

**Roundtable on Sustainable Palm Oil Certification
R S P O**

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : **Mustika Factory – PT Sajang Heulang subsidiary of Sime Darby Plantation Sdn. Bhd**
 Plantation Name : **PT Sajang Heulang- Mustika Estate, KKPA-2, KKPA-3 and KKPA-5**
 Location : **Kuranji Village, Kuranji Sub-district, Tanah Bumbu District, Province of Kalimantan Selatan, Indonesia**
 Certificate Code : **MUTU-RSPO/027**
 Date of Certificate Issue : 03 July 2013 Date of License Issue : 03 July 2017
 Date of Certificate Expiry : 02 July 2018 Date of License Expiry : 02 July 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	5 – 9 June 2017	Yudwi Wisnu Rahmanto (Lead Auditor), Moh. Arif Yusni, Arif Faisal Simatupang, Asystasya Aishah Silalahi	Octo H.P.N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	11 September 2017

TABLE OF CONTENT

FIGURE	1
Figure 1. Location Map of PT SAJANG HEULANG	1
Figure 2. Operational Map of PT SAJANG HEULANG	2
Figure 3. Operational Map of Mustika Estate, KKPA-2, KKPA-3, KKPA-5	3
Glossary.....	3
1.0 SCOPE OF THE CERTIFICATION ASSESSMENT	5
1.1 Assessment Standard Used	5
1.2 Organisation Information.....	5
1.3 Type of Assessment.....	5
1.4 Locations of Mill and Plantation	5
1.5 Description of Area Statement	6
1.6 Planting Year and Cycles.....	6
1.7 Description of Mill and Supply Base	7
1.8 Estimate Tonnage of Certified Product.....	8
1.9 Other Certifications	8
1.10 Time Bound Plan	8
2.0 ASSESSMENT PROCESS.....	15
2.1 Assessment Team.....	15
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	15
2.3 Stakeholder Consultation and Stakeholders Contacted.....	17
2.4 Determining Next Assessment.....	17
3.0 ASSESSMENT FINDINGS	18
3.1 Summary of Assessment Report of the RSPO Certification	18
3.2 Summary of Assessment Report of Supply Chain Requirements	41
3.3 Conformity Checklist of Certificate and Logo Use.....	48
3.4 Summary of RSPO Partial Certification	49
3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components	52
3.6 Summary of Arising Issues from Public and Auditor Verification.....	74
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	75
4.1 Formal Sign-off of Assessment Findings.....	75
APPENDICES	76
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process.....	76
Appendix 2. Assessment Program	77

FIGURE

Figure 1. Location Map of PT SAJANG HEULANG

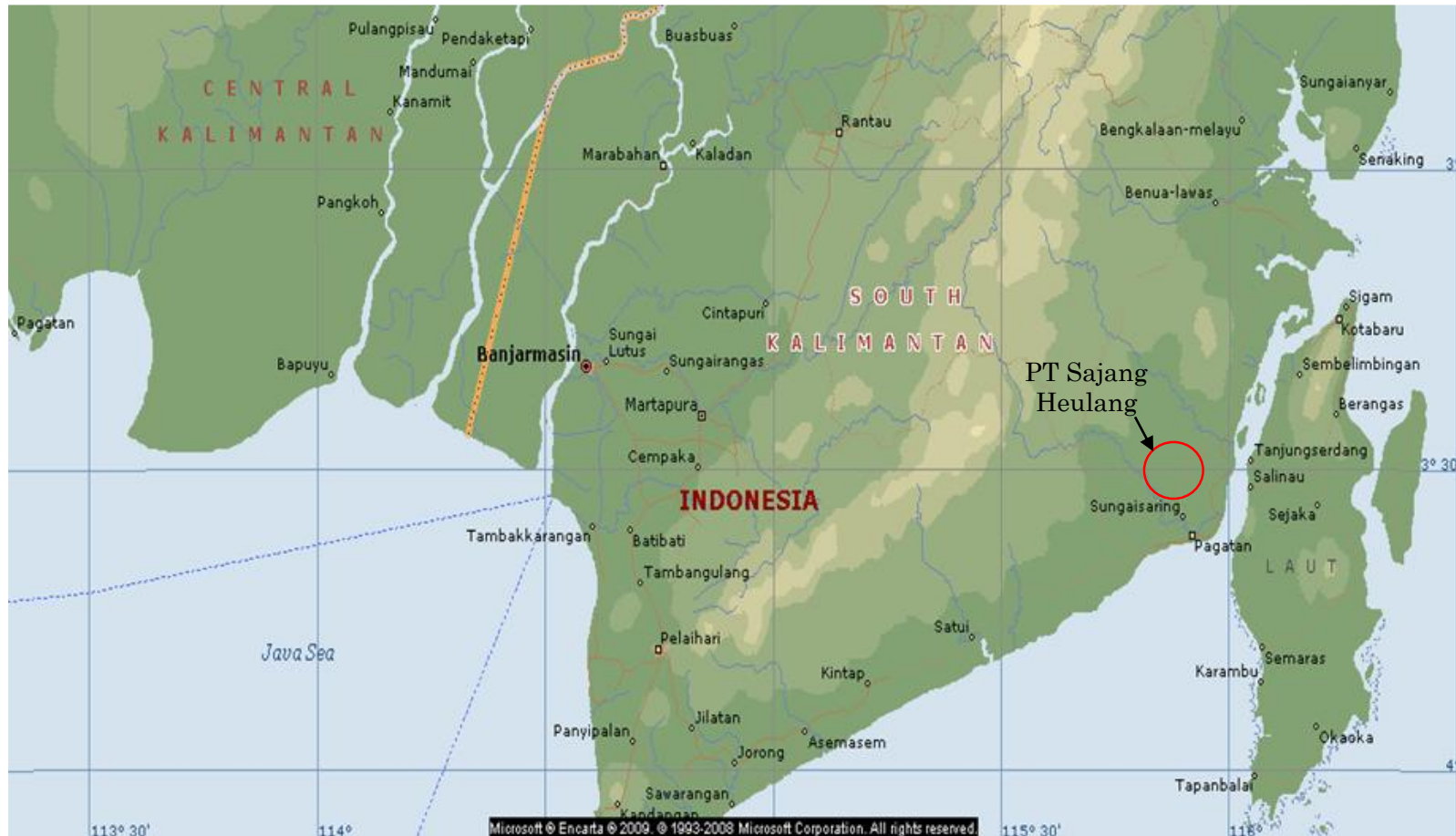


Figure 2. Operational Map of PT SAJANG HEULANG

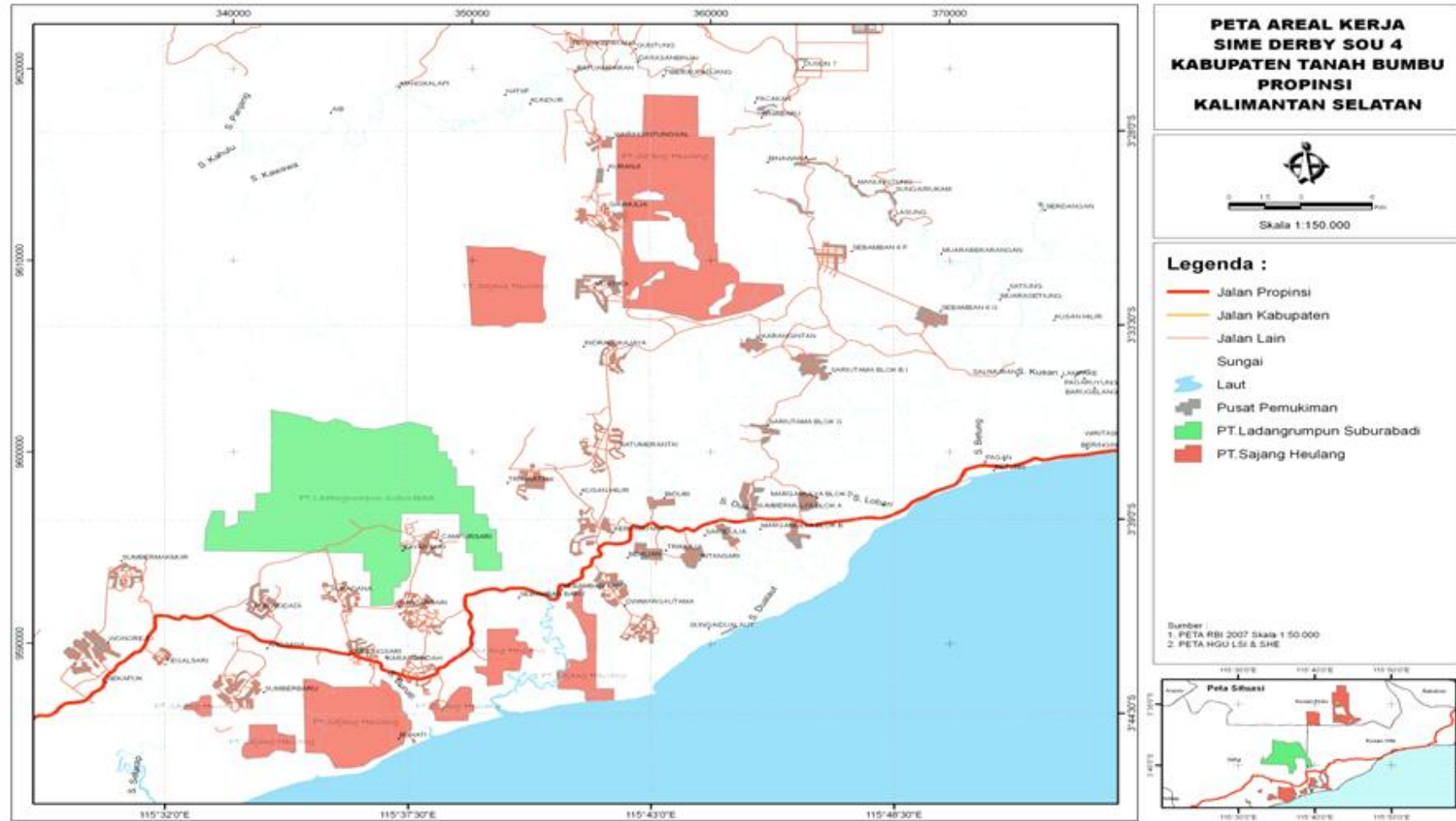
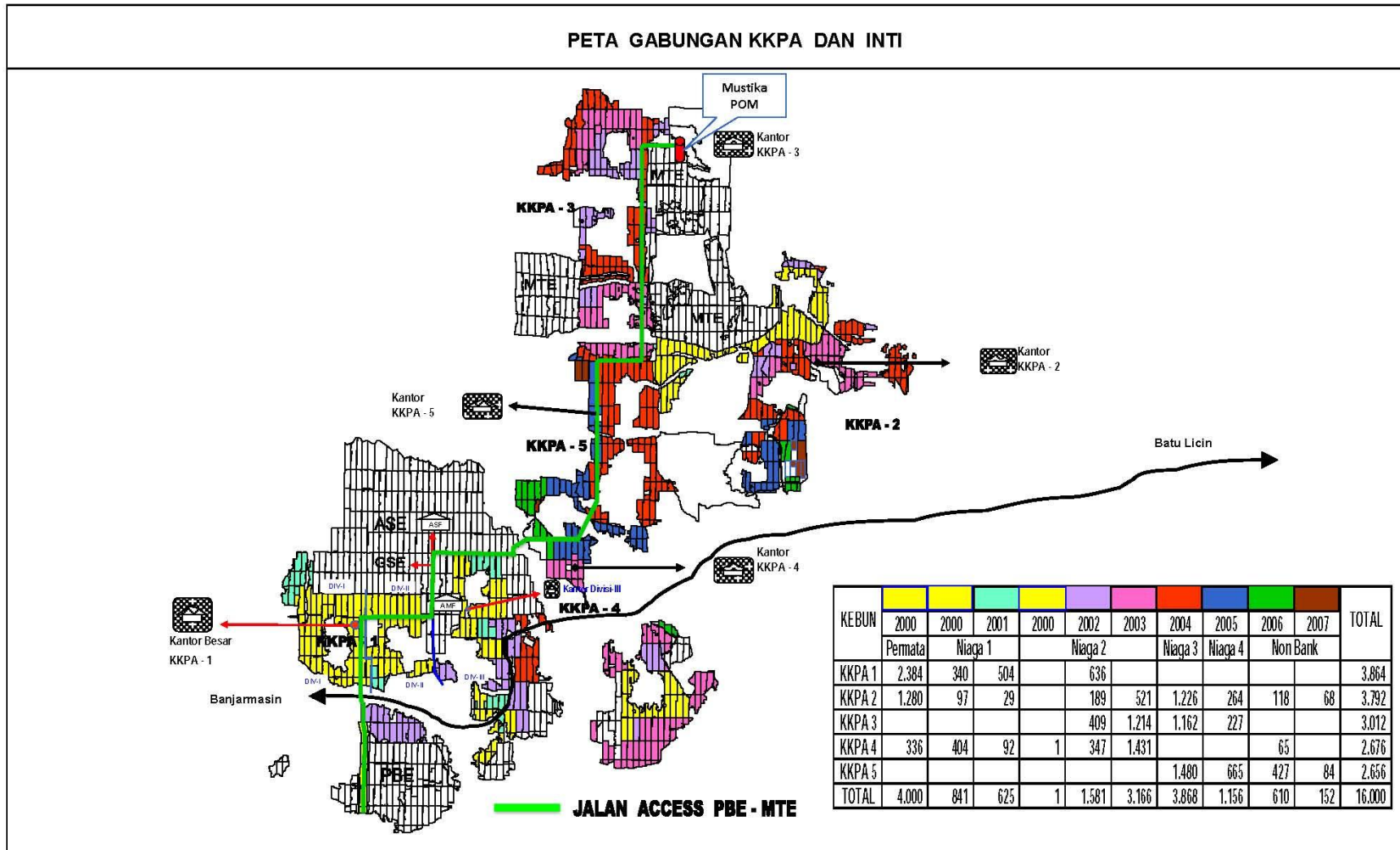


Figure 3. Operational Map of Mustika Estate, KKPA-2, KKPA-3, KKPA-5



Glossary

AMDAL	:	Analisis Mengenai Dampak Lingkungan (<i>Social and Environmental Impact Assessment</i>)
ASA	:	Annual Surveillance Assessment
BOB	:	Barn Owl Box
BOD	:	Biological Oxygen Demand
BMS	:	Block Manuring System
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance Agency)
BPN	:	Badan Pertanahan Nasional (<i>National Land Agency</i>)
BSS	:	Block Spraying System
CB	:	Certification Body
CSR	:	Coorporate Social Responcibility
CD	:	Community Development
CEO	:	Chief Executive Officer
CH	:	Certificate Holder
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
EFB	:	Empty Fruit Bunch
EHS	:	Environment Health and Safety
EIA	:	Environmental Impact Assessment
EWS	:	Early warning system
FFB	:	Fresh Fruit Bunches
FPIC	:	Free Prior and Informed Consent
GHG	:	Green House Gases
GM	:	General Manager
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification Risk Assessment and Risk Control
HPO	:	Head Plantation Operation
HPUI	:	Head Plantation Upstream Indonesia
HRM	:	Human Resource Management
IPM	:	Integrated Pest Management
IUP	:	Izin Usaha Perkebunan. (<i>Plantation Operation Licence</i>)
KER	:	Kernel Extarction Rate
KKPA	:	<i>Kredit Kepada Koperasi Primer untuk Anggotanya</i> (Associated smallholder)
KUD	:	<i>Koperasi Unit Desa</i> (Village Unit Cooperatives)
LB3	:	<i>Limbah Bahan Berbahaya dan Beracun</i> (Scheduled Waste)
LSU	:	Leaf sampling unit
LUCA	:	Land Use Change Analysis
MRC	:	Minamas Research Centre

MSDS	:	Materia Safety Data Sheet
MTE	:	Mustika Estate
MTF	:	Mustika Factory
NGO	:	Non-Government Organizations
OER	:	Oil Extarction Rate
OFI	:	Opportunity of Improvement
OHS	:	Occupational Health and safety
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Occupational Safety and Health Committee)
PIC	:	Person in Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm oil mill effluent
PPE	:	Personal Protection Equipment
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
RACP	:	Remediation and Compensation Plan
RKL	:	<i>Rencana kelola lingkungan</i> (Environment Management Plan)
RPL	:	<i>Rencana pemantauan lingkungan</i> (Environment Monitoring Plan)
RTE	:	Rare, Threatened or Endangered
SCCS	:	Supply Chain Certification Standard
SHE	:	Sajang Heulang
SGM	:	Senior General Manager
SIA	:	Social Impact Assessment
SOP	:	Standart Operational and Procedure
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
<ul style="list-style-type: none"> • <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 			
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT Sajang Heulang - Sime Darby Plantation Sdn. Bhd	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301. Liaison Office: The Plaza Lt. 36, JL. MH Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	+62-21-2992650	
1.2.5	Fax	+62-21-5711652	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	www.simedarby.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan	
1.2.9	Registered as RSPO member	1-0008-04-000-00 07 September 2004	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and its supply base: Mustika factory supplied by four (04) estates: Mustika Estate, KKPA-02, KKPA-3 & KKPA-05.	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Mustika Factory	Kuranji Village, Sub District of Kuranji, District of Tanah Bumbu, South Kalimantan.	S 3° 29' 19" E 115° 44' 19"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate

		Latitude	Longitude
KKPA-2	Sari Utama Village, Harapan Jaya Village, Sub District of Sungai Loban; Angley Village, Berangan Village, Sub District of Kusan Hulu; Ringkit Village, Sub District of Kuranji; District of Tanah Bumbu, South Kalimantan	S 3° 33' 51"	E 115° 47' 29"
KKPA-3	Kuranji Village, Giri Mulya Village, Tiberau Panjang Village, Tapus Village, Waringin Tunggal Village, Sub District of Kuranji, District of Tanah Bumbu, South Kalimantan.	S 3° 28' 22"	E 115° 41' 07"
KKPA-5	Indraloka Jaya Village, Trimartani Village, Kertabuana Village, Batu Martani Village; Sub District of Kuranji; District of Tanah Bumbu, South Kalimantan	S 3° 35' 02"	E 115° 41' 17"
Mustika Estate	Kuranji Village, Sub District of Kuranji, District of Tanah Bumbu, South Kalimantan.	S 3° 29' 20"	E 115° 42' 58"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	5,260.00 Ha
	• Community	9,805.16 Ha
	<i>*Total land use title (HGU) of PT. SHE is 7,794 Ha which is 5,260 Ha is under Mustika Estate, the remaining area is owned and managed by Pantai Bunati Estate (under scope of Angsana Factory).</i>	

1.5.2 Area Statement

• Total area	14,840.76 Ha
• Mature area	13,183.73 Ha
• Immature area	85.97 Ha
• Mill	39.47 Ha
• Emplishment / Workers Quarter	79.24 Ha
• Infrastructure (Road & Bridges)	412.93 Ha
• Occupation	221.93 Ha
• Others area (rivers & hill)	517.79 Ha
• HCV	299.70 Ha

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Mustika Estate	KKPA-2	KKPA-3	KKPA-5	Total
	1995	484.23	-	-	-	484.23
	1996	1,198.59	-	-	-	1198.59
	1997	408.38	-	-	-	408.38

1998	286.90	-	-	-	286.90		
1999	255.14	-	-	-	255.14		
2000	-	1,377.00	-	-	1377.00		
2001	9.81	29.00	-	-	38.81		
2002	-	189.00	409.00	-	598.00		
2003	-	521.00	1,214.00	-	1735.00		
2004	-	1,226.00	1,162.00	1,480.00	3868.00		
2005	688.86	264.00	227.00	665.00	1844.86		
2006	280.07	118.00	-	427.00	825.07		
2007	111.75	68.00	-	84.00	263.75		
2016	85.97	-	-	-	85.97		
TOTAL	3,809.70	3,792.00	3,012.00	2,656.00	13,269.70		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 st Cycle				
1.7 Description of Mill and Supply Base							
1.7.1 Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Mustika Factory	60	188,048.38	39,728.04	21.24	7,597.98	4.06
<i>*Production data source from June 2016 – May 2017</i>							
1.7.2 Description of Certification Scope of Supply Base							
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Mustika	5,078.93	3,809.70	55,684.12	14.95	55,684.12	100
	KKPA-2 (2,208 SH)	3,937.00	3,792.00	57,341.37	15.12	57,341.37	100
	KKPA-3 (2,160 SH)	3,012.00	3,012.00	43,412.57	14.41	43,412.57	100
	KKPA-5 (1,601 SH)	2,812.83	2,656.00	35,589.48	12.65	35,589.48	100
	TOTAL	14,840.76	13,269.70	192,027.54	12.94	192,027.54	100
<i>*Production data source from June 2016 – May 2017</i>							
1.7.3 FFB description from other source							
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			
	NONE	-	-	-			
	TOTAL			-			
<i>*Source Production Data on 12 months before assessment</i>							
1.7.4 Product categories			FFB, CPO, PK				

1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 03 July 2016 to 02 July 2017 (tonnes/year)		Actual certified product 03 July 2016 to 5 June 2017 (tonnes/year)		
	• FFB Production		223,328		177,987.66		
	• CPO Production		50,249		37,655.90		
	• Palm Kernel (PK) Production		10,050		7,321.99		
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Mustika	5,078.93	3,809.70	59,025	15.49		
	KKPA-2 (2,208 SH)	3,937.00	3,792.00	60,782	16.03		
	KKPA-3 (2,160 SH)	3,012.00	3,012.00	46,017	15.28		
	KKPA-5 (1,601 SH)	2,812.83	2,656.00	37,725	14.20		
	TOTAL	14,840.76	13,269.70	203,549	15.34		
	<i>*Projected FFB production for 12 months of certificate</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Mustika Factory	60	203,549	44,781	22.00	9,160	4.50
	<i>*Projected CSPO and CSPK production for 12 months of certificate</i>						
1.9 Other Certifications							
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
	Others		-				
1.10 Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Supply Base	Time Bound Plan	Location	Status	
	Mill	Time Bound Plan					
	INDONESIA						
	Sekunyir. PT. Indotruba Tengah	2010	Sekunyir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified	
			Seruyan	2010		Certified	
	Manggala.	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified	

PT. Tunggal Mitra Plantations		Manggala 2	2010		Certified
		Manggala 3	2010		Certified
Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District –West Kalimantan	Certified
		East	2010		Certified
		Sei Mawang	2018		-
		East Plasma	2010		Certified
		West Plasma	2010		Certified
Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011		Certified
		Aneka Persada	2011		Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012		Certified
Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Kawan Batu	2011		Certified
		Hatan Tiring	2011		Certified
		Batang Garing	2011		Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011		Certified
		Nusa Lestari	2011		Certified
Mandah. PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011		Certified
Angsana Mini. PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013	Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011		Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011		Certified
		KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013	Mustika		Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013		Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
		SAP 1	2020		ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasam	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
		KKPA BSS	2020		-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011		Certified
		KKPA Sungai Cengal	2014		Certified
Sukamandang PT Kridatama	2011	Sukamandang	2011	Seruyan and East Kotawaringin District – Central	Certified
		Sapiri	2011		Certified

Lancar		Barasdanum	2011	Kalimantan	Certified
		Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Selabak. PT Swadaya Andhika	2012	Selabak	2012	Kotabaru District – South Kalimantan	Certified
		Randi	2012		Certified
		Sangkoh	2012		Certified
		Lanting	2012		Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
		Matalok	2012		Certified
Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
		Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015		Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012		Certified
		Karang Ringin	2012		Certified
		Napal	2012		Certified
		Mangun Jaya	2012		Certified
		Sungai Jernih Estate and GPI KKPA	2017		-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Nangroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013		Certified
		Blang Simpo-01	2013		Certified
		Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018	Sanggau District – West Kalimantan	-
		MAS 1	2018		-
		MAS 1	2018		-
		Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
		Awatan	2014		Certified
		Karya Palma	2018		-
		KKPA SNP	2020		-
		Pelanjau (PT BAL)	2018		-
		Sungai Putih (PT BAL)	2018		-
		Baturus (PT BAL)	2018		-
		KKPA BAL	2020		-
MALAYSIA					
Sg Dingin	2010	Bukit Hijau	2010	Kerangan, Kedah	Certified

SOU 1		Padang Buluh	2010		Certified
		Bukit Selangor	2010		Certified
		Sg Dingin	2010		Certified
		Jentayu	2010		Certified
		Anak Kuli	2010		Certified
		Somme	2010		Certified
Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
		Holyrood	2011		Certified
		Kalumpang	2011		Certified
		Tali Ayer	2011		Certified
Elphil SOU 3	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified
		Elphil	2011		Certified
		Kamuning	2011		Certified
Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
		Bagan Datoh	2011		Certified
		Sabak Bernam	2011		Certified
		Sg Samak	2011		Certified
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
		Sabrang	2011		Certified
		Sg Wangi	2011		Certified
		Sogomana (Main Division)	2011		Certified
Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
		Bikam	2011		Certified
		Clumy	2011		Certified
Tennamaram SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011		Certified
		Bkt Talang	2011		Certified
Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011	Kapar, Selangor	Certified
		Bkt Cherakah	2011		Certified
		Bkt Rajah	2011		Certified
		Bkt Lagong	2011		Certified
		Elmina	2011		Certified
East SOU 8	2010	East	2010	Carey Island, Selangor	Certified
		Dusun Durian	2010		Certified
		Sepang	2010		Certified
West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
Kerdu SOU 11	2011	Kerdu	2011	Temerloh, Pahang	Certified
		Jentar	2011		Certified
		Mentakab	2011		Certified
		Sg Mai	2011		Certified
		Chenor	2011		Certified

Jabor - SOU 12	2011	Jabor	2011	Kuantan, Pahang	Certified
Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
		New Labu	2011		Certified
		Bradwall	2011		Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010		Certified
		Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014	Salak	2014	Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014		Certified
		Siliau	2014		Certified
		PD Lukut	2014		Certified
		Sungai Baru	2014		Certified
		Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
		Kok Foh	2011		Certified
		Muar River	2011		Certified
		St. Helier	2011		Certified
		Pertang	2011		Certified
		Sg Gemas	2011		Certified
		Sg Sebalang	2011		Certified
		Sg Senarut	2011		Certified
Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
		Kemuning	2010		Certified
		Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
		Diamond Jubilee	2011		Certified
		Serkam	2011		Certified
Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
		Lanadron	2014		Certified
		Pengkalan Bukit	2014		Certified
		Welch	2014		Certified
Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
		Cha'ah	2010		Certified
		Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
		Kempas Klebang	2010		Certified
		Bukit Paloh	2010		Certified
		Yong Peng	2010		Certified
Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
		CEP Niyor	2011		Certified
		Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011	Pekan	2011	Layang-layang, Johor	Certified
		Sembrong	2011		Certified
		Tun Dr. Ismail	2011		Certified
		Ulu Remis	2011		Certified
		Bukit Badak	2011		Certified
		Cenas	2011		Certified

Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
		Kulai	2011		Certified
		Layang	2011		Certified
		Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
		Tunku	2008		Certified
		Tigowis	2008		Certified
		Sentosa	2008		Certified
		Saguliud	2008		Certified
Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
		Sapong	2011		Certified
Binuang SOU 28	2009	Tingkeyu	2009	Kunak, Sabah	Certified
		Sungang	2009		Certified
		Jelata Bumi	2009		Certified
		Binuang	2009		Certified
Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
		Giram	2009		Certified
Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
		Merotai	2009		Certified
		Table	2009		Certified
		Tiger	2009		Certified
Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
		Kelida	2011		Certified
		Lavang	2011		Certified
		Lavang (SE)	2011		Certified
		Rasan	2011		Certified
Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
		Samudera	2011		Certified
		Semarak	2011		Certified
		Bayu	2011		Certified
Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
		Damai	2011		Certified
		Derawan	2011		Certified
		Sahua	2011		Certified
Pekaka SOU 34	2011	Chartquest	2011	Bintulu, Serawak	Certified
		Dulang	2011		Certified
		Peroh	2011		Certified
		Pekaka	2011		Certified
		Ruai	2011		Certified
<p>Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p>					

	<p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani KelapaSawit (SPKS) Sanggau, however the improvement are in progress.Sime Darby has informed the Time Bound Plan progress, MUTUAGUNG has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>
1.10.2	<p>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</p>
	<p>Mustika factory does not receive FFB from third parties (outgrower) but receive FFB from Associated Smallholders (KKPA) that's certified since 2013</p>

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-4	<p>1. Yudwi Wisnu Rahmanto (Lead Auditor). Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 5 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During the assessment he assigned to verify Conservation, legal, land dispute and social aspect.</p> <p>2. Moh. Arif Yusni (Auditor). Bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor / Lead auditor Management System Certification (ISO 9001-2008). Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor. During the assessment the Auditor verified occupational health & safety, social workers, Environmental aspects and SCCS</p> <p>3. Arif Faisal Simatupang (Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV). He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify Integrated Pest Management, Best Management Practices, Good Manufacture Practices, Transparancy, management and Economic aspect.</p> <p>4. Asystasya Aishah Silalahi (Auditor). Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1 Figure of person days to implement assessment	
ASA-4	<p>Number of auditors: 4 auditor Number of days for ASA-4 at site: 5 days Number of working days for ASA-4 at site: 20 Working days</p>
2.2.2 Assessment Process	
ASA-4	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Sajang Heulang to the requirements of <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).</i></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (RC).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-4 assessment. All</p>

information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-4**.

The assessment program please find Appendix 2

2.2.3 Location of Assessment

ASA-4 Number of units in this certification activity is four (4) estates, which supply the raw material (FFB) to Mustika palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Mustika palm oil mill and KKPA -2 estates and KKPA-3 estate)

Mustika Factory

1. **Security.** Observation and interview with key personnel related to implementation of Supply Chain Requirement
2. **Weighbridge.** Observation and interview with key personnel related to implementation of Supply Chain Requirement
3. **Grading Station.** Observation and interview with key personnel related to implementation of FFB grading system.
4. **All processing station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier).** Observation on FFB processing.
5. **WTP Station.** Observation on water management plan for Mill processing.
6. **Boiler Station.** Observation of renewable fuel using Fibers and shell, and interview of OHS implementation with key personnel.
7. **Workshop.** Observation on maintenance activities and interview with foreman related understanding of working procedure.
8. **Warehouse complex (Chemical, material warehouse, and workshop).** Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.
9. **Hazardous Waste Temporary Warehouse.** Observation on hazardous waste management.
10. **Emergency Response at Mill.** Observation on emergency response facilities (hydrant hose reel) and drill.
11. **POME Land Application, Mustika Estate, Block J 32 and J33**

KKPA-2 Estate

12. **Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).** Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.
13. **Scheduled Waste.** Observation on hazardous waste management.
14. **Harvesting and FFB transport, Block I 16 and H 19.** Observation on harvesting, OHS, and worker welfare aspect.
15. **Housing of KKPA 2.** Observation on housing, sport and worship facilities
16. **Barn Owl Box. Block I 16.** Observation on implementation of integrated pest management.
17. **Boundaries of KKPA.** Road access is a boundary type in KKPA as a border with other plantation area, there is no poles.

KKPA -3 Estate

18. **Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).** Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.
19. **Scheduled Waste.** Observation on hazardous waste management.
20. **Harvesting and FFB transport, Block H 14.** Observation on harvesting, OHS, and worker welfare aspect.
21. **EFB mulching application, Block H14.** Observation on implementation of EFB as a mulch on sandy area Mulch to add organic material.

- 22. **Housing of KKPA 3.** Observation on housing, sport and worship facilities
- 23. **Boundaries of KKPA.** Road access is a boundary type in KKPA as a border with other plantation area, there is no poles.

Notes: during the assessment there was no spraying and manuring activity, but the auditor team had conducted interviews with foremen and worker of spraying and manuring.

Stakeholder consultation conducted in two (2) villages: Desa Waringin Tunggal (represent of KKPA-3) and Desa Harapan Jaya (represent of KKPA-2).

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Summary of stakeholder consultation process Consultation of stakeholders for PT Sajang Heulang was held by:</p> <ul style="list-style-type: none"> • Public Notification on 17th May 2017 at PT Mutuagung Lestari Website (http://mutucertification.com/notification-on-rspo-surveillance-4-assessment-of-mustika-pom-pt-sajang-heulang-a-subsiary-of-sime-darby-plantation-sdn-bhd/) • Public consultation meeting with local stakeholder conducted by interview on 6th June 2017 • Public consultation meeting with internal stakeholder on 7th June 2017 • Public consultation with NGO by email conducted on 31st May 2017
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (RC) will be determined one year after this ASA-4 (March – 2018).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Mustika Factory – PT Sajang Heulang, Sime Darby Plantation Sdn, Bhd** consisting of one (1) mill and supplied by one (1) oil palm estates and three (3) associated smallholders.

During the assessment, there were five (5) Nonconformities were assigned against Major Compliance Indicators, four (4) nonconformities were assigned against Minor Compliance Indicators and two (2) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. Those corrective actions taken that consist of five (5) Major non-conformities had been Closed shall be verified during next assessment.

MUTUAGUNG LESTARI found that **Mustika Factory – PT Sajang Heulang, Sime Darby Plantation Sdn, Bhd** complied with the requirements of *Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).*

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Maintained

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
1.1.1	<p>Certificate holder has the newest list of stakeholder updated on May 2017, consist of statutory bodies, leader community, contractors, worker organizations, and NGOs. Based on interview with company's management, the list of stakeholders have been updated every time there is a revision/ change or will be updated every year. Based on interview with related stakeholders, they've already know the person in charge for communication with stakeholder. Head of Administration is in charge for providing and updating the list of stakeholder and communicating, and provide, update and response the information for stakeholders</p> <p>There is communication procedure "SOP of Information Request" revision 2 dated 1st February 2016. It explains the kind of documents that can be accessed publicly and the time given to respond the request for information from stakeholders. Based on interview with related leader community of KKPA 2 and KKPA 3, it is known that they don't have difficulties to communicate with the company for information request.</p>
1.1.2	<p>Based on interview with management unit, the person in charge. Procedure for respond to stakeholder is also written on "SOP of Information Request" revision 2 dated 1st February 2016. It explains the kind of documents that can be accessed publicly and the time given to respond the request for information from stakeholders. Based on procedure, the time to</p>

respond to information if it does not require approval from the Department Head is 1 week. If head department approval is required, the response time is 1 month. Record of information is written on the information book "Logbook Surat Masuk". In the book shows that there is no incoming information requests, there are only proposals, and invitation to attend meeting held by stakeholders.

Status: Comply

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

Company has list of document that can be accessed publicly and documents that can be accessed publicly which is written on SOP of Information Request revision 2 dated 1st February 2016. The public documents, such as environmental document, licensing includes land use title and decree of land use title, operational licenses of plantation activities, OHS program, identification risk, land use data, report of position and the amount of labor, and so on. These documents are available in estate and mill office.

Company has monitoring and management report, such as employment report, business activity report of palm oil plantation industry, report of environmental management and monitoring plan, and so on. These documents also can be accessed by public through the mechanism which has determined by the company.

Status: Comply

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

1.3.1

Company has code of conduct No. 440/HRM-COC/07 ratified on 27th April. This code of conduct explains that company has a commitment to building a mutually beneficial long-term relationship with stakeholders, such as optimally enhancing shareholder value, treating employees equally in all aspects. Does not engage in political activity and is not affiliated to the political party nor does it make any contribution concerning political activity and is not allowed to provide, offer or accept anything of value which may be categorized as a bribe to or from customers, angry providers & services or government officials and others so Influence the desired decision. Based on interview with workers in mill, they understood about this policy.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1; 2.1.2

The CH has compiled a list of the applicable law and regulations period of 2017 as well as evidence of compliance evaluation, the document informs: the regulation titles, descriptions, compliance status, evidence of compliance and compliance explanation information. A copy of the laws and regulations has been placed in each unit (estates and mill).

2.1.3 & 2.1.4

The CH has SOP of legal requirement no. 701/TQEM-ESH/10, described in section 5, the responsible department for identifying, summarizing, communicating, storing, and monitoring are PSD, group legal & licensing and EHS. Monitoring is done through inspection, analysis of operational data as well as through internal and external audits. The latest internal audit was conducted in 15 to 17 February 2017 for Mill and Estate Operation.

Status: COMPLY

2.2

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

2.2.1

There is no changes for legal right from previous assessment. The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights. The available document also available in historical records as follows:

Mustika Estate (PT. Sajang Heulang):

1. Plantation Business Permit from Tanah Bumbu District government year 2013 for area of 7,794 Ha and POM with capacity of 15 Ton of FFB/hour and Mustika Mill with capacity of 60 ton of FFB/hour.
2. Five certificate of Land Use Title (HGU) with total area 7,794 Ha of PT. Sajang Heulang. Which were only HGU certificate No. 34 dated 14 May 2002 with size of 5,260 Ha is for Mustika Estate. The remain land use title is under scope of Angsana Factory.

KKPA 2, 3 & 5

All of KKPA (associated small holder) area entirely owned by community and handed over to be managed by PT.SHE based on agreement with the Cooperative of Tuwuh Sari as representatives of the community on January 5, 2000. Total area under KKPA area 16,000 hectares, spread over 27 Village 4 Districts, with the number of farmers of 8,100 members. Only 3 (three) KKPA's is under this scope of certificate: KKPA-2 (3,937 Ha – 2,208 smallholding); KKPA-3 (3,012 Ha – 2,160 smallholding) and KKPA-5 (2,812.83 Ha – 1,601 smallholding).

KKPA Smallholder was established according to recommendation of the Government of Kotabaru District number 590/1849 / Tibum dated March 18, 2000 and Recommendation of Tanah Bumbu District number 525/1023 / BUN / 2005 dated December 22, 2005. Evidences of KKPA land ownership are still retained by creditor bank due to loan agreement with Bank.

2.2.2**Mustika Estate**

Document of legal boundaries of land use right of PT. SHE are available in place. There are physical marker (pole) along land title boundary installed by National Land Administration Office (BPN) of South Kalimantan Province in year 2004 which refers to the land title boundary map year 2000 and 2002. In addition, there are also physical separator between Mustika Estate and its surrounding environment in the form of boundary trenches surrounding the estate.

KKPA 2,3, 5

Boundary between KKPA and its surrounding environment are block marker and physical separator in the form of block road or collector road. Based on field visit to KKPA-2 and KKPA-3 area, borders are clearly marked by road to separate of KKPA's managed area and outside area.

2.2.3**Mustika Estate**

Interviews with stakeholders and field visits showed during ASA-4 audit was held, there were no ongoing land conflicts between growers and the community.

Hectare statement documents showed that within HGU area, there were 221.93 hectare of land that can not be utilized due to overlap of land ownership claim with the community. The control by the community occur before the land title certificate was issued and the land owners were not willing to be compensated.

To address these issues, there is agreement between PT. SHE and land owners made in May 2015 and witnessed by local authorities (village chief). The contents of the agreement is that the community aware that the agricultural land utilized by the community are part of concession of PT SHE, but there is no dispute between PT SHE with the community because PT. SHE will not make any land acquisition without prior agreement.

In addition to the aforementioned occupational area, there is no other land claim cases are ongoing. The whole land has been compensated by PT. SHE as indicated by the Land Acquisition Report in Mustika Estate. Documentation of land acquisition available completely.

KKPA 2,3, 5

All plantation area operated under KKPA scheme are belongs to the community, so that no land conflicts with PT. SHE. Documenting of KKPA land ownership has been done by each village and the Parent Cooperative of Tuwuh Sari as identified by yellow card ownership (plasma members). The average area of land ownership of each member is 1.75 hectares. The revenue sharing to each farmer is based on the proportion of the land ownership.

2.2.4

As previously mentioned, during ASA-4 audit, there were no ongoing land conflicts between growers and the community. A number of land disputes that occurred have been solved by means of deliberation in accordance with the SOP and all records are well kept in place.

2.2.5

A number of land disputes that have occurred have been resolved and have been mapped by PSD departement. For conflict resolution guidance, there is SOP regarding Land Acquisiton in document number 343 / PSD-OKUP / 11 dated February 23, 2013, which provides guidelines for the implementation of land acquisition included the implementation of the disputed settlement land mapping of disputed land.

In the case of land conflicts occur, provided evidence of the implementation of participatory land dispute resolution and involving the affected party.

2.2.6

PT SHE can show documentation of policy of PT. Minamas Gemilang regarding land acquisition which mentioned that no to use violence in any land acquisition, conflict resolution practices, and all plantation operations that being carried out and / or planned.

Field visits and public consultation with villagers (Harapan Jaya and Waringin Tunggal) around the plantation showed no indication of the use of violence by growers in the settlement of disputes with the public. The whole problem settled amicably or through legal channels.

Status: COMPLY

2.3

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

2.3.1.

Mustika Estate

Plantation area of PT. SHE all are originated from state owned land or individuals that have been acquired. There is official statement letter from the Land Administration Office of Tanah Bumbu No. 000/171 / KP.12, dated July 15, 2010, which explained that within the land title area of PT. Sajang Heulang, there are no areas under communal customary tenure or *ulayat* land.

For private / individual land, the company has conducted fair negotiation and land acquisition as shown by negotiation documents and payment of compensation to land owners, as well as settlement of claim as noted in the previous 2.2.4 indicators.

As guidance of FPIC implementation, CH has developed SOP number 343 / PSD-OKUP / 11 dated February 23, 2013 governing the implementation guidelines for land acquisition with fair compensation and without any coercive approach.

Based HCV identification report in 2010, there is small area identified as HCV 6 which is Tomb of Achestors of Setarap Village community. This area has been excluded from the priduction land and it has been communicated to the community in public consultations of HCV area on January 6, 2010.

KKPA 2,3,5

All plantation area operated under KKPA sceme are belongs to the community. There are no issues regarding communal or customary land occupation in KKPA area. This has been confirmed through public consultation during ASA-3 audit visit.

2.3.2

For any private / individual land, the company has conducted fair negotiation and land acquisition prior to Land Title issuance as shown by negotiation documents and payment of compensation to land owners. For example:

- Reports Indemnity payments to villagers of Kuranji village for an area of 220.90 on 13 August 1997. Compensation including cattle sheds, barbed wire costs, and indemnity for *padi* field, agricultural farm.
- Reports Indemnity payments to villagers Mustika and Kuranji village for an area of 114.23 Ha dated December 20, 1997.
- Reports of Indemnity payments to villagers of Bekarangan and Karang Mulya village for an area of 196.015 ha dated 11 to 27 July 1998. 20 villagers involved from Karang Mulya and 11 villagers from Bekarangan.
- Reports of Indemnity payments to villagers of Bekarangan vilage for an area of 85 hectares dated Nov. 3 1998.
- Reports Indemnity payments to villagers of Karang Mulya District for an area of 111.75 ha on February 29, 2000 for the costs of the compensation to the owners of 131 plots of land.

2.3.3.

For any private / individual land, the company has conducted fair negotiation and land acquisition prior to Land Title issuance as shown by negotiation documents and payment of compensation to land owners. All documents and records regarding indemnity agreements made in the Indonesian language that can be understood by all stakeholder, including the maps, agreements, delivery notes and the rule of law .

2.3.4

Verification of documents and public consultation showed there was no infringement of traditional / customary in the area of the Mustika Estate. All documents regarding indemnity payments made in the Indonesian language that can be understood by all stakeholder.

Negotiation records showsn that In any negotiation that requires collective agreement, the community has been represented by leaders chosen by the themselves of the village or community leaders. In the case of land disputes, the company invites the public representatives or lawyer appointed by the community itself.

Status:

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

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

3.1.1

Certificate holder has had documents of annual plans (2017/2018) and long-term projection for the next three years (2018 to 2021) for the mill and any estates (include KKPA). The planning documents include the operational area planning and reserve area, the costs of plants treatment, infrastructure, up to the production cost, as well as other production variables such as tonnage and yield of the products, estimated price and financial indicators. Variable of EHS and social cost have been included in the documents.

3.1.2

Certificate holder has had a long-term plan that describes the replanting program for the next 5 years. Based on these documents replanting activities scheduled to begin in 2017/2018 at Mustika Estate with an area of 301 Ha. Based on interview with management, the replanting progress will be started in October 2017. Field visits in KKPA 2 and KKPA 3 is known that the certificate holder has not yet conduct replanting.

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

Certificate holder have operational procedures consist of agricultural and processing procedures. Agricultural procedure in document of Agricultural Reference Manual (No. 110/EST-ARM/08), covering planting material, nursery technique, replanting, land preparation, planting density, maturity age, field upkeep, manuring, canopy management, ablation, standard ripeness, harvesting interval, traceability, plant protection.

The procedure of processing (No. 110/POD-FAC/07 & No.130/POD-FAC/07) covering from reception of FFB, about the basics of palm oil processing such as reception of FFB, boiling (sterilization), striping, digesting, pressing, clarification, separation of seed and fiber, kernels stations, stockpiling oil and palm kernel, laboratory management, boiler, engine power, the types of plant machinery, security and safety works, and dispatch.

Based on field observation and interviews with harvesters in KKPA 2 and KKPA 3, known that harvesters have understood the technique works and understand according to the procedures. At the time of assessment there was no spraying activity. But based on interviews with spraying workers, it is known that worker has understood the safe working practices, including the use of PPE.

4.1.2

Certificate holder conducted annually operational and RSPO internal audit in order to monitor the implementation of the procedures. Operational internal audit evaluate the implementation of operational and administration of estates and mill. Whereas RSPO internal audit evaluate the implementation of sustainability procedures in estates and mill. Furthermore, the management representative (assistant, manager, regional controller) routinely conduct inspectorate visit to control the implementation of the procedures.

4.1.3

The result of internal audits were documented in audit reports. The last operational internal audit for mill conducted in March 2017, whereas the KKPA conducted in February 2017 and the last RSPO internal audit conducted in April 2017. All nonconformities has been followed up and closed by the management units.

4.1.4

Certificate holder has procedures related to product identification and search capabilities (No. 65/RSPO/65/SCPP/SHE) dated 14 January 2013. KKPA management has a mechanism for receiving fruit through FFB delivery order. Based on the document review, Mustika Factory only receives fruits from certified sources, that is Mustika Estate, KKPA 2, KKPA 3 and KKPA 5. Details of the number of received FFB can be seen in the basic information section of this report.

Status: Comply

4.2

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

4.2.1, 4.2.3

Certificate holder has conducted efforts to maintain soil fertility through the implementation of a controlled fertilization, maintenance of cover crops, empty bunch of applications and also land application. Certificate holder has had several procedures related to maintain soil fertility, such as procedure of block manuring system, procedure of leaf sampling unit, and procedure of establishment of legume cover crop.

At the time of assessment there was no manuring activity. But based on document review and interview with manuring workers, the strategy has been implemented among others conducted soil sampling (SSU) and leaf sampling (LSU) periodically, organic and anorganic fertilizing in accordance with recommendation, as well as POME land application, and planting legume cover crops. Furthermore, certificate holder implemented selective weeding on interrow to minimize run off and erosion.

4.2.2

Implementation of manuring activity has been well documented. It available in each estate and shown compare budget or recommendation against realization. Based on document review of KKPA 2 and KKPA 3, it shows that the manuring activity (time, location, dose, amount) has been in accordance with the recommendation. The anorganic fertilizer used by certificate holder are ZA, MOP, Kieserite, HGF Borate.

4.2.4

Nutrient recycling strategy as a part for increasing soil fertility has been conducted, such as EFB mulching application and POME land application. Field observation in KKPA 3 Block H 14, it is known that EFB mulching application has been implemented especially in sandy area with dosage 40 tonnes/ha/year. Whereas in Mustika Estate Block J33 and J34,

POME land application with dose 750 tonnes/ha/year in three rotation (250 tonnes/ha/rotation) has been implemented. The record off EFB and POME application has been well documented.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

Related to soil erosion and degradation control, certificate holders have mapped land suitability and fragile soil existence based on soil survey. Based on map and the results of the survey, the soil in KKPA 2 consists of *Typic hapludess/Ultisol soil type*, *Typic plintudults/Ultisol*, and *Humic endoaquepts/inceptisol* with land suitability S1 (very suitable) to S2 (suitable). As for the slope class, consists of flat (78%) to undulating (22%). For the area of KKPA 3 consist of soil type *Typic hapludults/ltisol*, *Typic plintudults/Ultisol*, and *Humic endoaquepts/inceptisol* with a land suitability S1 (very suitable) to S3 (moderately suitable). As for the slope class, consists of flat (70%) to undulating (30%). There was no marginal / fragile soil based on soil type and slope class.

4.3.2; 4.3.6

Based on report of soil survey and field visits in KKPA 2 and KKPA 3, it is known that there is no peat land, and the topography of the area is relatively flat and there is no special treatment is required. However the certificate holder implemented efforts to prevent soil degradation such as U-shape stacking system, selective weeding by allowing soft ferns, as well as EFB mulching applications on sandy area (field visits at KKPA3 Block H14).

4.3.3

Certificate holder has had document of road maintenance program and realization. Based on document review and field observation in KKPA 2 and KKPA 3, road maintenance has been conducting well, allowing to be used well for operational activities. Road maintenance conducted manually or by road grader.

4.3.4 and 4.3.5

Based on soil survey and field observations, it is known that there is no peat soil in PT Sajang Heulang. Soil types in the operational area comes from the order *Ultisol*, *Alfisol* and *Incepticol*.

Status: Comply

4.4

Practices maintain the quality and availability of surface and ground water.

4.4.1

The water management plan is documented in the Environmental Management and Monitoring Plan document, among others, the managed on mill effluent prior to application to the soil, vegetation conservation in theriparian, the prohibition of chemical applications on the riparian, testing the quality of POME, testing of aquatic biota, water availability, water needs calculation, water resources, water quality testing and efforts / water saving measures.

4.4.2

Based on the river map of PT SHE There are some river or water bodies that are located and across the company's operation area. Based on the results of field visits in Bantaian riparian and Kuranji ripaian known that there was no indication of chemist application along the riparian. The company has marked the riparian border and there is a sign board of HCV areas identity, protected species and restrictions of undermine the HCV area. The management unit has also been planting woody plants and maintaining ground cover vegetation such as *Nephrolepsis sp.*

4.4.3

Effluent produced by the mill is managed on Waste Water Treatment Plant (WWTP) before it is applied to the estate. Examination of documents showed that the effluent quality monitoring is conducted regularly every month by Accreditation Laboratorium and reported to Enviromental agency of Tanah Bumbu Regency. Results of testing for the second semester in 2016 (July to December 2016) showed that all the test parameters are met the quality standards.

4.4.4

Based on field observations in the mill, the management unit has been measuring the use of water used by the mill in operational activities and domestic needs. There is flow meter installed in the reservoir and in the water treatment plant (WTP). The volume of water used routinely documented every day. The results of the examination of documents known that the needs of water for every tons of FFB water is under the budget has been set.

Status: COMPLY

4.5

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

4.5.1 and 4.5.2

An integrated strategy for pest and disease management has been established in agronomy procedures on pest and disease control. The strategies include the planting of beneficial plants (*Turnera subulata*, *Cassia cobanensis*, and *Antigonon leptosus*) and selective weeding to establish soft weeds to suppress leaf eater pests. In addition, the installation and monitoring of the barn owl boxes to suppress infestation of rats.

Early warning system is conducted in the form of census every three months to monitor the infestation of potential pests and diseases such as leaf eater caterpillar, rats, ganoderma, termites, and oryctes. Appointed census workers have been trained on KKPA 2 IPM training (23 February 2017) and KKPA 3 IPM training (25 July 2016).

Based on data and summary of census of KKPA 2 and KKPA 3 period of March and April 2017, it is known that there are no pest and disease infestation that exceed the economic threshold. So there is no usage of pesticides for pest and disease control. This is strengthened by field observation in KKPA 2 and KKPA 3, it is known that visually there is no symptoms of leaf eater caterpillar infestation on the canopy, or the rats infestation on the FFB collected in the FFB platform. The pesticide monitoring for the period of January to May 2017 also shows no usage for pest and disease control, but only for routine weed control in the circle and harvesting path.

Field observation results are also known that beneficial plants such as *Turnera subulata* and *Antigonons leptosus* have been planted in main and collection road. The barn owl boxes in KKPA 2 Block I 16 indicates the occupation barn owl. Barn owl boxes monitoring has been conducted well, for example the number of barn owl boxes in KKPA 2 per May 2017 is 105 units, with a ratio of 1 box for 40 ha, and with occupancy rate of 88%.

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment

4.6.1

Certificate holder has had document of recommended pesticide, include 4 trade mark of pesticide, which registered in pesticide commission, identified active ingredient, and the specific objectives of control. In periode of July 2016 to May 2017, KKPA 2 and KKPA 3 used pesticides with active ingredients of *Methyl metsulfuron*, *Glyphosate* and *Triklopir*.

4.6.2

Certificate holder has documentation of pesticide utilization that record product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, hectare application and active ingredients per ton FFB production. For instance for KKPA 2 in period of July 2016 to June 2017, the utilization of all pesticides are 0,53 kg active ingredients per hectare, or 0,04 kg active ingredients per ton FFB.

4.6.3

Related to reduce the usage of pesticides, monitoring conducted daily, monthly, and annually. Furthermore conducted regularly pest and disease census as an early warning system, aims to prevent outbreak of pest and disease, so it is expected to minimize the use of pesticides. Pesticides are only used if the infestation has exceeded the economic threshold. Based on pest and disease census data in the period of March and April 2017, it is observed that there is no infestation exceeded the economic threshold, so there is no usage of pesticides for pest and disease control.

Pesticides are used regularly for weed control in the circle and harvesting path with interval every 4 months. The usage of pesticides has been monitored in monthly of each type of pesticide in per division and block. The certificate holder does not use pesticides prophylactically. If the conditions of circle and harvesting path are still quite standard, the weed control

will be postponed.

4.6.4

Certificate holder has had memorandum from Head Plantations Operation (No. POD-UM-127/X/2008 dated 4 November 2008) related prohibition of Paraquat, as well as recommendation from Plantation Advisory (18 July 2013) related prohibition of Brodifacoum. Based on observation of chemical storage of KKPA 2 and KKPA 3, review of pesticide usage records described in indicator 4.6.1 and 4.6.2, and interview with spraying worker, it is known that the certificate holder does not use Paraquat and Brodifacoum, included categorised as WHO Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions.

4.6.5

Certificate holder already has guidelines related spraying activity in Block Spraying System and OHS Procedures (No. 711/TQEMS-P2K3/07), and also HIRAC. Training for the workers has been conducted. At the time of assessment there is no spraying activity, but based on interviews with spraying worker and foreman it is known that the workers have been trained and understand the spraying best practice. The PPE provided is in accordance with the terms of the MSDS, ie glasses, masks, apron, rubber gloves, and boots.

4.6.6; 4.6.10

Based o field visit to agrochemical warehouse, it is known that the entire used-agrochemicals have been separately stored from other materials. Moreover, warehouse agrochemical has been completed with PPE, occupational health and safety symbols, *emergency shower, eye washer and MSDS*. Material arrangement in agrochemical warehouse has separated solid and liquid material. Used-pesticide package is managed by washing the used package, making a hole in the package, furthermore putting the used-packaged inside the hazardous waste warehouse. Based on explanation from senior assistant in KKPA 2 and KKPA 3, it's known that used-pesticide packages, which are still in good condition, are being used to carry poison or other chemical materials before land application. Interview with residence in housing KKPA 2 Estate showed that residents are prohibited and understood that used-pesticide packages can not be used for other utilization apart from carry other poisonous material.

4.6.8

Based on document's review and interview with estate operation's personnel, there were no pesticide applications from air within PT Sajang Heulang estate area.

4.6.9

The company has demonstrated the implementation of technical training and OHS spray on 19 September 2015 and 7 January 2017. Training spraying to employees have used Indonesian , so it can be understood by the employees. all employees have been trained and have knowledge of pesticide used

4.6.11

Certificate holder has a list of pesticide operators as many as 18 sprayer workers for KKPA 2 and 16 sprayer workers for KKPA 3, consist of female worker. The operators has medical examination periodically on cholinesterase to ensure the condition of worker is in good health. The last medical examination was conducted in 2016. The evaluation of medical check up is made by the doctor and for worker who have low blood level of cholinesterase is recommended to work in manual maintenance (non chemical). Based on interview with worker who dealing with agrochemical, they have examined and the result is informed to the worker.

4.6.12

Certificate holder prohibit female workers who are pregnant or breastfeeding for working wtih chemicals. Based on interview with women worker, they know that they are restricted for working with chemical material when pregnant or breastfeeding. Based on field observation in estate, there are no pregnant or breastfeeding female worker. The identified pregnant female worker will be transferred to the job that not dealing with agrochemical.

Status: Comply

4.7

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

4.7.1

The Certificate holder has a Occupational Health and Safety policy stating that the Company will continuously improve the performance of occupational health and safety. In addition, there are also procedures such as:

- Block Spraying System (SOP SHE Rev.01, January 2, 2014) stating that the tools including PPE for spraying activities is washed with clean water at BSS house and not allowed to be brought home.
- Block Manuring System (PF 3001, April 1, 2012) states that tools including PPE for manuring activities are not allowed to be brought home.

Based on field visits it is known that:

- Personal Protective Equipment (PPE) for spraying and manuring activities is not available at BSS and BMS KKPA-2 house. This is in accordance with results of interviews with management that the PPE is brought by workers to their house
- BSS and BMS housing facilities are not available at KKPA-3. Meanwhile, the results of interviews with 3 spraying workers and 3 manuring workers it is known that the work tools and PPE brought home.

Based on such evidence, the auditor team concluded that the certificate holder has not been able to demonstrate the implementation of their OHS policy and the procedures. **Non conformity No 2017. 01.**

4.7.2

Based on field observations it is known that there are some potential hazards of plantation operational activities that have not been identified in the HIRAC document, for example but not limited to:

- Operational activities under the electrical grid installation
- Storage of harvesting tools in housing complex
- Temporary storage (transit) of Schedule waste
- FFB transport from the block to TPH (Site Collection)
- FFB loading into the vehicle
- Potential exposure of pesticides during application in the field.
- And others,

On the evidence obtained, the auditor team concluded that the risk assessment of all plantation activities has not been identified, documented and implemented. **Non Conformity no 2017. 02**

4.7.3

Certificate holder has trained worker, especially for operators in estate and mill. However, they have not been able to demonstrate sufficient evidence to have provided personal protective equipment in accordance with the identified potential hazards. Based on field observation and interviews with workers, it is known that:

- Personal protective equipment in the form of shoes for harvesting workers are provided by the workers at KKPA-2.
- Contractor worker of FFB loading did not use PPE in accordance with the work agreement at KKPA-2 and KKPA-3.

Based on explanation above, the certificate holder has not been able to apply the appropriate OHS protection to workers in accordance with hazard identification and risk analysis. **Non conformity no 2017. 03.**

4.7.4

Certificate holder has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program for estate and POM. The secretary of this committee is the OHS general expert. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The meeting is documented in minutes of meeting and list of attendees.

4.7.5

Certificate holder has an emergency response system, contained in document SOP of emergency response SOP SHE Revision 01 valid from 2nd January 2014. Emergency state such as fires, detonation, and natural disasters also explained in this document. For every work accident is documented in notification form for work accident and investigation incident form. This document is attached in Guiding Committee of Occupational Health & Safety Report which has been reported

to the Labor Agency periodically.

The certificate holder also has provided emergency response and first aid facilities at workplace, but based on field observation, it is known that:

- There is an expired medicine (povidone iodine) in the first aid bag carried by the foreman of Harvest in division 3 of KKPA 2.
- First aid equipment monitoring is not available in all work units.

In relation to this matter, the certificate holder has not demonstrated yet the effectiveness of periodic monitoring on emergency response facilities (first aid equipment). **Non Conformity No 2017. 04**

4.7.6

The certificate holder has several type of worker, among others monthly and daily permanent worker, temporary worker, and contractor workers in the KKPA 2 and 3. For permanent and temporary workers have been registered into the work accident insurance program (BPJS Employment). However, based on document review and interview with the management, it is known that there is not enough evidence of all contractor workers in KKPA 3 has been registered into the applicable occupational injury insurance. **Non Conformity No 2017. 05.**

4.7.7

Certificate holder monitors the work accident by using the lost time accidents matrix. They recorded the LTA in one year period. This document informs the time period, the number of working days, the number of non effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, total employee, frequency rate, lost time incident rate, and severity rate.

	Status:	
Major 4.7.1	Non Conformity no 2017. 01 with major category	
Major 4.7.2	Non Conformity no 2017. 02 with major category	
Major 4.7.3	Non Conformity no 2017. 03 with major category	
Minor 4.7.5	Non Conformity No 2017. 04 with minor category	
Minor 4.7.6	Non Conformity No 2017. 05 with minor category	

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

4.8.1

Certificate holder already has a list of Staff, worker, including contractor and contractor's worker. Mustika Factory, KKPA 2 and KKPA 3 have developed an annual training program that has covered all existing estate and mill activities, that has included training on OHS aspects and emergency response. Training for contractors has also been identified which includes OHS and first aid response.

Based on verification of the training documentation, all the training programs have been conducted. Training programs for the estate covered harvesting, maintenance, manuring, spraying, integrated pest management, fire extinguishers, OHS, first aid response. The training program for the mill has included security, purchases, cashiers, weighbridge station, all processing stations, electricity, workshops, WTP, and laboratories. While for contractors include OHS, HIRA, safe working attitude, driving discipline, and use of PPE. Field observations and/or interviews with workers in Mustika Factory, KKPA 2 and KKPA 3 (harvesting, transport, spraying, manuring) it is known that the workers have received regular training and guidance from supervision, they have understood the safe working practices.

4.8.2

The certificate holder has shown the training recording in the unit of estate and mill as identified in the training program. However, training records for each worker can not yet be shown. **This becomes Nonconformity No. 2017.06 with Minor category.**

Minor 4.8.2	Status: Non Conformance 2017.06 with Minor category	
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PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

5.1.1; 5.1.2

There is no changes about the document of Environmental Impact Assessment (EIA). PT Sajang Heulang has had a document of Environmental Impact Assessment (EIA) that approved by the EIA Commission Chairman of forestry and Agriculture Ministry on 26 December 2000. The scope of the EIA covers a total area of 40,000 ha reserve, covering an area of 26,000 Ha planting area, 2 units of mills with each capacity of 60 ton FFB/ hour.

These documents discusses the impact that might have caused by the company's operations, that documents also discuss the management plan and monitoring plan that should be done by the company. Environmental management and monitoring plan (RKL-RPL) should be done by the company have been described in the EIA documents. The Company has a implementation report of RKL-RPL that are reported regularly to Environmental Body of Tanah Bumbu Regency

5.1.3

The Company has a record evidence of environmental management report periodically and has implemented the entire management and monitoring, as required under the EIA document (Environmental Management Plan / Environmental Monitoring Plan). report described realization of monitoring and management of the environment in accordance with environmental parameters in the Environmental Management Plan - Environmental Monitoring Plan and ordered by regulations. Until the surveillance activities 4 is conducted there is no change in the scope and operation of companies that could lead to a revision of environmental documents (EIA and parent Document of Environmental Management Plan / Environmental Monitoring Plan).

Status: COMPLY

5.2

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

5.2.1.

Certificate Holder has identified HCV area and protected animals within HGU area, carried out by competen assessor in January 2010 for Mustika Estate and October 2012 for KKPA Estate. Adequate methodology was applied refers to the HCV Toolkit RSPO. Available evidence of social data collection and consultation with stakeholders. Identification of HCV report has been reviewed by experts HCV / Independent Consultant.

Assessment report has been explained about the species found, the general condition of the area, methods and HCV found. Based on the HCV Assessment in Mustika Estate unidentified RTE and protected species, whereas the identified HCV consist of HCV 1.1; 1.4; 4.1 and 4.3 an area of 336.2 Ha. While the results of the HCV assessment in KKPA 1-5 shows not identified RTE and protected species, while HCV identified consisting of HCV 4.1 and 6 covering an area of 126.49 Ha. HCV assessments have been conducted with the communities surrounding were held on January 6, 2010 and October 8 to 11, 2012. The whole area of HCV identified in this scope has been mapped and described in the report HCV.

5.2.2 ; 5.2.4

Documents review and interviews shows that not all areas identified HCVs can be managed by the management unit. Companies have Management Plan and Monitoring of HCV in 2017 consisting of:

- Marking the riparian areas that have been planted by oil palm tree with yellow paint as far as 5 tree from water bodies.
- Do not perform chemical application in riparian areas that are already planted oil palm
- Monitoring the HCV
- Conducting enrichment by planting trees in riparian
- Install the signboard of HCV and animal species.

The company has been performed the management efforts of HCV area consisting of:

- Marking the riparian area and based on field observations in Bantaian River its known if the riparian has been marked in oil palm tree with yellow paint. The company also instalment sign board prohibition of poisoning fish
- based on field observation in Bantaian river its known if the company has been conducting enrichment by Planting Mahogany and Bamboo

5.2.3

the company has has had the procedure of management of conservation area who mentioned if all All the leader of each section of the company shall proactively socialize this issue, and give a warning when encountered a violation of this policy by each subordinate. The results of interviews with workers in KKPA 3 and KKPA 2 Estate obtained information if the employees already know about the prohibition hunting of wildlife and protection of HCV areas.

5.2.5

The management unit has had an agreement with the community to protect HCV that found in the KKPA Estate. HCV area that related with the community is water source and river These water sources used by the public when the dry season. The results of the field visit showed that the management of water sources has been conducted by making the tub, protect the buffer zone and the riparian of water source is not performed by chemical applications.

Status: COMPLY

5.3

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

5.3.1; 5.3.2

The Certificate Holder has identified the type of waste and waste sources and the management of each type of waste. Sources of waste in the operations area consists of a mill processing station, worksop, offices, warehouses, home generators, housing, BMS, BSS, operational activities of the estate and polyclinics.

5.3.2

Field visits and interviews with management indicate that hazardous waste is managed by storing it at hazardous waste storage and then delivered to the licensed third party. Evidence of cooperation between the company and the licensed third party which is PT Nazar.

5.3.3

Based on the results of field visits and document verification of waste management conducted by the company, among others:

- POM solid waste in the form of shells and fibers are used again as fuel for the boiler while the EFB is used as fertilizer
- Effluent is used for land application
- Domestic waste is collected and disposed to the landfill regularly once a week
- Hazardous Waste is stored in the Licensed Hazardous Waste Temporary Warehouse to be sent to the licensed third party.

Based on the result of the sample of field visit around the KKPA 2 fertilizer warehouse, there was found a pile of waste of fertilizer that has not been properly managed according to SOP Block Manuring System (No PF 3001 dated 01 April 2017, for example:

- Sacks of fertilizer are stored outside the warehouse in the open area
- Sack of fertilizer is not arranged neatly

In relation to this matter, the certificate holder has not been able to show the waste management plan of the ex fertilizer sack has been implemented to avoid and reduce contamination. **Based on that's explanation raised non Conformities 2017.07 With Minor Catagory**

Minor 5.3.3 **Status: Non Conformity No 2017. 07 with Minor Category**

5.4

Efficiency of fossil fuel use and the use of renewable energy is optimised.

5.4.1

Company has conducted efficiency efforts to reduce the utilization of diesel fuel, such as by utilizing shell and fiber as

boiler fuel. With the utilization of renewable energy, company saved diesel utilization amount approximately 1,269,643 Liter or 78.71 % in January – April 2016.

Status: COMPLY

5.5

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

5.5.1, 5.5.2

The Company has had policies and procedures for land preparation without burning outlined in procedure of land clearing / preparation of new land which outlined the land clearing process without burning. The results of the document review, public consultation and field visits show that since ST-2 up to the ASA-4, the company did not do a new land clearing.

Status: COMPLY

5.6

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

5.6.1 & 5.6.2

To reduce pollution and emissions, the company has identified the source of pollution and greenhouse gases and the measures to manage them. The efforts made by the management unit to reduce the pollution and GHG emissions through the activities including engine maintenance, effluent management and waste utilization, conduct fertilization according to the dose, conduct pesticide application according to the procedure, etc. Field visits in the mill showed that the shell and the fiber has been used as a boiler fuel, thereby it's reducing the use of diesel fuel for generators.

Monitoring of emission of pollutants including green house gases was conducted through measurement of boiler, genset, operational vehicle and heavy equipment emission and recording of diesel fuel, fiber and shell use quantity. Monitoring of fertiliser, pesticide and chemical use was conducted through record of fertiliser, pesticide and chemical use quantity. The monitoring was conducted to evaluate the management of which has been done by each management unit. Field observations on the WWTP in Mustika Factory showed that there is no indication of leakage in the WWTP and the effluent has been used to estate.

5.6.3

GHG Calculation of Mustika POM for year 2016 has been calculated using RSPO PalmGHG Calculator version 3.1 and reported to the RSPO through an email dated 05 June 2017. The summary of GHG calculation is presented below:

Summary of Net GHG Emissions Mustika POM

Emmision per product	tCO2e/tProduct
CPO	4.95
PK	4.95

Extraction	%
OER	21.53
KER	3.99

Land use	Ha
Planted area	13,226.2188
Planted on peat	-
ConservationArea	343.6

Summary of Mill Emmissions and Credits

Descripton	tCO2e	tCO2e/t FFB
Emmissions Sources	37343.35	0.2

POME	1212.16	0.01
Fuel Consumptions	0	0
Grid Electricity Utilitation	0	0
Credits	0	0
Exports of excess electricity to Housing & Grid	0	0
Sale of PKS	0	0
Sale of EFB	0	0
Total	38555.51	0.2

Summary of field emission and Sinks

Description	Own crop			Group		3 rd party	
	tCO2e	tCO2e/Ha	tCO2e/tFFB	tCO2e	tCO2e/tFFB	tCO2e	tCO2e/tFFB
Emissions Sources							
Lan conversion	162610.42	12.29	0.85	0	0	0	0
CO2 emmisons from fertilizer	1618181.91	12.23	0.85	0	0	0	0
NO2 emissions	2997.15	0.23	0.02	0	0	0	0
Fuel consumption	1422.04	0.11	0.01	0	0	0	0
Peat oxidation	0	0	0	0	0	0	0
Sinks							
Crop sequestration	-123820.35	- 9.36	- 0.65	0	0	0	0
Sequestration in Conservation area	-3117.89	-0.24	-0.02	0	0	0	0
Total	201910.28	15.27	1.06	0	0	0	0

Status: COMPLY

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

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

6.1.1

For the management of environmental and social impacts of plantation activities, CH has conducted environmental and social impact analysis, as indicated by:

1. EIA document (Andal, RKL and RPL) of PT.SHE with an area of 26,000 ha and mill with a capacity of 2 X 60 ton FFB / hour. EIA had been approved by EIA commission in Ministry of Forestry and Plantation through decree number 154 / Menhut-II / 2000 dated December 26, 2000.
2. Social Impact Assesment (SIA) report conducted in 2010 in cooperation with a third party (Pollito). In general, SIA study has included analysis of the impact on internal and external stakeholders.

The types of impacts that are identified and managed / monitored among others: change of livelihoods, increased in welfare. Plan for management and monitoring of social impact among others are: the recruitment of local labor and develoment of small holder cooperation through KKPA program. According to the interview with the community surrounding villages, the company existence provides the availability of job opportunity and the KKPA program increase the economy development of the locals nearby estate.

6.1.2

There are evidences that assessments have been carried out with the participation of the affected parties:

1. Community involvement in the EIA study through questionnaires to the respondent as source of information for the

preparation of the CD / CSR programme and source of Environmental Management and Monitoring Report (RKL / RPL).

2. Social Impact Analysis Assesment (SIA) in 2010 that has involved community participation. Evidence available in the for of visit log to related villages. Representatives of stakeholders involved were 46 people from the village Kulipak, Betung, Bekambit Asri, Sejakah, Tanjung Pengnarapan, Sebambang Barum Banjarsari, Purwodadi, Bayansari, Preparation Makmur, K. Single, Giri Mulya, Kuranji, Mustika, coral Mulya, Tumbuh Sari, Karang Indah, and Bunatia.

6.1.3

For social impact management, CH has drawn up plans to mitigate the social impacts in accordance with the results of consultation with affected parties:

1. Environmental impact management plan (including social impact) contained in the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL), which is derived from the EIA document
2. The social impact management plan refers Social Impact Assesment (SIA) in 2010; through recruitment of local labor, KKPA program, CSR programs, and involvement of local contractors.

6.1.4

Review on SIA document of PT. SHE showed had been conducted in period 2015-2016 and approved by organisation management. Quistionnaire has spread to the affected parties with aims to obtain some input for social plan by the company. This quistionnaire taken from workers, villagers and smallholding of KKPA's with mostly satisfaction input is in road maintenance and constuction.

6.1.5

The CH has established KKPA program to increase the community welfare. The total of area managed by 5 KKPA is 16,000 Ha, distributed to 27 villages (Purwodadi, Bayansari, Angsana, Karang Indah, Karang Mulya, Banjarsari, Dwi Marga Utama, Sebamban Bru, Sebamban Lama, Sei Dua Laut, Sai Utama, Harapan Jaya, Hatiif, Bekarangan, Mustika, Kuranji, Waringin Tunggal, Batu Meranti, Indra Loka Jaya, Giri Mulya, Bekarangan, Tapus, Tibarau Panjang, Trimertani, Kerta Buwana, Sari Utama) from 4 sub-districts.

The number of the smallholder members are 8,100 smallholders. Furthermore, the company has also conducted periodic socialization. For example, the socialization on March 13th 2015, whcih was attended by 15 participants. The socialized informations were: production, production cost, plant maintenance cost, management fee, instalment to pay debt on bank, surplus and etc.

The potential impact of the presence of Mustika estate to the community and the farmers have become part of the social impact assessment (SIA) and Environmental Impact Assessment. In general the impact analysis shows that the development of plantation have a positive impact on the economic development of society.

There was no effect against the development of smallholdings. At year 2016, prodiction in smallholdings plantation decreased due to prolonged drought in 2015. The company has also conducted various training to smallholders through KUD Tumbuh Sari as a parent cooperative.

	Status: COMPLY	
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6.2

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

6.2.1

Company has the mechanism for communication which is written in Communication Procedure (704/TQEM-ESH/10, validation date 2nd April 2012 by SM KKPA1 dan EM KKPA 2, 3, 4, dan 5). The objective of this procedure is to provide practical guidance for handling communications in the field of Occupational Safety, Health and Environmental Protection (K3LL) and RSPO both internally and with external parties with a maximum response of 14 days. Based on consultation with related stakeholder, they already know the mechanism for communication and consultation with the company. They also know the PIC for communication and consultation.

6.2.2

Person in charge for communication and consultation to stakeholder is head of administration. Based on consultation with related stakeholder, they already know the mechanism for communication and consultation with the company. They also know the PIC for communication and consultation. The officer will be responsible as public speaker and communication process with the related parties.

6.2.3

Certificate holder has the latest update of Stakeholder List and their detail address. This document was categorize each of stakeholder, comprise of the government agencies in province and regency, sub district and village government level, communities representative, customary representative, non government organization, and local contractors. Based on consultation with related stakeholder, they already know the mechanism for communication and consultation with the company. They also know the PIC for communication and consultation.

Status: Comply

6.3

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

6.3.1

The mechanism, open to all affected parties and resolve disputes management in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers (where requested) are presented in their procedures "SOP/34/PR/(1)/0614 tentang Tata Cara Penerimaan Keluhan dan Penyelesaian Perselisihan Khususnya Sengketa di Luar Pengadilan" and "SOP Keluh Kesah dan Pengaduan Karyawan (SOP 42/HRD/0/ 0609)".

6.3.2

Records of process and outcome of dispute resolution is documented in "Logbook Keluhan". Based on information during interview with sampled workers and several communities (Penda Durian villagers and Tanjung Bantur villagers), there is no dispute presence in year 2016. Both the workers and communities will contact the persons who in charge to resolve the disputes (if any). Bina Mitra officer, Estate Manager or Field Officer is a person in charge to receive any complaints or disputes from internal/external stakeholder.

The certificate holder is consistently to implement their procedures for dealing with complaints and grievances.

Status:

6.4

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

6.4.1

Observed SOP for identification of legal status of land for compensation purpose (document number 343/PSD-OKUP/11 dated February 23rd 2013). The SOP describes the identifcaiton of land acquisition, compensation process according to the area within and nearby location permit of the company in form of the Land Use Title; procedure of land compensation, flowchart, specific condition and person in charge from Estate Manager upto Head Plantation Upstream Indonesia in Jakarta.

At the time of surveillance audit is running, there is no longer land compensation. The entire area has been in the form of HGU. In interviews with the company's stakeholders in mind there are no land conflicts between citizens and companies. There is records of negotiation and payment of compensation to land owners, for example:

- Reports Indemnity payments to villagers of Kuranji village for an area of 220.90 on 13 August 1997. Compensation including cattle sheds, barbed wire costs, and indemnity for *padi* field, agricultural farm.
- Reports Indemnity payments to villagers Mustika and Kuranji village for an area of 114.23 Ha dated December 20, 1997.
- Reports of Indemnity payments to villagers of Bekarangan and Karang Mulya village for an area of 196.015 ha dated 11 to 27 July 1998. 20 villagers involved from Karang Mulya and 11 villagers from Bekarangan.
- Reports of Indemnity payments to villagers of Bekarangan vilage for an area of 85 hectares dated Nov. 3 1998.
- Reports Indemnity payments to villagers of Karang Mulya District for an area of 111.75 ha on February 29, 2000 for the costs of the compensation to the owners of 131 plots of land.

6.4.2 & 6.4.3

Observed procedures, namely Occupational Land Acquisition Procedures number 344/PSD-OKUP/10, dated September 2, 2010. In that procedure outlined several steps, among others: 1). Prior to payment for land acquisition, it must first be made Minutes of Negotiation, 2). Indemnity Payment Process should be seen / known by the parties (for example the Head of the District and Village Heads, etc.), 3). The company also keeping all record of land compensation before the issuance of Land Use Title (HGU).

There is no more land acquisition in period July 2016-June 2017. Anyhow, the CH has mechanism regarding full payment for land acquisition carried out after the documents (Minutes of Joint Agreement, Letter of Right Delegation on Land, Statement, Receipt replace Loss, Summary of Torts, Map of Indemnification) signed by the holder of land rights (payee land acquisition), company representatives, Head / PPAT, the village head and / or the local neighborhood leader.

Status: COMPLY

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1

The minimum wages applied in the company is in accordance with Kalimantan Selatan Governor Decree No 188.44/0610/KUM/2016 about minimum wage for Tanah Bumbu Regency as much as Rp 2.274.950 per month. CH has work agreement for contract worker which explain about the wages, work hour, duty and responsibility, and other provisions. Besides, the company have Intern Office Mail no 006/RSP-i2/1/2017 about Wage for daily permanent worker and monthly permanent worker. It explain that the wage for daily permanent worker is as much as Rp 2.274.950 each month. The wage for contract worker is set in the work agreement. Based on interview with worker in estate, they received the payslip document and the amount is in accordance with the applicable regulation.

6.5.2

Work agreement (contract) between contract worker (PKWT) and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage. CH also has company regulation for period from 6th July 2015 – 6th July 2017. It is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on.

CH has worker with piece worker type for spraying and manuring in KKPA 2 and 3. Based on interview with management unit, it is known that work agreement with spraying and manuring worker is delivered orally. This is clarified by interview with 3 spraying worker and 3 manuring worker in KKPA 3, admitted that they have no written work agreement.

Also, based on field observation in division III KKPA 2, found a harvester who bring along his family member (wife) for helping his work. Based on interview with the worker and harvest supervisor, it is known that the family member doesn't have contract agreement and not registered as worker in company. These are become **Non Conformity No 2017. 08 with Major Category**.

6.5.3 & 6.5.4

Based on field visits known that CH has been providing housing facilities, lighting, water, daycare, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. Company also facilitates all workers to access adequate food supply by held sudden market on payday in the surrounding village. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price. The Company also provides rice support to all permanent worker.

Major 6.5.2 Status: Non Conformity No 2017. 08 with major category

6.6

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

6.6.1

There is company's policy related to opportunity for the employee to join the labor union, documented on Sustainable Plantation Management Guidelines (No Policy 724 / TQEM-SPMS / 09). Company facilitates the establishment of labor union to deliver the information from the workers to company and vice versa. The labor union has been registered to Labor Agency of Tanah Bumbu Regency with registration number is 565/014/Naker on 15th October 2015. Based on interview with the committee of worker union, there is no force for the worker to join the labor union.

6.6.2

The labor union conducted meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on 6th May 2017, attended by 32 participants. The documentation is available in office unit and available for member if they were asking.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

CH has policy about the minimum age for worker written on Sustainable Plantation Management Guidelines (No Policy 724 / TQEM-SPMS / 09). It is stated on point 6 that Plantation Upstream Indonesia does not employ underage labor (children).

Based on interview with worker in estate and mill, they understand and know that the minimum age for worker in the company is 18 years old. Based on field observation in estate, there auditors did not found any harvester accompanied by children.

Status: Comply

6.8

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

6.8.1 & 6.8.2

CH has SOP of Sustainable Plantation Management Guidelines No 724/TQEM-SPMS/09 dated 27th August 2010. In the SOP stated that the company is giving same opportunity to all worker. All Staff / Employees should be treated fairly and fairly in matters relating to recruitment, progress, conditions and job descriptions, irrespective of race, degree, ethnicity, gender, color, imperfection (defect), sexual orientation, Organizational membership, political views, religion and age. Based on field observation and interview with female worker in day care, it is known that there is no issue or complaint from worker regarding discrimination. The workers that has been interviewed is came from various social origin, race, and religion.

6.8.3

Company kept the personal file of each worker in HRM Department. Based on interview with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment. Company showed documentation of employee performance assessment, it explain about the verification of evaluation indicator whether the worker will be promoted or demoted.

Status:

6.9

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

6.9.1, 6.9.2, 6.9.3

Certificate holder has Sustainable Plantation Management Guidelines No 724/TQEM-SPMS/09. It explains that company will protect female worker from indications of sexual harassment in the workplace, other rights related to female worker reproductive. Workers can submit complaint about sexual harassment or violence related to reproductive rights in accordance with SOP SHE No Revision 01 dated 2nd January 2014. The procedure has been socialized to the workers. Based on interview with female workers in Estate, they understood about the complaint mechanism. It is also known that there is no issue or complaint related to sexual harassment on the workplace. Company also form gender committee for

handling the harassment issue around female workers. Based on interview with the board of gender committee, the company provides the female worker with pregnant and nursing leave.

Company also has Human Rights Policy which explain that the identity of the complainant is not revealed to everyone. Based on interview with the worker, they understand the complaint mechanism and there is no complaint from them.

Status: Comply

6.10

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

6.10.1, 6.10.2, 6.10.3

The FFB pricing mechanism for KKPA 2 and KKPA 3 has been described in the letter of agreement between certificate holder and the cooperatives. FFB pricing for KKPA is determined based on pricing mechanism from the Plantation Agency of Kalimantan Selatan Province. The monthly FFB pricing memorandum issued by the Plantation Agency has been well documented by certificate holder. Based on interviews with representatives of plasma members in Village of Sari Utama (KKPA 2) and Village of Waringin Tunggal (KKPA 3), it is known that pricing memorandum are available in a transparent and timely manner in the cooperatives.

While pricing for contractors has also been describes in the letter of agreement, for example for FFB contractors in KKPA 3 (SPK No. KP3/SPK-LKL/SM1-XI/16-17/022-ANGKTTBS) the pricing mechanism has been described in the ratio of price/kg of FFB, or hardening road contractor in KKPA 3 (SPK No. KP3/SPK-LKL/SM1-XII/16-17/035-BATU) has been described in agreement with ratio price/m³ of stone.

Based on interviews with hardening road contractors in the Village of Sari Utama (KKPA 2) and Village of Waringin Tunggal (KKPA 3), it is known that the pricing mechanism has been made transparently and known to both parties. Payments are on schedule and if any dispute can be resolved by deliberation. It has been explained in the letter of agreement that if there is a dispute, priority is settlement by deliberation. If not completed, then the legal procedure can be carry out.

6.10.4

Result of payment verification of EFB conveyor Contractor in Mustika Factory, it is known that payment mechanism covering job inspection, invoice and payment receipt were have been done within 30 days according to agreement.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

Observed the evidence of coordination to identify the needs and priorities of local development through meetings Musrenbang (Development Planning) in village level and subdistrict levels regularly every year. The meeting is an agenda that includes the entire village government and large corporations around the village. There is evidence of the company's presence in the district and village meetings (Musrenbang) of year 2016.

The company's contribution to local development through:

1. Development of smallholdings; From interview with residents of the Kuranji, it is known that the presence of the company can improve the community economy, KKPA program helps improve people's income and availability of jobs.
2. Involvement of local contractors
3. Payment of taxes for central and local government, such as Land Tax payment for 2015 (as shown by payment document), income tax, and vehicle tax
4. The CSR program, which is based on the results of consultation with the community and encourage people to identify priority needs. Record of the CSR realization contains information in type of the annually-paid contribution such as amount/nominal of contribution, evidence and realization of payment.

6.11.2

The potential impact of the presence of plantation to the community and the farmers have become part of the social impact assessment (SIA) and Environmental Impact Assessment. In general the impact analysis shows that the development of

smallholdings have a positive impact on the economic development of society.

There was no effect against the development of smallholdings. At year 2016, production in smallholdings plantation decreased due to prolonged drought in 2015. The company has also conducted various training to smallholders through KUD Tumbuh Sari as a parent.

Status: COMPLY

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their children. Based on interview with worker union member, there is no issue related to force labour.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The company has policy on human rights ratified by SOU 5 Leader on July 2016 which explain the kind of human rights for all workers. The policy has been socialized to the workers and they know and understand about the policy. Based on field observation and interview with worker and internal stakeholder (board of labor union and gender committee), it is known that there is no complaint related to human rights violation. If there is a complaint, the complaint can still be resolved by amicable way between employees. The workers also aware about the policy.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1

Verification of documents shows the year of planting new crops in Mustika Estate were planted after 2005. CH has ensured that the entire area of the new plant has been covered in the analysis of environmental and social impact, as shown by the following record:

1. EIA document (Andal, RKL and RPL) of PT.SHE with an area of 26,000 ha and mill with a capacity of 2 X 60 ton FFB / hour. EIA had been approved by EIA commission in Ministry of Forestry and Plantation through decree number 154 / Menhut-II / 2000 dated December 26, 2000.
2. Social Impact Assesment (SIA) report conducted in 2010 in cooperation with a third party (Pollito). In general, SIA study has included analysis of the impact on internal and external stakeholders.
 - a. interaction with the communities
 - Land Claims K. Single
 - Blocking of land KKPA-1 by residents Banjarsari
 - b. The interaction of the Company with employees
 - c. Interaction with the Government

The types of impacts that are identified and managed / monitored among others: change of livelihoods, increased in welfare. Plan for management and monitoring of social impact among others are: the recruitment of local labor and development of small holder cooperation through KKPA program.

7.1.2

Environmental impact management plan in accordance with the EIA document is available in the document RKL (EIA) contains environmental management plan as follows: Decrease in river water quality and river Bekarangan Sebamban; Community unrest; Work opportunities, changes in attitudes and perceptions, Potential Fire, occurrence of erosion and decline of Air Quality and Noise

According to the interview with the community surrounding villages, the company existence provides the availability of job opportunity and the KKPA program increase the economy development of the locals nearby estate.

7.1.3

There are records in smallholder capacity development in each KKPA estate, as shown by following:

1. Report of the Meeting of Accountability of KKPA on December, 2015.
2. Safety Briefing against KKPA employees, provided the following documents: a). Minutes, b). Activities photos & c), the attendance list of participants.
3. Socialization / Briefing on HIRAC & OHS in FFB loading station in KKPA 5, dated July 7, 2011, provided the Minutes of Meetings & Attendance list of Participants.

Status: COMPLY

7.2

Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.

7.2.1 & 7.2.2

Certificate holders have mapped land suitability and fragile soil existence based on soil survey. Verification on soil map and the results of the survey, the soil in KKPA 2 consists of *Typic hapludess/Ultisol soil type*, *Typic plintudults/Ultisol*, and *Humic endoaquepts/inceptisol* with land suitability S1 (very suitable) to S2 (suitable). As for the slope class, consists of flat (78%) to undulating (22%). For the area of KKPA 3 consist of soil type *Typic hapludults/ltisol*, *Typic plintudults/Ultisol*, and *Humic endoaquepts/inceptisol* with a land suitability S1 (very suitable) to S3 (moderately suitable). As for the slope class, consists of flat (70%) to undulating (30%). There was no marginal / fragile soil based on soil type and slope class.

Field visits in KKPA 2 and KKPA 3, it is known that there is no peat land, and the topography of the area is relatively flat and there is no special treatment is required. However the certificate holder implemented efforts to prevent soil degradation such as U-shape stacking system, selective weeding

Status: Comply

7.3

New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

7.3.1

The document review showed that the company has performed land clearing after November 1, 2005 without a prior and adequate HCV assessment. Sime Darby Plantation Sdn Bhd, as the parent of PT SHE has conducted disclosure of liability in accordance with the letter from the Head of PSQM Department on July 15, 2015 which explained that PT SHE is performed land clearing in the period of November 2005 to November 2007 and land clearing in the period of December 2007 to December 2009. The validation progress of Remediation and Compensation Plan (RACP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP, based on information from RSPO are the certification/surveillance process shall not be disrupted.

7.3.2

Based on the letter from the Head of PSQM Department on July 15, 2015 known that Land Use Change Analysis (LUCA) for the area of PT SHE that opened without a prior and adequate HCV assessment has been reported in Dec 2014 to RSPO Secretariat.

7.3.3; 7.3.4 & 7.3.5

The results of document review, field visits and interviews found that PT SHE did not conducting conversion activity or

new planting since the ASA-2 (April 2015). Based on the distribution of planting years known that the oldest planting year in PT SHE is 1995.

Status:

7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

Certificate holders have mapped land suitability and fragile soil existence based on soil survey. Verification on soil map and the results of the survey, the soil in KKPA 2 consists of *Typic hapludess/Ultisol soil type*, *Typic plintudults/Ultisol*, and *Humic endoaquepts/inceptisol* with land suitability S1 (very suitable) to S2 (suitable). As for the slope class, consists of flat (78%) to undulating (22%). For the area of KKPA 3 consist of soil type *Typic hapludults/ltisol*, *Typic plintudults/Ultisol*, and *Humic endoaquepts/inceptisol* with a land suitability S1 (very suitable) to S3 (moderately suitable). As for the slope class, consists of flat (70%) to undulating (30%). There was no marginal / fragile soil based on soil type and slope class.

Field visits in KKPA 2 and KKPA 3, it is known that there is no peat land, and the topography of the area is relatively flat and there is no special treatment is required. However the certificate holder implemented efforts to prevent soil degradation such as U-shape stacking system, selective weeding

Status: Comply

7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

7.5.1

Plantation area of PT. SHE all are originated from state owned land or individuals that have been acquired. There is official statement letter from the Land Administration Office of Tanah Bumbu No. 000/171 / KP.12, dated July 15, 2010, which explained that within the land title area of PT. Sajang Heulang, there are no areas under communal customary tenure or *ulayat* land.

For private / individual land, the company has conducted fair negotiation and land acquisition as shown by negotiation documents and payment of compensation to land owners.

Status: COMPLY

7.6

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

7.6.1, 7.6.2, 7.6.3; 7.6.4; 7.6.5; 7.6.6

There is no more land acquisition during period 2016.

Status: COMPLY

7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

7.7.1 & 7.7.2

The results of document review, field visits and interviews found that PT SHE did not conducting conversion activity or new planting since the ASA-3 (May 2015).

Status:

7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

7.8.1 & 7.8.2

PT Sajang Heulang did not perform new land clearing after January 1, 2015, but there are rehabilitation planting on 2016.

	Status: COMPLY	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
<p>Certificate holder has a commitment not to use <i>Paraquat</i> and <i>Brodifacoum</i> since 2012, written on the document of memorandum of the Head of Plantations Operation dated 4 November 2008 in term of the recommendation of the replacement of <i>Paraquat</i> within Minamas area. There is also recommendation by Plantation Advisory on 16 -18 July 2013 related the prohibition of <i>Brodifacoum</i>.</p> <p>However, Based on the results of non-conformity identified during ASA-4 activities, the auditor team considers that there is a continuous improvement commitment that has not been applied thoroughly, as follow:</p> <ul style="list-style-type: none"> • Implementation of occupational safety and health policies (Criterion 4.7), ie: <ul style="list-style-type: none"> (a). Guidance on criterion 4.7: <i>Growers and millers should ensure that their workplaces, machinery, equipment, transportation and processes under their control are always safe and harmless to health. Planters and millers should ensure that chemical, physical, and biological substances and things under their control do not endanger health excessively, and take action where necessary. All of these indicators apply to all workers, regardless of their status.</i> (b). OHS Corporate Policy, December 2011, where one of the points mentioned "Plantation upstream Indonesia is committed to continuously improve safety and health performance". • Implementation on waste management (Criterion 5.3) • Monitoring the effectiveness of the internal audit results of RSPO against the repetition of non-conformities that arise. <p>MAJOR NC 2017.09</p>		
	Status: NOT COMPLY	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	Definition
D.1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical

separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.

Mustika POM only receive FFB from certified sources: Mustika Estate (nucleus estate), KKPA-2, KKPA-3 and KKPA-5 (associate smallholders full managed).

According to the document of FFB receipt period June 2016 – May 2017, all FFB supplied to the mill are from certified units and there is no FFB from non-certified source. Based on explanation above, Mustika POM apply the requirements of SCCS Module D (IP).

Status: COMPLY

D.2 Explanation

D.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.

Estimated tonnage of CPO and PK products Mustika POM as follows:

Product	Estimated based on Annex Certificate MUTU-RSPO/027 period 3 July 2016 – 2 July 2017	Remaining stock certified product based on Palm Trace period 3 July 2016 – 2 July 2017	Actual certified product sell out based on Palm Trace transaction period 3 July 2016 – 6 June 2017	Estimated for next period 3 July 2017 – 2 July 2018
FFB	223,328			203,549
CSPO	50,249	24,706.93	25,542.07	44,781
CSPK	10,050	6,642.34	3,407.66	9,160

Status: COMPLY

D.2.2

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

RSPO IT Platform based on Palm Trace:

Member Name: PT. Sajang Heulang

Member ID: RSPO_PO1000000829

Program: IP

Status: COMPLY

D.3 Documented procedures

D.3.1

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

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

Mustika POM has had SOP and guideline related to implementation of SCCS requirement. Procedure "Identifikasi Produk dan Kemampuan Telusur Produk di PKS Minamas Plantation; No. Policy: RSPO/65/SCPP/SHE (Rev. 02, Tanggal 1 Mei 2015)".

According to the SOP mentioned above, the people in charge of the supply chain system are:

- Factory Manager: the mill manager is responsible for maintaining and storing all documents, records and notes of the raw material usage; verification of the product status to the vendee; holding proper SCCS training.
- Assistant of PSQM: checking the FFB quality and the raw materials as well as monitoring the product delivery and load/unload.
- Foreman/assistant of Lab: analyzing and testing the quality; maintaining and distributing the result of product and raw material analysis and test.
- Assistant/Senior Assistant/Manager of Bulking: Ensuring the transport of CPO and PK product from POM to bulking.
- Production clerk: recording the administration of the receipt certified FFB and the non-certified one.

Status: COMPLY

D.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

The procedure for receiving and processing as well as mechanism to verifying FFB written on Procedure "Identifikasi Produk dan Kemampuan Telusur Produk di PKS Minamas Plantation; No. Policy: RSPO/65/SCPP/SHE (Rev. 02, Tanggal 1 Mei 2015)".

Records of FFB received to the mill period 3 July 2016 – 5 June 2017:

**MONITORING RSPO/NON RSPO CERTIFIED FFB , CPO, KERNEL
PT.SHE - Mustika Factory
PERIODE 2016/2017**

Bulan	TBS Diterima PKS Mustika				
	MTE	KKPA-2	KKPA-3	KKPA-5	Total
Juli	1,963,340	3,107,070	2,338,260	2,357,710	9,766,380
Agustus	2,485,940	3,498,200	2,722,750	1,982,370	10,689,260
September	5,169,320	5,606,410	4,863,150	2,572,440	18,211,320
Total	9,618,600	12,211,680	9,924,160	6,912,520	38,666,960
Oktober	7,935,380	9,169,180	6,970,810	5,194,860	29,270,230
November	8,138,060	9,438,120	7,718,210	5,001,780	30,296,170
Desember	7,246,600	6,846,480	5,129,780	3,320,740	22,543,600
Total	23,320,040	25,453,780	19,818,800	13,517,380	82,110,000
Januari	6,490,660	4,229,270	3,086,210	1,754,550	15,560,690
Februari	3,726,560	2,287,570	1,658,080	873,470	8,545,680
Maret	2,677,040	1,749,090	1,212,890	1,025,810	6,664,830
Total	12,894,260	8,265,930	5,957,180	3,653,830	30,771,200
April	2,838,300	2,452,980	1,825,730	1,981,850	9,098,860
Mei	4,092,260	4,378,520	3,439,110	3,160,730	15,070,620
Juni	547,370	690,430	596,190	436,030	2,270,020
Total	7,477,930	7,521,930	5,861,030	5,578,610	26,439,500
Sub Total	53,310,830	53,453,320	41,561,170	29,662,340	177,987,660

* Note : Data Per 03 Juli 2016 s/d 05 Juni 2017

Status: COMPLY

D.4 Purchasing and goods in

D.4.1

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

The FFBs received has been verified since the beginning of FFB reception, conducted by security and weighbridge operator. Mill can show the documents of FFB reception such as FFB transport document and weighbridge tickets, the document inform: name of estate, division, ticket number, weight, no DO, driver IC and vehicle number.

FFB received by Mustika POM period of 3 July 2016 to 5 June 2017:

**MONITORING RSPO/NON RSPO CERTIFIED FFB , CPO, KERNEL
PT.SHE - Mustika Factory
PERIODE 2016/2017**

Bulan	TBS Diterima PKS Mustika				
	MTE	KKPA-2	KKPA-3	KKPA-5	Total
Juli	1,963,340	3,107,070	2,338,260	2,357,710	9,766,380
Agustus	2,485,940	3,498,200	2,722,750	1,982,370	10,689,260
September	5,169,320	5,606,410	4,863,150	2,572,440	18,211,320
Total	9,618,600	12,211,680	9,924,160	6,912,520	38,666,960
Oktober	7,935,380	9,169,180	6,970,810	5,194,860	29,270,230
November	8,138,060	9,438,120	7,718,210	5,001,780	30,296,170
Desember	7,246,600	6,846,480	5,129,780	3,320,740	22,543,600
Total	23,320,040	25,453,780	19,818,800	13,517,380	82,110,000
Januari	6,490,660	4,229,270	3,086,210	1,754,550	15,560,690
Februari	3,726,560	2,287,570	1,658,080	873,470	8,545,680
Maret	2,677,040	1,749,090	1,212,890	1,025,810	6,664,830
Total	12,894,260	8,265,930	5,957,180	3,653,830	30,771,200
April	2,838,300	2,452,980	1,825,730	1,981,850	9,098,860
Mei	4,092,260	4,378,520	3,439,110	3,160,730	15,070,620
Juni	547,370	690,430	596,190	436,030	2,270,020
Total	7,477,930	7,521,930	5,861,030	5,578,610	26,439,500
Sub Total	53,310,830	53,453,320	41,561,170	29,662,340	177,987,660

* Note : Data Per 03 Juli 2016 s/d 05 Juni 2017

Status: COMPLY

D.4.2

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

According to mass balance report of Mustika POM period 3 July 2016 – 5 June 2017, as follow:

Product	Estimated based on Annex Certificate MUTU-RSPO/027 period 3 July 2016 – 2 July 2017	Actual production of certified product based on Mustika POM records period 3 July 2016 – 5 June 2017	Remarks
FFB	223,328	177,987.66	Below
CSPO	50,249	37,655.90	Below
CSPK	10,050	7,321.99	Below

There is no overproduction for Certified palm product claim.

Status: COMPLY

D.5

Record keeping

D.5.1

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

Record and balance all receipts of RSPO certified FFB and claim of CSPO and CSPK Mustika POM period 3 July 2016 – 5 Jun2017, as following figure :

**MONITORING RSPO/NON RSPO CERTIFIED FFB , CPO, KERNEL PT.SHE - Mustika Factory
PERIODE 2016/2017**

Bulan	TBS Olah (Kg)		CPO (Kg)			Kernel (Kg)		
	RSPO	Non RSPO	RSPO	Non RSPO	OER (%)	RSPO	Non RSPO	KER (%)
Juli	9,696,582		2,081,654		21.47	335,305		3.46
Agustus	9,377,303		2,008,680		21.42	363,068		3.87
September	18,983,995		3,828,313		20.17	733,081		3.86
Total	38,057,880	-	7,918,647	-	20.81	1,431,454	-	3.76
Oktober	28,593,112		5,844,754		20.44	1,206,313		4.22
November	30,748,580		6,528,520		21.23	1,280,207		4.16
Desember	23,305,105		5,088,814		21.84	991,053		4.25
Total	82646797	-	17462088	-	21.13	3477573	-	4.21
Januari	15,116,118		3,362,346		22.24	632,221		4.18
Februari	8,870,075		1,942,569		21.90	374,879		4.23
Maret	6,689,049		1,472,489		22.01	298,733		4.47
Total	30,675,242	-	6,777,404	-	22.09	1,305,833	-	4.26
April	9,144,566		1,980,403		21.66	392,939		4.30
Mei	15,106,698		3,144,219		20.81	636,080		4.21
Juni	1,841,536		373135		20.26	78,112		4.24
Total	26,092,800	-	5,497,757	-	21.07	1,107,131	-	4.24
Sub Total	177,472,719	-	37,655,896	-	21.22	7,321,991	-	4.13

* Note : Data Per 03 Juli 2016 s/d 05 Juni 2017

Trading and Transaction Certified Palm Product Mustika POM based on RSPO Palm Trace

Member Name: PT. Sajang Heulang

Member ID: RSPO_PO1000000829

Program: IP

Seller	Buyer	Product	Prog	Volume	Status	Shipping/BL Da
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	260.96	confirmed	1-Mar-2017
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,224.22	confirmed	1-Mar-2017
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,605.04	confirmed	1-Mar-2017
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	2,000.07	confirmed	1-Mar-2017
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,497.67	confirmed	19-Dec-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,599.07	confirmed	16-Jan-2017
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	239.40	confirmed	26-Jan-2017
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,298.11	confirmed	20-Dec-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,991.12	confirmed	13-Nov-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,738.87	confirmed	2-Nov-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,986.99	confirmed	9-Nov-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,901.68	confirmed	9-Nov-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,474.62	confirmed	9-Nov-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,296.29	confirmed	9-Nov-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	250.96	confirmed	9-Nov-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,151.60	confirmed	20-Aug-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,248.43	confirmed	3-Aug-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	88.55	confirmed	8-Mar-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	995.36	confirmed	8-Mar-2016
PT. Sajang Heulang	PT. Golden Hope Nusantara	CSPO	IP	1,693.07	confirmed	3-Aug-2016
		CSPK			-	
		CSPO		25,542.08		

Trading and Transaction Certified Palm Product Mustika POM based on RSPO Palm Trace

Member Name: PT. Sajang Heulang

Member ID: RSPO_PO1000000829

Program: IP

Seller	Buyer	Product	Prog	Volume	Status	Shipping/BL Da
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	393.07	confirmed	31-Aug-2016
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	397.26	confirmed	30-Apr-2017
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	69.99	confirmed	31-Mar-2017
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	154.83	confirmed	28-Feb-2017
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	294.91	confirmed	31-Jan-2017
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	201.55	confirmed	31-Dec-2016
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	395.62	confirmed	30-Nov-2016
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	383.74	confirmed	31-Oct-2016
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	419.96	confirmed	30-Sep-2016
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	551.03	confirmed	15-Jul-2016
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	221.88	confirmed	31-May-2016
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	227.73	confirmed	30-Apr-2016
PT. Sajang Heulang	PT. Laguna Mandiri - Rantau KCP	CSPK	IP	398.70	confirmed	31-Mar-2016

CSPK

4,110.27

Status: COMPLY

D.6

Processing

D.6.1

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

Mustika POM has implementing IP model, meaning all the FFB entering the mill is sources from Certified only. It has been written on Procedure "Identifikasi Produk dan Kemampuan Telusur Produk di PKS Minamas Plantation; No. Policy: RSPO/65/SCPP/SHE (Rev. 02, Tanggal 1 Mei 2015)".

Status: COMPLY

D.6.2

The objective is for 100 % segregated material to be reached

Mustika POM has implementing IP model, meaning all the FFB entering the mill is sources from Certified only and 100% fully segregated material.

Status: COMPLY

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-4	SHE has logo and certificate approval/permit from MUTU.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-4	The Company does not use the logo on-product and off-product in the scope of PT SHE	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-4	The Company does not use the logo on-product and off-product in the scope of PT SHE	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-4	The Company does not use the logo on-product and off-product in the scope of PT SHE	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Sime Darby Plantation Sdn Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Sime Darby Plantation Sdn Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative’s office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit’s subsidiary of Sime Darby Plantation Sdn Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p>Auditor Verification: Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB’s correspondency with RSPO Remediation and Compensation.</p>

i.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> • Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. • RSPO NPP process has been completed in 2011 for a new mill in Liberia.
ii.	Any Land conflicts 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>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> • PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities • PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p>

		<p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for PT Budidaya Agro Lestari waiting for land title process.</p>
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3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

NCR No.	: 2016.01	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: 1 July 2016
NC Grade	: Major	Date of Closing	: 11 July 2016
Standard Ref. & Requirement	: 2.1.1 & 4.7.3 Safe Work Related Regulatory Compliance.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<ul style="list-style-type: none"> CH (certificate holder) has not shown any evidence that the electrician has been certified and / or license of OHS electrician in accordance with applicable regulations. Based on interviews with Paramedics in the KKPA 5, explained that Paramedics have not received training HIPERKES, it was not in accordance with the Ministerial Regulation No. 1 of 1979. 			
Root Cause Analysis <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> Lack of understanding of the management unit of regulatory compliance obligations that apply to the electrician. Lack of monitoring compliance with laws and regulations in terms of certification experts. Medical personnel are still new and the management is in the process of providing hiperkes training to the personnel. 			
Corrective Action <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> The company replaced paramedics that have been trained HIPERKES from Mustika Estate to KKPA-5 on behalf Roni Setiawan with letter No. SK-MTS / MTE-KKPA 5/16 / V / 0283 dated 24 May 2016. For Mustika Estate has had a paramedic who has been trained HIPERKES on behalf Mardiono (certificate: 17 741 / PM-XV / 14 in July 2014). The company showed evidence of training programme of Hiperkes for new paramedic in form of the submission from Manager of KKPA-5 to Company's Doctors. The company showed Confirmation Letter of Electrical Training activity from OHS Services Company with a letter no 046 / HRL-CO / VI / 2016 dated June 17, 2016 that explaining the training to Mr. Ahmad Asroni (employees Mustika Factory) will be held on 22 to 23 June 2016. The Company also showed assignment letter of the employee to attend electrical training. Training for MTF's Electrician in accordance with the regulations have been done by PT Harta Rabel Lindo on 22-23 June 2016 in Balikpapan. The company shows Certificate of OHS Electrical Technician & Generator on behalf of Ahmad Asroni 			
Preventive Action <i>(filled by organization audited):</i>			
Collecting data every six months to ensure all electrical technicians and paramedics as well as all jobs that require certification in accordance with applicable regulations			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
1 July 2016			
<ul style="list-style-type: none"> The Company has identified the root causes of nonconformity. The company has took corrective action by ensuring availability a paramedic that hiperkes certified in KKPA 5 and provide training for electrician and generator. Preventive action has been carried out in the form of periodic monitoring of compliance with the labor regulations. 			
Based on the explanation, Nonconformity No. 2016.01 is closed.			
Verified by	: PT MUTUAGUNG LESTARI auditor		

NCR No.	: 2016. 02	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 8 June 2017
Standard Ref. & Requirement	: 2.2.2 Monitoring tanda batas legal		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Field observations indicate a misplaced border (boundary number 22) referring to the coordinates of the stake from BPN. CH has not been able to show the monitoring record of the condition of the entire HGU boundaries periodically including the suitability of its location with the HGU map from BPN			
Root Cause Analysis <i>(filled by organization audited):</i> Maintenance of HGU boundary has not been done regularly in accordance with the HGU Map of BPN.			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Improving and monitoring the HGU stamp in accordance with the HGU Map from BPN. Conduct maintenance and monitoring of HGU stakes every 6 months 			
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Improving and monitoring the HGU stamp in accordance with the HGU Map from BPN. Maintenance of HGU stakes and maintenance every 6 months. 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 7 June 2017 Corrective evidence submitted in the form of Program and Realization of Existence of Boundary HGU Div. 1; Div. 2 and Div. 3 Mustika Estate Year 2016/2017, period September 2016 and March 2017. Field verification in Div. 3 MTE, the existence of BPN 22 has been in accordance with the coordinates of BPN. In addition, the realization of care and monitoring has also been conducted regularly (2 times a year) according to the company's budget year (July 2016 - June 2017). The auditor conclude this nonconformance is CLOSED			
Verified by	: Yudwi Wisnu Rahmanto		

NCR No.	: 2016. 03	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: 11 July 2016
NC Grade	: Major	Date of Closing	: 1 July 2016
Standard Ref. & Requirement	: 3.1.1 Long-term plan		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> CH has not been able to demonstrate the company's long-term plan that includes an explanation estimated price and financial indicators.			

Root Cause Analysis <i>(filled by organization audited):</i> Long-term plan already exist only during assessment is not complete because it must be coordination with other Departments (Financial).	
Corrective Action <i>(filled by organization audited):</i> The management unit has demonstrated the management plan of own estate and smallholdings for the period 2016 - 2021 which describes the production, costs and gross revenue. The management unit has also shown long-term plan for palm oil mills period 2016 - 2021 which explains the pricing and financial indicators.	
Preventive Action <i>(filled by organization audited):</i> Coordinating with other other Departments (Financial) prior to the audit process	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 30 June 2016 The management unit has demonstrated long-term plan period 2016 - 2021 for palm oil mill which has been explained about the price and financial indicators. Root cause has been identified and preventive action have been taken. Based on the explanation, Nonconformity No. 2016.03 is closed.	
Verified by	: PT MUTUAGUNG LESTARI auditor

NCR No.	: 2016. 04	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 08 June 2017
Standard Ref. & Requirement	: 4.4.1 Management water source		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Field observation in Division 2 - Mustika Estate show the potential for pollution of water source from oil waste and water pump house fuel.			
Root Cause Analysis <i>(filled by organization audited):</i> There is a potential pollution of water sources resulting from oil and fuel waste that may be spilled in a water pump house			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> • Create an oil trap to accommodate oil and fuel waste spills. • Make a fence for a water pump house. 			
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> • Make oil trap in every water pump house. • Briefing to the operator to keep the water pump home clean from any waste that can cause water contamination. 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 08 Mei 2017 The certificate holder can show corrective evidence in the form of minutes of meeting and documentation of oil trap of Water Engine Genset in Division II Mustika Estate on October 24, 2016 to anticipate the mixing of oil to the reservoir. Based on field observation at the Oil Storage Transit Site at KKPA 2 Estate have been equipped with an oil trap. Related to this the auditor team concluded the nonconformance on this indicator is closed.			
Verified by	: Moh Arif Yusni		

NCR No.	: 2016. 05	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: 11 July 2016
NC Grade	: Major	Date of Closing	: 1 July 2016
Standard Ref. & Requirement	: 4.4.2 Protection of Surface Water Flow		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> CH has not been able to show the evaluation of the results of testing the quality of surface water (rivers and reservoirs) test results in March 2016 and September 2015, which does not comply with the quality standards of BOD, COD, fecal coliform and total coliform			
Root Cause Analysis <i>(filled by organization audited):</i> Evaluation presented in RKL-RPL document is inadequate because not yet explain the causes of surface water condition not meet with quality standards.			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Collect the data and prepare the evaluation of the causes of surface water condition not meet with quality standards. The evaluation results indicate that the parameter exceeds the quality standard (e.g. BOD and COD) due to around the river there are settlement, people's plantation and many of community's cattle are grazing. Provide socialization to communities for not doing grazing around the river and the factory. 			
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Socialization to employees and communities around the estate so as not to pollute the river water. Evaluate the test results of water samples that carried out by a third party. 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 29 June 2016 The management unit has shown evidence of corrective actions to carry out tests and an evaluation of the test results. The evaluation results will be published in the RKL-RPL report. The management unit has made an announcement to the public not to throw garbage into rivers or reservoirs, do not engage in activities that can contaminate rivers and reservoirs, not grazing cattle around rivers and reservoirs, do not took for fish in the river with explosives and poisons. Based on the explanation, Nonconformity No. 2016.05 is closed			
Verified by	: PT MUTUAGUNG LESTARI auditor		

NCR No.	: 2016. 06	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: 11 July 2016
NC Grade	: Major	Date of Closing	: 1 July 2016
Standard Ref. & Requirement	: 4.6.11 Health Assessment		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the study documents a list of employees spray and medical examination, it was known that not all sprayer workers were medically examined			

<p>Root Cause Analysis <i>(filled by organization audited):</i> Health examination of spraying workers has not been done because of budget constraints upon management's evaluation</p>	
<p>Corrective Action <i>(filled by organization audited):</i> Conduct medical examination for spraying teams were scheduled to be held in July 2016 as many as 102 people.</p> <p>Supporting evidence in the form of Submissions Letter of Health examination from company's doctor with letter No. Pol-ase / 001 / V / 2016 / s dated May 24, 2016 and the letter of the chairman of SOU 5 with letter No. 296 / MTE-GM / V / 2016 dated May 31, 2016 that explaining the health examination will be carried out to all spray teams in MTE, KKPA 2, 3 and KKPA KKPA 5 with a total of 102 workers in July 2016.</p> <p>There are employees list of spraying teams as comparative data.</p>	
<p>Preventive Action <i>(filled by organization audited):</i> Provide an adequate budget in the annual work program for periodic health examination to all spraying teams.</p>	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 6 June 2016 The management unit has shown evidence of corrective action in form of health examination program for spraying teams.</p> <p>Root cause has been formulated and preventive action have been taken with budgetary commitments in the coming year.</p> <p>Based on the explanation, Nonconformity No. 2016.06 is closed with observation.</p>	
Verified by	: PT MUTUAGUNG LESTARI auditor

NCR No.	: 2016. 07	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 9 June 2017
Standard Ref. & Requirement	: 4.7.6 Insurance accident work		
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor)::</i> Based on document review of employee list and insurance payments, it is known that not all PHL workers have been registered into work accident insurance.</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i> PHL workers (temporary worker) have not been registered in work accident insurance</p>			
<p>Corrective Action <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> ○ Register all workers in insurance at worker and health insurance. ● Reorganize employees who have not been registered in Work Accident insurance (BPJS Employment and BPJS Health) 			
<p>Preventive Action <i>(filled by organization audited):</i> Register all workers in insurance at worker and health insurance for all newly signed workers (SKU and PKWT / PHL)</p>			
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> The certificate holder has showed corrective evidence in form of list of names of temporary worker of KKPA 5 period of March 2017 which has been registered to BPJS of Labor and Health.</p>			

Based on explanation above, the non-conformity No. 2016. 07 is closed.	
Verified by	: Asystasha Aishah Silalahi

NCR No.	: 2016. 08	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 08 June 2017
Standard Ref. & Requirement	: 5.2.4 Plan HCV Management		
Non-Conformance Description & Evidence observed (filled by auditor): CH has conducted monitoring on HCV areas, but has not demonstrated the HCV Management Plan in accordance with the inputs of the monitoring results that have been conducted.			
Root Cause Analysis (filled by organization audited): The absence of HCV management plan from the monitoring result.			
Corrective Action (filled by organization audited): Make HCV management plan from result of monitoring which have been done			
Preventive Action (filled by organization audited): <ul style="list-style-type: none"> ○ Create a HCV management plan every 6 months ● Make monitoring of HCV management. 			
Assessor Evaluation and Conclusion (filled by auditor): Verification 08 June 2017 Based on document review, certificate holder can show HCV monitoring plan that is: <ul style="list-style-type: none"> ● Monitoring of water quality, sediment level discharge and erosion rate ● Monitoring the growth and development of naturally occurring plants ● Monitoring of wildlife allegiance ● Monitoring of the first 6 months of enrichment results to determine the need for embroidery ● Monitoring of HCV signage area Related to this the auditor team concluded nonconformance on this indicator is closed			
Verified by	: Moh Arif Yusni		

NCR No.	: 2016. 09	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 08 June 2017
Standard Ref. & Requirement	: 5.3.3 Pengelolaan Limbah		
Non-Conformance Description & Evidence observed (filled by auditor): CH already has a waste management plan, but the results of field visits indicate that there are waste managed not in accordance with the procedures held for example: <ul style="list-style-type: none"> ● EFB in mill is not well managed resulting in the potential for surface water pollution. ● EFB is not applied to the garden in accordance with the procedure. ● Domestic waste in KKPA 5 has not been managed in accordance with the procedures 			

<p>Root Cause Analysis <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> Waste management is not in accordance with existing procedures. The existence EFB waste that has the potential to cause surface water pollution. EFB waste have not been done in accordance with the procedure. Domestic waste has not been managed according to procedure 	
<p>Corrective Action <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> Making of sediment ditch to drain the water from empty empty absorption which is then channeled to waste pond. Performing a EFB application in accordance with existing procedures. Domestic waste in KKPA 5 has been managed in accordance with procedures in the presence of landfills. 	
<p>Preventive Action <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> Carry out the management of the EFB application in accordance with the procedure. Management of domestic waste in accordance with procedures with the presence of waste disposal. 	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p> <p>Verication 08th June 2017</p> <p>Based on document review, certificate holder can show corrective evidence in the form of:</p> <ul style="list-style-type: none"> Preparation of trenches around EFB hoppers area to avoid potential surface water contamination from seepage of ex-empty water (over flow to waste pond) Minimize stock of EFB in hopper area, based on field visit, number of EFB is under control Results of field visits in housing division 3 KKPA 2 Estate and Division 2 KKPA 3, certificate holder has provided landfills. <p>Based on evidence of improvement the team of auditors concluded the non-conformity of this indicator is closed.</p>	
Verified by	: Moh. Arif Yusni

NCR No.	: 2016. 10	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 8 June 2017
Standard Ref. & Requirement	: 5.6.3 Perhitungan dan Pelaporan GRK		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> CH has not been able to show the results of GHG calculations and proof of reporting according to RSPO standard			
Root Cause Analysis <i>(filled by organization audited):</i> GHG calculations and evidence of reporting have not been performed in accordance with RSPO standards			
Corrective Action <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> Conduct GHG calculations according to the procedure. Reporting of Green House Gas (GHG) calculation according to RSPO standard 			
Preventive Action <i>(filled by organization audited):</i> Carry out Greenhouse Gas calculations annually and reporting in accordance with applicable procedures.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verification 08 June 2017			
Based on document review, certificate holder can show corrective evidence in the form of GHG calculation result 2016			

and has reported to RSPO on 06 June 2017.	
Based on corrective evidence team of auditors concluded the non-conformity of this indicator is closed.	
Verified by	: Moh Arif Yusni

NCR No.	: 2016. 11	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: 11 July 2016
NC Grade	: Major	Date of Closing	: 5 July 2016
Standard Ref. & Requirement	: 6.1.3 Management Plan in accordance Social Impact Assessment		
Non-Conformance Description & Evidence observed (filled by auditor): CH has analyzed the social impacts (SIA) as a result of the company's operations and records documenting the results of the meeting to the reports. However yet available management plan and social impact monitoring in accordance with the identification of these impacts			
Root Cause Analysis (filled by organization audited): Has not provided sufficient information for the preparation of social impact management plan			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> The company conducted a survey of socio-economic and cultural for monitoring socio-economic impacts (provided questionnaire to the local community on July 2016). Based on survey results, the company showed documents social management plan as a follow-up of SIA assessments 			
Preventive Action (filled by organization audited): Improved the understanding of management regarding the social impact management and monitoring social impact regularly			
Assessor Evaluation and Conclusion (filled by auditor): 5 July 2016 The company has been collecting data and social information and formulate social impact management plan. Based on the explanation, Nonconformity No. 2016.11 is closed.			
Verified by	: PT MUTUAGUNG LESTARI auditor		

NCR No.	: 2016. 12	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 8 June 2017
Standard Ref. & Requirement	: 6.1.4 Revises SIA document regularly		
Non-Conformance Description & Evidence observed (filled by auditor): There is no regular review of the SIA document (minimum 2 years) by involving public participation			
Root Cause Analysis (filled by organization audited): There is no regular review of the SIA document (minimum 2 years) by involving public participation			
Corrective Action (filled by organization audited):			

<ul style="list-style-type: none"> The company conducted a socioeconomic and cultural survey for the purposes of monitoring socio-economic impacts (available evidence of questionnaires to surrounding communities in July 2016). Based on survey results, the company shows the document of social governance plan as a follow up of SIA assessment.
<p>Preventive Action <i>(filled by organization audited):</i> Improved management's understanding of social impact management and monitoring social impacts on a regularly</p>
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 7 June 2017 Based on corrective evidence in the form of evaluation of social aspects that have been described in the RKL-RPL Implementation Report period July - December 2016. The evaluation is based on the AMDAL document. Meanwhile, evaluation evidence of Social Impact Assessment (SIA) in the form of Negative Impact Management Program Based on the SEIA Report Period 2015-2019. Evidence of support of community participation in the form of Survey Results / Questionnaire to sample representatives of the community and workers. The auditor conclude this nonconformance is CLOSED.</p>
<p>Verified by : Yudwi Wisnu Rahmanto</p>

NCR No. : 2016. 13	Issued by : PT MUTUAGUNG LESTARI auditor
Date Issued : 12 May 2016	Time Limit : ASA-4
NC Grade : Minor	Date of Closing : 09 June 2017
Standard Ref. & Requirement : 6.10.4 Paid contractor	
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company shows the letter of agreement with PT Surya Max Industries namely:</p> <ul style="list-style-type: none"> SPK no 010 / EFB Hopper / SHE-MTF / 2014 on procurement and fabrication work of EFB Hopper c / w Hydraulic Power Pack at Mustika Palm Oil Factory with 5 months working period (21 Nov 2014 s.d 20-april 2015) SPK No. 019 / EFB Conveyor / SHE-MTF / VI / 2015 on wholesale production of EFB conveyor distributing with length of 20 meters c / w Gearbox and EM at Mustika Oil Mill However, the company has not shown proof of payment for the job on time. 	
<p>Root Cause Analysis <i>(filled by organization audited):</i> The Company has not been able to show work agreement payment for procurement and fabrication work of EFB Hopper c / w Hydraulic Power Pack at Mustika Palm Factory with 5 months working period and wholesale job of making of EFB conveyor distributing with length of 20 meter c / w Gearbox and EM at Mustika Oil Mill.</p>	
<p>Corrective Action <i>(filled by organization audited):</i> Completed the progress of work agreement payment of wholesale work after the inspection and has been declared in accordance with the specifications in the work agreement</p>	
<p>Preventive Action <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> Progress of work agreement for completion of work. Conduct supervision of wholesale work 	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 9th June 2017 :</p> <ul style="list-style-type: none"> Company showed Invoice from contractor (No. 16006) dated February 11, 2016 for payment of stage 3 of procurement and fabrication work of EFB Hopper c / w Hydraulic Power. Based on the invoice, the payment was 	

made on February 17, 2016 based on the Certificate of Payment and Summary of Progress Claim.
The grace period between invoices and payments is 6 days. In the work agreement explained that the payment period is a maximum of 30 days from the Invoice and the payment administration of the second party has been received by the first party.

- Company showed Invoice from contractor (No. 16142) dated November 24, 2016 for payment of stage 1 of EFB conveyor distributing manufacture work. Based on the invoice, payment has been made on December 4, 2016 based on the Certificate of Payment and Summary of Progress Claim.

The grace period between invoices and payments is 10 days. In the work agreement explained that the payment period is a maximum of 30 days from the Invoice and the payment administration of the second party has been received by the first party.

Based on the verification results, NCR 2016.13 is stated closed.

Verified by : **Arif Faisal Simatupang**

NCR No.	: 2016. 14	Issued by	: PT MUTUAGUNG LESTARI auditor
Date Issued	: 12 May 2016	Time Limit	: 28 June 2016
NC Grade	: Major	Date of Closing	: 28 June 2016
Standard Ref. & Requirement	: 4.2.4.c RSPO Certification System Challenging Time Bound Plan		
Non-Conformance Description & Evidence observed (filled by auditor):			
Revised Plan Schedule of certification (Time Bound Plan) indicated by the management unit has not been sufficient, such as:			
<ul style="list-style-type: none"> • Certification Plan smallholders PT BGR planned in 2020 (supposedly 2015). Justification given for this change is the new MoU, but management unit can not explain the MoU in question. • Time Bound Plan Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari including Sungai Putih Estate (Full Manage Smallholders - Koperasi Perkebunan Sejahtera Palma Sejati & Mitra Usahatani Sejahtera) are planned in 2018 (supposedly 2017) • It is not in accordance with the RSPO Certification System 4.2.3 all FFB derived from a self-managed farm should produce to the certified standard. Factory (Certificate Holder) should develop and implement a plan to ensure that 100% of smallholders and plantation has been certified within 3 years (since Mill certified) 			
Root Cause Analysis (filled by organization audited):			
Sime Darby Plantation Sdn Bhd through Minamas Plantation not renews the Time Bound Plan due to personnel responsible (Head of PSQM Indonesia) do not give annual regular information updates to the CB.			
Corrective Action (filled by organization audited):			
<ul style="list-style-type: none"> • Sime Darby Plantation Sdn Bhd through Minamas Plantation has revised the Time Bound Plan by setting Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari planned in 2017. • Head of PSQM Indonesia will inform the CB annually in the month of January or if there is a change or expansion of the operational area, especially in Indonesia 			
Preventive Action (filled by organization audited):			
Sime Darby Plantation Sdn Bhd through Minamas Plantation will notify CB if there are updates and changes to Time Bound Plan are due to the addition / expansion of the operating area or the addition of new plants.			
Assessor Evaluation and Conclusion (filled by auditor):			
21 June 2016			
Point b			
The company showed a revised document Time Bound Plan by setting Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari planned in 2017. The document was sent via email by the Minamas Plantation (Sime Darby Indonesia) on June 17, 2016 and has been verified by the team auditor.			

28 June 2016**Point a**

The company showed the document as a justification for the change time bound plan smallholders PT BGR, among others:

- Minutes of the Meeting of Socialization ISPO-RSPO with KUD Mitra PT BGR on May 26, 2015 with an agreement that KUD willing to participate in the ISPO-RSPO certification if the five demands/requests KUD carried out by PT BGR.
- Letter No. 46/KUD K.M/IV/2016 dated 23 April 2016 regarding the statement to the RSPO certification for KUD Karya Mandiri.
- PT BGR shows the process of negotiations with SNV consultant for the certification smallholder's process. The decision is still in progress at the Sime Darby. Already four meetings with SNV.

Based on the explanation above, it will be observed in the next assessment activities.

Verified by : **PT MUTUAGUNG LESTARI auditor**

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

NCR No.	: 2017.01	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	: 4.7.1 Safety and health policies should be available. Safety and health plans are documented, implemented, and monitored for their effectiveness.		
Non-Conformance Description & Evidence observed (filled by auditor): The Certificate holder has a Occupational Health and Safety policy stating that the Company will continuously improve the performance of occupational health and safety. In addition, there are also procedures such as: <ul style="list-style-type: none"> • Block Spraying System (SOP SHE Rev.01, January 2, 2014) stating that the tools including PPE for spraying activities is washed with clean water at BSS house and not allowed to be brought home. • Block Manuring System (PF 3001, April 1, 2012) states that tools including PPE for manuring activities are not allowed to be brought home. Based on field visits it is known that: <ul style="list-style-type: none"> • Personal Protective Equipment (PPE) for spraying and manuring activities is not available at BSS and BMS KKPA-2 house. This is in accordance with results of interviews with management that the PPE is brought by workers to their house • BSS and BMS housing facilities are not available at KKPA-3. Meanwhile, the results of interviews with 3 spraying workers and 3 manuring workers it is known that the work tools and PPE brought home. Based on such evidence, the auditor team concluded that the certificate holder has not been able to demonstrate the implementation of their OHS policy and the procedures.			
Root Cause Analysis (filled by organization audited): BSS House in KKPA 2 is not implemented properly yet and BSS/BMS House in KKPA 3 is not available yet.			
Correction (filled by organization audited): Provided PPE and Work tools storage for BSS/BMS team in KKPA 3, also affirmation about implementation of BSS & BMS SOP that PPE and work tools storage is available for spraying and manuring worker in KKPA 2 and 3.			
Corrective Action (filled by organization audited): Monitoring of BSS & BMS SOP implementation and socialize the SOP to worker regularly.			
Assessor Evaluation and Conclusion (filled by auditor): Observation on 7th July 2017 Certificate holder could showed corrective evidence and also root cause and corrective action. However, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.			
Observation on 18th July 2017 Certificate holder has showed corrective evidence, such as: <ul style="list-style-type: none"> - Memorandum from Estate Manager of KKPA 3 No KP3-int/VI/2017/067/s on 14th June 2017 about The Storage of Spraying and Manuring PPE in BSS and BMS House. - Memorandum from Manager of KKPA 2 No KKPA2-int/366/VI/2017/17/s on 15th June 2017 about the Affirmation of PPE and Work Tools Storage for MSS and BMS Team. 			

- Memorandum from Estate Manager of Mustika No MTE-int/08/VII/2017/17/ on 04th July 2017 about Affirmation of PPE and Work Tools Storage for MSS and BMS Team.
- List of attendees of socialization related to work tools storage for BSS and BMS team on 19th June 2017 in KKPA 2.
- Memorandum Estate Manager No KKPA5-int/164/VI/17/s on 15th June 2017 about Affirmation of PPE and Work Tools Storage and prohibition of taking home PPE. This memorandum has been socialized on 17th June 2017 to all spraying and manuring workers.

However, certificate holder has not showed evidence of monitoring to ensure that workers are no taking home PPE and work tools in accordance with the memorandum.

Based on explanation above, team auditor concluded that the nonconformance of this indicator is **NOT COMPLY**

Observation on 2nd August 2017

- Certificate holder could show corrective evidence in form of documentation (photo) of BSS House and Storage of work tools in BSS/BMS house in KKPA 3.
- Monitoring evidence of work tools storage in KKPA 3 on June and July 2017, however the evidence for KKPA 2 could not show yet.

However, certificate holder has not showed the monitoring evidence to ensure that workers are not taking home work tools and PPE in accordance with memorandum in KKPA 2 Estate.

Observation on 8th August 2017

Certificate holder has showed monitoring evidence of storage of BMS/BSS work tools and PPE in KKPA 2 periode of June and July 2017. Based on explanation, auditor team concluded that this nonconformance is **COMPLY WITH OBSERVATION.**

Verified by : **Asystasha Aishah Silalahi**

NCR No.	: 2017.02	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	: 4.7.2 Risk assessment, documentation and implementation records should be available		
Non-Conformance Description & Evidence observed (filled by auditor):			
Based on field observations it is known that there are some potential hazards of plantation operational activities that have not been identified in the HIRAC document, for example but not limited to:			
<ul style="list-style-type: none"> • Operational activities under the electrical grid installation • Storage of harvesting tools in housing complex • Temporary storage (transit) of schedule waste • FFB transport from the block to TPH (Site Collection) • FFB loading into the vehicle • Potential exposure of pesticides during application in the field. • And others, 			
On the evidence obtained, the auditor team concluded that the risk assessment of all plantation activities has not been identified, documented and implemented.			

<p>Root Cause Analysis <i>(filled by organization audited):</i> Hazard and risk assessment for some operational activities is not available, such as Operational activities under the electrical grid installation, Storage of harvesting tools in housing complex, Temporary storage (transit) of schedule waste, FFB transport from the block to TPH (Site Collection), Potential exposure of pesticides during application in the field. But, FFB loading into the vehicle has been identified the hazard potential on HIRAC for harvesting.</p> <p>Risk assessment for operational activities under the electrical grid installation, Storage of harvesting tools in housing complex, Temporary storage (transit) of schedule waste, FFB transport from the block to TPH (Site Collection), Potential exposure of pesticides during application in the field is not done because implementation of HIRAC SOP is not consistent.</p>	
<p>Corrective Action <i>(filled by organization audited):</i> Revision of HIRAC document on hazard potential that has not been listed yet.</p>	
<p>Preventive Action <i>(filled by organization audited):</i> Evaluation on hazard potential of all activities regularly.</p>	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Observation on 19th June 2017 Certificate holder has showed corrective evidence such as HIRAC evaluation for KKPA 2 and 3 approved on 13th June 2017. The evidence is accepted by document. However, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.</p> <p>Observation on 8th August 2017 Certificate holder has completed auditor's questions related to root cause analysis, correction, corrective action. Based on explanation above, auditor team concluded that nonconformance in this indicator is CLOSED.</p>	
<p>Verified by :</p>	<p>Asystasha Aishah Silalahi</p>

<p>NCR No. :</p>	<p>2017.03</p>	<p>Issued by :</p>	<p>Asystasha Aishah Silalahi</p>
<p>Date Issued :</p>	<p>9 June 2017</p>	<p>Time Limit :</p>	<p>8 August 2017</p>
<p>NC Grade :</p>	<p>MAJOR</p>	<p>Date of Closing :</p>	<p>8 August 2017</p>
<p>Standard Ref. & Requirement :</p>	<p>4.7.3 Records of Safety and Health (OHS) program training (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis should be available to all workers.</p>		
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor)::</i> Certificate holder has trained worker, especially for operators in estate and mill. However, they have not been able to demonstrate sufficient evidence to have provided personal protective equipment in accordance with the identified potential hazards. Based on field observation and interviews with workers, it is known that:</p> <ul style="list-style-type: none"> • Personal protective equipment in the form of shoes for harvesting workers are provided by the workers at KKPA-2. • Contractor worker of FFB loading did not use PPE in accordance with the work agreement at KKPA-2 and KKPA-3. <p>Based on explanation above, the certificate holder has not been able to apply the appropriate OHS protection to workers in accordance with hazard identification and risk analysis</p>			
<p>Root Cause Analysis <i>(filled by organization audited):</i> Contractors have not been disciplined in the use of PPE. Use of PPE for contractor driver is not implemented properly because the driver is not discipline.</p>			

Procurement of PPE for hired worker has not been fully budgeted for 2016 – 2017 and has been budgeted for 2017 – 2018. While for contractor, the obligation to use PPE has listed on work agreement, but has not done well.

Certificate holder established communication with owner of work agreement. The work agreement has explained about the obligation to use PPE. But, communication between owner and contractor driver (especially obligation to use PPE) is less well established.

Correction *(filled by organization audited):*

Socialization to contractor driver about using PPE in accordance with work agreement.

Corrective Action *(filled by organization audited):*

PPE inspection before and after work and give sanction verbally or written to contractor driver and worker if they are not obey the work agreement.

Assessor Evaluation and Conclusion *(filled by auditor):*

Observation on 7th July 2017

Certificate holder has showed corrective evidence along with root cause and corrective action. But, there are auditor’s questions related to root cause analysis, correction, and corrective action that still need to be completed.

Observation on 18th July 2017

Certificate holder has showed corrective evidence, such as:

- Minutes of meeting of OHS socialization to owner of work agreement (Contractor) and its worker in KKPA 2 Estate on 8th July and attended by 7 participants. List of attendees and activity’s photos is available.
- Minutes of meeting of OHS socialization to owner of work agreement (Contractor) and its worker in KKPA 3 Estate on 13th July and attended by 19 participants. List of attendees and activity’s photos is available.

But, certificate holder has not showed example of monitoring evidence of the effectiveness of socialization. However, there are auditor’s questions related to root cause analysis, correction, and corrective action that still need to be completed.

observation on 8th August 2017

Certificate holder has completed the auditor’s questions related to root cause analysis, corrective action, and corrective evidence such as:

- Memorandum No KKPA2-int/366/VIII/17/s on 1st August 2017 from Manager of KKPA 2 about Affirmation of Using PPE.
- Monitoring of using PPE of contractor driver in KKPA 2 and 3

Based on explanation above, auditor team concluded that nonconformance in this indicator is **COMPLY WITH OBSERVATION**

Verified by : **Asystasha Aishah Silalahi**

NCR No.	: 2017.04	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.7.5 A procedure for emergency and work accident shall be available in Indonesian		

	Language; and the workers, who have attended First Aids training, are available in the working areas.
Non-Conformance Description & Evidence observed (filled by auditor): The certificate holder also has provided emergency response and first aid facilities at workplace, but based on field observation, it is known that: <ul style="list-style-type: none"> • There is an expired medicine (povidone iodine) in the first aid bag carried by the foreman of Harvest in division 3 of KKPA 2. • First aid equipment monitoring is not available in all work units. <p>In relation to this matter, the certificate holder has not demonstrated yet the effectiveness of periodic monitoring on emergency response facilities (first aid equipment).</p>	
Root Cause Analysis (filled by organization audited):	
Correction (filled by organization audited):	
Corrective Action (filled by organization audited):	
Assessor Evaluation and Conclusion (filled by auditor):	
Verified by	:

NCR No.	:	2017.05	Issued by	:	Asystasha Aishah Silalahi
Date Issued	:	9 June 2017	Time Limit	:	Recertification
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).			
Non-Conformance Description & Evidence observed (filled by auditor): The certificate holder has several type of worker, among others monthly and daily permanent worker, temporary worker, and contractor workers in the KKPA 2 and 3. For permanent and temporary workers have been registered into the work accident insurance program (BPJS Employment). However, based on document review and interview with the management, it is known that there is not enough evidence of all contractor workers in KKPA 3 has been registered into the applicable occupational injury insurance.					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

NCR No.	: 2017.06	Issued by	: Arif Faisal Simatupang
Date Issued	: 9 June 2017	Time Limit	: Re Certification
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.8.2 Records of training for each employee shall be maintained.		
Non-Conformance Description & Evidence observed :			
The certificate holder has shown the training recording in the unit of estate and mill as identified in the training program. However, training records for each worker can not yet be shown.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Correction <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.07	Issued by	: Moh Arif Yusni
Date Issued	: 9 June 2017	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor)::</i>			
Based on the result of the sample of field visit around the KKPA 2 fertilizer warehouse, there was found a pile of waste of fertilizer that has not been properly managed according to SOP Block Manuring System (No PF 3001 dated 01 April 2017, for example:			
<ul style="list-style-type: none"> - Sacks of fertilizer are stored outside the warehouse in the open area - Sack of fertilizer is not arranged neatly 			



In relation to this matter, the certificate holder has not been able to show the waste management plan of the ex fertilizer sack has been implemented to avoid and reduce contamination.

Root Cause Analysis *(filled by organization audited):*

Correction *(filled by organization audited):*

Corrective Action *(filled by organization audited):*

Assessor Evaluation and Conclusion *(filled by auditor):*

Verified by :

NCR No.	: 2017.08	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	: 6.5.2 Collective labor agreements / Company regulations in accordance with labor regulations, are available in clear language and described by management or trade unions to workers.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on field observation, it is known that:			

- Harvesting activities in Division III KKPA 2, found a harvester who bring along his family member (wife) for helping his work. Based on interview with the worker and harvest supervisor, it is known that the family member doesn't have contract agreement and not registered as worker in company
- CH has worker with piece worker type for spraying and manuring in KKPA 2 and 3. Based on interview with management unit, it is known that work agreement with spraying and manuring worker is delivered verbally. This is clarified by interview with 3 spraying worker and 3 manuring worker in KKPA 3, admitted that they have no written work agreement.

Based on evidence obtained, certificate holder has not showed that all worker has valid work agreement.

Root Cause Analysis (filled by organization audited):

- Field worker namely harvester's wife without valid work agreement because she wants to help her husband to increase the income (she is not listed in list of worker).
- Empowerment of surrounding communities. Work agreement is not available because the work is temporary

Correction(filled by organization audited):

Memorandum from Estate Manager about prohibition of worker bringing along family member without valid work agreement has been published and make work agreement to all piece worker type.

Corrective Action (filled by organization audited):

Socialization regularly about all worker must have valid work agreement.
 Doing Safety briefing and socialization to worker before work time about prohibition bring along family member.
 Making work agreement for contractor worker, spraying and manuring

Assessor Evaluation and Conclusion (filled by auditor):

Observation on 7th July 2017

Certificate holder has showed corrective evidence with root cause and corrective action. But, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.

Based on corrective evidence, auditor team concluded that nonconformance in this indicator is **NOT COMPLY**.

Observation on 18th July 2017

Certificate holder has showed corrective evidence such as:

- Memorandum from temporary manager of KKPA 2 No KKPA2-Int/357/VI/17/S on 7th June 2017 about Work Prohibition for Any Person who Has Not Valid Work Agreement.
- Socialization of Memorandum No KKPA2-Int/357/VI/17/S on 15th, 17th, dan 18th June 2017 in division 1, 2, and 3 KKPA 2. Minutes of meeting is available.
- Memorandum From Estate Manager of KKPA 5 No KKPA 5 – Int/163/VI/17/s on 16th June 2017 about Commitment of Child Protection in Minamas and Prohibition to Bring Along Family Member for Helping Work.
- Socialization of OHS Safety Briefing on 17th June 2017 discuss about Memorandum No KKPA 5 – Int/163/VI/17/s which attended by 31 participants. Minutes of meeting is available.
- Socialization about Prohibition of employing family members without having work agreement as worker in the company in KKPA 3 Estate division 1, 2, and 3 on 15th, 16th, and 17th June 2017. Minutes of meeting is available.

Based on explanation given, Noncormity No 2017. 08 poin 1 is **COMPLY WITH OBSERVATION**.

Start from July 2017, spraying and manuring worker in KKPA 2 and 3 has been provided with work agreement.

Based on explanation above, nonconformance in this indicator is **NOT COMPLY**.

Observation on 8th August 2017

Certificate Holder has showed corrective evidence, such as:

- Memorandum No KP3-int/VII/2017/014/s from Estate Manager of KKPA 3 about Temporary Worker Must be Provided with work agreement.
- Example of work agreement of Temporary Worker in KKPA 2 and 3.

Based on corrective evidence, Non Conformity No 2017. 08 is **COMPLY WITH OBSERVATION.**

Verified by : **Asystasha Aishah Silalahi**

NCR No.	: 2017.09	Issued by	: Yudwi Wisnu Rahmanto
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	: 8.1 Oil palm growers and millers regularly monitor and review their activities and develop and implement action plans that allow for continuous improvement in key operations.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Based on the results of non-conformity identified during ASA-4 activities, the auditor team considers that there is a continuous improvement commitment that has not been applied thoroughly, as follow:			
<ul style="list-style-type: none"> • Implementation of occupational safety and health policies (Criterion 4.7), ie: <ul style="list-style-type: none"> (c). Guidance on criterion 4.7: <i>Growers and millers should ensure that their workplaces, machinery, equipment, transportation and processes under their control are always safe and harmless to health. Planters and millers should ensure that chemical, physical, and biological substances and things under their control do not endanger health excessively, and take action where necessary. All of these indicators apply to all workers, regardless of their status.</i> (d). OHS Corporate Policy, December 2011, where one of the points mentioned "Plantation upstream Indonesia is committed to continuously improve safety and health performance". • Implementation on waste management (Criterion 5.3) • Monitoring the effectiveness of the internal audit results of RSPO against the repetition of non-conformities that arise. 			
Root Cause Analysis (filled by organization audited):			
Nonconformance evaluation on RSPO internal audit is not effective. Evaluation on EHS is not comprehensive. Personnel capability and less time to do the evaluation. Evaluation is done per unit, so need more time. PIC for RSPO implementation is safety officer, PSQM, and management unit.			
Correction (filled by organization audited):			
Mechanism of EHS internal audit has provided.			
Corrective Action (filled by organization audited):			
Will be evaluated regularly on effectiveness of EHS internal audit compliance.			
Observation 19 June 2017 against corrective actions sent			
<ul style="list-style-type: none"> • EHS internal auditor team reported the nonconformances to head of OHS committee • Head of OHS Committee follow up the nonconformances along with OHS Committee team from each unit and do evaluate the improvement not later than 1 month after the nonconformances reported. • Every 3 month, internal auditor team re evaluate the implementation ofn EHS correction. 			
Assessor Evaluation and Conclusion (filled by auditor):			

Observation on 7th July 2017

Information related to root cause and corrective action has been told, but there is no correction on this nonconformance. Besides, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.

Observation on 8th August 2017

Certificate holder has showed corrective evidence such as internal audit mechanism written on Procedure of EHS Correction Program No 01/SHE-K3L/17 on 10th July 2017 which explain about mechanism of EHS Correction program and its evaluation. This procedure aims to review and revise EHS goals, targets, and programs and continuous improvement and improve the system performance of EHS systems.

Based on explanation above, nonconformance in this indicator is **NOT COMPLY.**

Observation on 10th August 2017

Certificate holder has give addition corrective evidence such as memorandum from RSPO Coordinator No 024/MTE-Intern/VIII/2017 on 1st July 2017 about Mechanism to Prevent Nonconformance Repetition against RSPO Principles and RSPO Organization Structure. Memorandum explains that evaluate will be done by RSPO Coordinator and PSQM against internal audit. If there still nonconformance caused by disobedience of personnel, he/she will be given reprimand letter. If it still can not be fulfilled as well, it will be coordinated the level of the Estate Manager.

Based on explanation above, nonconformance in this indicator is **NOT COMPLY.**

Evidence that memorandum is applied for nonconformance at external audit ASA4 is given reprimand letter to related personnel to make improvement against nonconformance.

Observation on 8 August 2017

CH has showed corrective evidence, such as

- Memorandum no 026/MTE-Intern/VIII/2017 on 11th August about Mechanism To Prevent Nonconformance Repetition against RSPO P & C at external audit
- Evaluation against result of external audit done by PSQM staff
- Evaluasi against result internal audit done by PSQM staff

Memorandum explains that evaluate will be done by RSPO Coordinator and PSQM against external audit. If there still nonconformance caused by disobedience of personnel, he/she will be given reprimand letter. If it still can not be fulfilled as well, it will be coordinated the level of the Estate Manager.

There will be time limit to fulfill the nonconformance from external audit given to related PIC

Based on explanation above, auditor team concluded this nonconformance is **COMPLY WITH OBERVATION**

Verified by	: Yudwi Wisnu Rahmanto
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3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	6.5.3	Sanitary and ditches drainage around the workers housing
2	SCCS D.3.1	Personnel in Charge for PalmTrace in the Supply Chain procedure

3.5.4 Noteworthy Positive Components

No	Descriptions
1	PROPER with BLUE category awarded in period 2015-2016 from Environmental and Forestry Ministry through Self Assessment
2	Cooperative performance during audit assistances
3	Maintaining of Sustainable Palm Oil commitment

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>Representative of Harapan Jaya Village, Sub District of Sungai Loban and Representative of Waringin Tunggal Village, Sub District of Kuranji.</p> <ul style="list-style-type: none"> • Mostly resident of transmigration and the rest of the local population. There is no more indigenous people. • There were no indigenous lands or areas that were sacred in plantations • No land dispute in the both villages during 2015-2016, the main plantation areas are already compensated at the beginning of land clearing • There was never any issue of environmental contamination in the both villages. • For the main plantation there was never any issue of indiscriminate waste disposal • The company had a positive impact in the form of the opening of access roads, employment (over than 60% work in the plantation) and the building of facilities and infrastructure including road improvements and the construction of smallholdings since 2002 • The districts always involves a plantation company in the process of company contributions • Support ever given by companies such as road maintenance and of teaching staff salaries • No child labor issue in the main plantation • No issues of human rights violations in the company 	<p>There is significant issues rise from surrounding villages. Most villagers stated positive with the certificate holder.</p>
<p>Gender Committee Interview with Board of Gender Committee</p> <ul style="list-style-type: none"> • Gender committee has been socialized related to protection on female worker policies • Female workers can take the menstruation leave by doctor recommendation letter. • There is no issue related to sexual harassment and complaint related to discrimination. 	<p>The management unit has demonstrated evidence of compliance with the RSPO P & C such as criterion 6.9.1, 6..9.2, 6.9.3</p>
<p>Worker Union Interview with Board of SPSI</p> <ul style="list-style-type: none"> • Workers' salary is in accordance with Decree of Governor of Kalimantan Selatan. • Company has registered all workers in Employment and health insurance (BPJS) • Company also recruit local communities as worker • All complaint is delivered to the committee of worker union • There is no issue related to force labor. 	<p>The management unit has demonstrated evidence of compliance with the RSPO P & C such as criterion 6.6.1, 6.5.1, 4.7.6</p>

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.

Signed on behalf of:

PT Sajang Heulang
Management Representative

Mutuagung Lestari
Lead Auditor



Mohamad Pirabharan
08 August 2017



Yudwi Wisnu Rahmanto
08 August 2017

APPENDICES

Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Gender Committee	Sub District of Kuranji, District of Tanah Bumbu	-	Interview	7 th June 2017	√	-
2	Worker Union	Sub District of Kuranji, District of Tanah Bumbu	-	Interview	7 th June 2017	√	-
3	6 Female spraying workers	KKPA 3 Estate	-	Interview	8 th June 2017	√	-
4	4 harvester and foreman	KKPA 2 and 3 Estate	-	Interview	8 th and 9 th June 2017	√	-
5	Mill workers	Mustika POM	-	Interview	6 th June 2017	√	-
6	Konsorsium pembaruan agraria	-	kpa@kpa.or.id	Quiesioner via Email	31 May 2017	-	√
7	TUK Indonesia	-	office@tuk.or.id	Quiesioner via Email	31 May 2017	-	√
8	HUMA	-	huma@huma.or.id	Quiesioner via Email	31 May 2017	-	√
9	Sawit Watch	-	info@sawitwatch.or.id	Quiesioner via Email	31 May 2017	-	√
10	Aliansi Masyarakat Adat Nusantara	-	rumahaman@cbn.net.id	Quiesioner via Email	31 May 2017	-	√
11	Forest People Program	-	info@forestpeoples.org	Quiesioner via Email	31 May 2017	-	√
12	Rainforest Alliance Network	-	ran@ran.org	Quiesioner via Email	31 May 2017	-	√

Appendix 2. Assessment Program

DATE / TANGGAL		05 – 09 June 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 05 June 2017			
06.00 – 10.00	06.00 – 10.00	JAKARTA → Banjarmasin	YWR / MAY / AFS / AAS
10.00 – 15.00	10.00 – 15.00	Banjarmasin → PT. Sajang Heulang	
15.00– 15.30	15.00– 15.30	Opening meeting <ul style="list-style-type: none"> • Speech (Introduction of PIC, Profile of Certified Management Unit) • Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	YWR / MAY / AFS / AAS
15.30– 17.00	15.30– 17.00	Documents Review <ul style="list-style-type: none"> • Review of previous (Initial assessment) findings • Verification of Basic Information Mill and Estate • Confirmation of Time Bound Plan • Review of Partial Certification 	
Tuesday, 06 June 2017			
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"> • Stakeholder consultation to affected communities surrounding the plantations. • Interview with Gender Committee, Worker’s Union, Worker’s Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier 	<ul style="list-style-type: none"> • YWR • AAS
08.00 – 12.00	08.00 – 12.00	Field observation to Mustika Factory : <ul style="list-style-type: none"> • Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) • Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) 	<ul style="list-style-type: none"> • MAY • AFS
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	<ul style="list-style-type: none"> • YWR / MAY • AFS / AAS
Wednesday, 07 June 2017			
08.00 – 12.00	08.00 – 12.00	Field Observation to KKPA 2 Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) 	<ul style="list-style-type: none"> • YWR • AFS

DATE / TANGGAL		05 – 09 June 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect - Observation of Workers Facilities (Housing, School, Worship Place). 	<ul style="list-style-type: none"> • AAS • MAY • MAY • AFS
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> • Continue Field Observation and field observation clarification • Stakeholders consultation to related agencies in Tanah Bumbu Regency (By Phone) • Verification of field visit and completing checklist 	YWR / MAY / AFS / AAS
Thursday, 08 June 2017			
08.00 – 11.00	08.00 – 11.00	Field Observation to KKPA 3 Aspect to be verified : <ul style="list-style-type: none"> - Implementation of Legal Aspect (Land Ownership, Legal Boundaries); - Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect - Observation of Workers Facilities (Housing, School, Worship Place). 	YWR / MAY / AFS / AAS
11.00 – 14.00	11.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> • Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist. 	YWR / MAY / AFS / AAS
Friday, 09 June 2017			
08.00 – 09.00	08.00 – 09.00	<ul style="list-style-type: none"> • Internal discussion by auditor team preparing for Closing Meeting 	YWR / MAY / AFS / AAS

DATE / TANGGAL		05 – 09 June 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
09.00 – 10.00	09.00 – 10.00	Closing Meeting: <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ • Comments, Responses and Questions PT Sajang Heulang – Banjarmasin Banjarmasin - Jakarta	
11.00 – 17.30 18.30 -	11.00 – 17.30 18.30 -		