature]</i>

Excellence. Assured.

AUDIT REPORT



QEF08F.04

AUDIT ATTENDANCE REGISTER

PROGRAM/S: RCPD & ISPD

App/Cert:

Activity ID:

COMPANY: PT. Rijnans Agri Utama		DATE(S):	
SITE: Peramp Mill & its supply bases		22/11/2017	
NAME (PRINT)	ORGANIZATION & POSITION	ENTRY	EXIT
F I T E R.	COOPKAM PERANI MAJU.		
CHANDRA SARAH	ASOSIASI SWADAYA MANDIRI		
SURIANTO B	SEKDES Gunung.		
KENEDY	SML TEBING		
DEDI IHDRA	Desa Semelinang. Tbg.		
SUSWARIANTO	DESA TALANG TUJUH BUAH TANGGA		
R. Fozizaimal M.	SAI Global - Auditor		
Aina	Penawat / Ketua Gumar.		
AFRida Yanti:	PPN / sek KOMGEN		
Rosi ATIKA.	Bidan klinik		
IRHARIANTO	PPN / WR KONA SPR		
P. Ann Bara.	KPN / Waseh Spst. Kon.		

Excellence. Assured.

AUDIT REPORT



QEF08F.04

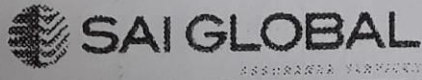
RECEIPT NOTE

PROGRAM/S: RSPO & ISPO

COMPANY: PT Rigunas Agri Utama		DATE(S): 21-23 November 2017
SITE: Peranap		
NAME (PRINT)	ORGANIZATION & POSITION	SIGN
Aina	Rehna Komite Gender	
A. Chandra	Staf Hutan	
Fiter	---	
Bambang Mulya	Ketua STS PT RA	
FIRDAUS YUSRIZON	WARS SHOP SORTAXI	
TRIS ANDA MULYA	SORTAST	
I SAMBUN	Prase	

Excellence. Assured.

AUDIT REPORT



QEF08F.04

AUDIT ATTENDANCE REGISTER

PROGRAM/S:

App/Cert:

Activity ID:

COMPANY: PT. Pijamas Agri Utama		DATE(S):	
SITE: Peramp Mill and Estate		21/01/17	
NAME (PRINT)	ORGANIZATION & POSITION	ENTRY	EXIT
Misnakh	Pupuk	<i>[Signature]</i>	
ISWANDI	Pemuat	<i>[Signature]</i>	
Roslana	PT. AFD IV	<i>[Signature]</i>	
MURLINDA	JPA I	<i>[Signature]</i>	
Rusky	Paman I	<i>[Signature]</i>	
DO RTINA	PUPUK 3	<i>[Signature]</i>	
ROSTI	PUPUK. AFD II	<i>[Signature]</i>	

Excellence. Assured.

AUDIT REPORT

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

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

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

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

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

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