

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

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Bukit Ajong Factory, PT Sime Indo Agro subsidiary of Sime Darby Plantation Sdn Bhd.
 Plantation Name : West Estate; East Estate; Plasma East Estate and Plasma West Estate
 Location : Dosan Village, Parindu Subdistrict, Sanggau District, Kalimantan Barat Province, Indonesia.
 Certificate Code : **MUTU-RSPO/088**
 Date of Certificate Issue : 18 July 2016 Date of License Issue : 18 July 2017
 Date of Certificate Expiry : 17 July 2021 Date of License Expiry : 17 July 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA 1.1	29 th May – 03 rd June 2017	Leonada (Lead Auditor Supervised), Ardiansyah (Lead Auditor Witnessing), Sandra Purba, Brigitta Prita, Dwi Haryati.	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA 1.1	5 October 2017

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FIGURE

Figure 1. Location Map of PT Sime Indo Agro

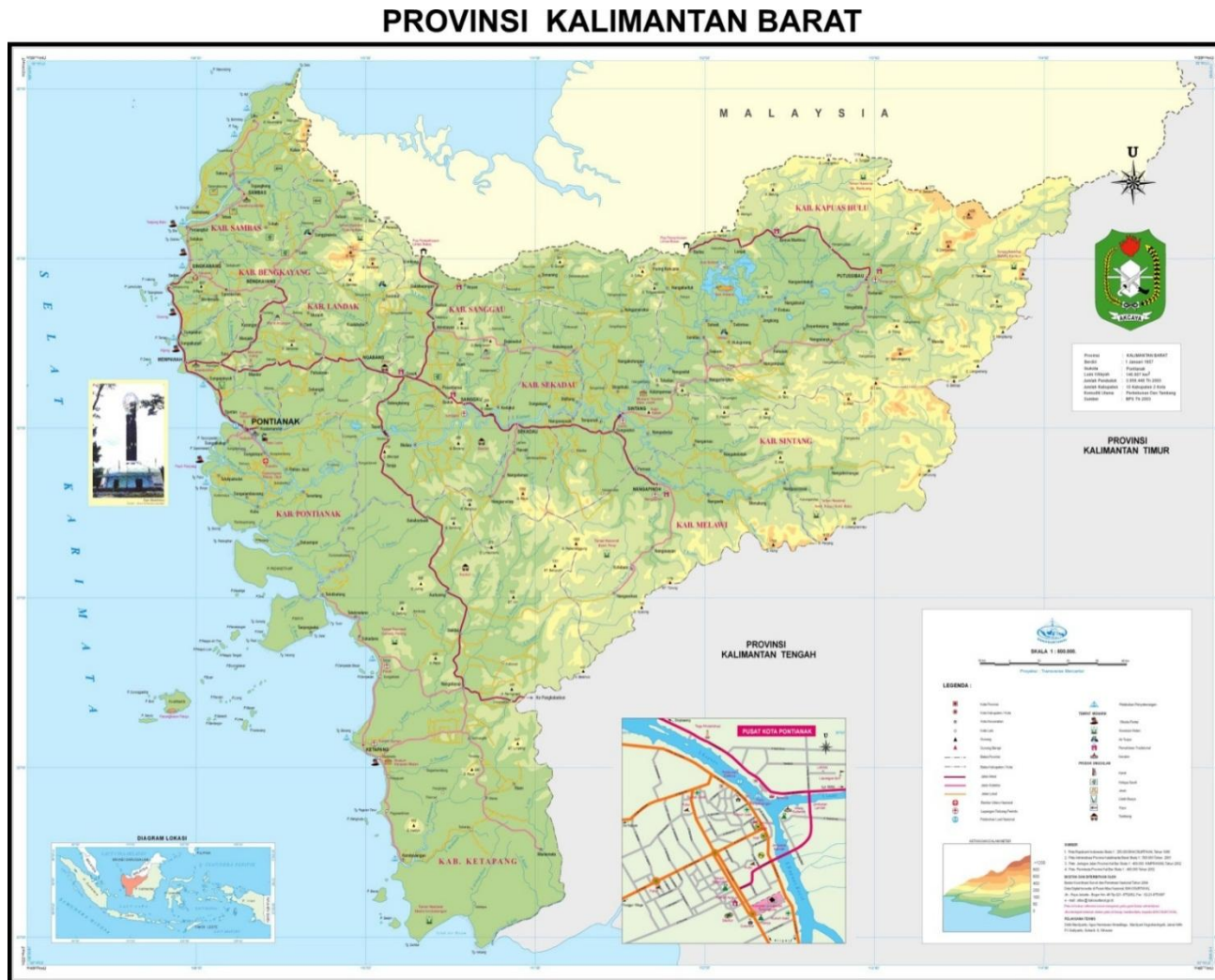
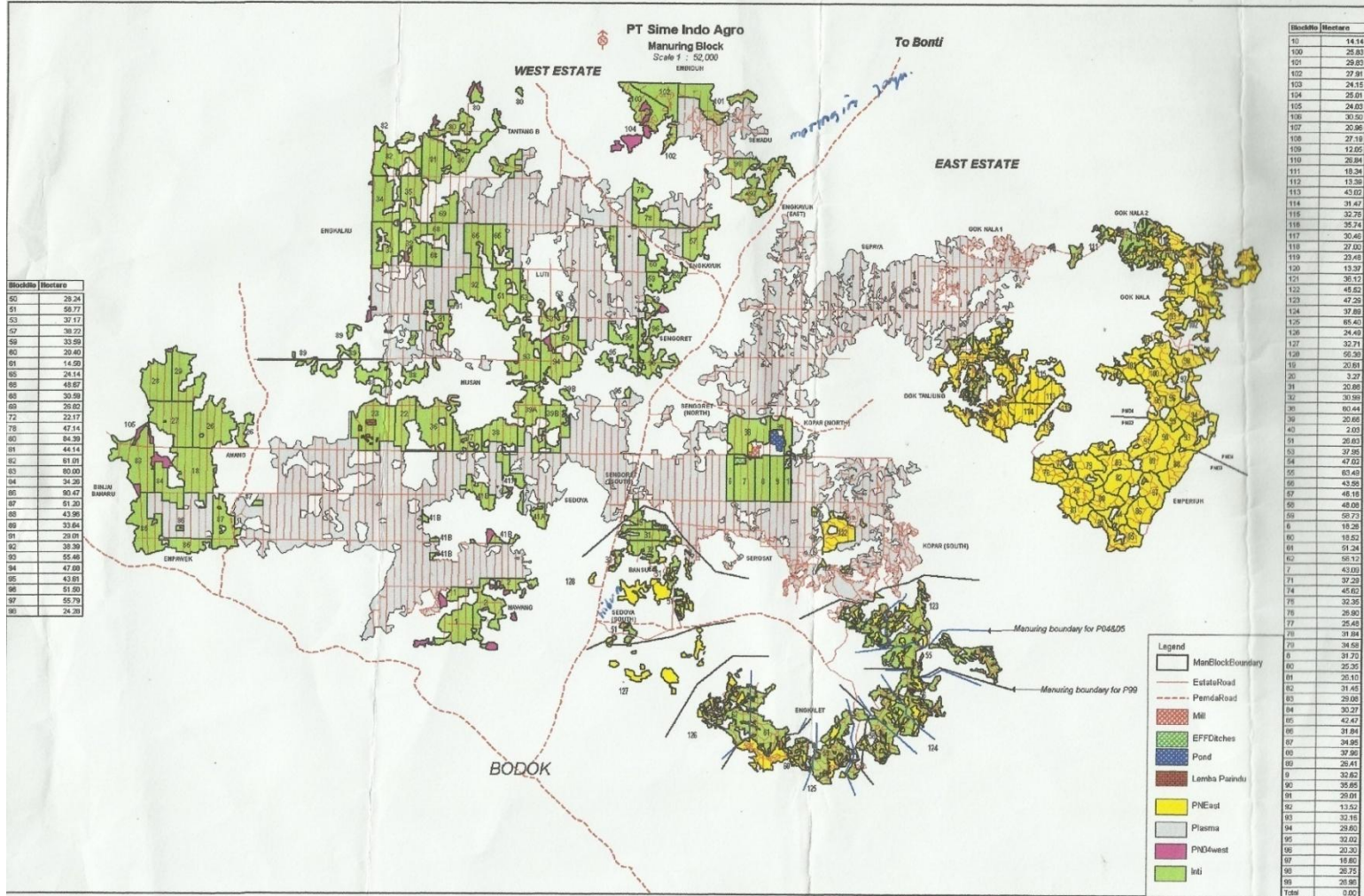


Figure 2. Operational Map of PT Sime Indo Agro (West Estate and East Estate)



Glossary

ASA	:	Annual Surveillance Assessment
AMAN	:	<i>Aliansi Masyarakat Adat Nusantara</i>
BOD	:	Biological Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
ESE	:	East Estate
FFB	:	Fresh Fruit Bunch
GHG	:	Greenhouse Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
HRM	:	Human Resource Management
IPM	:	Integrated Pest Management
KUD	:	<i>Koperasi Unit Desa</i> / Village Cooperative Unit
MRC	:	Minamas Research Centre
NGO	:	Non Government Organization
OER	:	Oil Extarction Rate
OFI	:	Oppurtunity for Improvement
OHS	:	Occupational Health and Safety
PK	:	Palm Kernel
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protection Equipment
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
PT SIA	:	PT Sime Indo Agro
SIA	:	Social Impact Assessment
SOP	:	Standart Operating System
SOU	:	Strategic Operation Unit
WSE	:	West Estate
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"> • Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th September 2016. • 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). • RSPO Certification System (approved by RSPO Executive Board 26 June 2007). 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT. Sime Indo Agro Subsidiary of 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)-29926000	
1.2.5	Fax	(+62-21)-29922685	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	www.simedarbyplantation.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM)	
1.2.9	Registered as RSPO member	1 – 0008 – 04 – 000 – 00 7 September 2004.	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : Bukit Ajong Factory, East Estate, West Estate, Plasma East Estate and Plasma West Estate.	
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
	Bukit Ajong Factory	Village of Dosan, Sub District of Parindu, District of Sanggau, Province of Kalimantan Barat.	N 00° 16' 100" E 110° 28' 58"

1.4.2	Location of Certification Scope of Supply Base					
	Name of Supply Base	Location	Coordinate			
			Latitude	Longitude		
	East Estate	Village of Hibun, Sub District of Parindu; District of Sanggau; Province of Kalimantan Barat.	N 0° 15' 22"	E 110° 30' 09"		
	West Estate	Village of Palem Jaya; Sub District of Parindu; District of Sanggau; Province of Kalimantan Barat	N 0° 16' 18"	E 110° 24' 21"		
	Plasma East	Village of Hibun, Sub District of Parindu; District of Sanggau; Province of Kalimantan Barat.	N 0° 15' 22"	E 110° 30' 09"		
	Plasma West	Village of Palem Jaya; Sub District of Parindu; District of Sanggau; Province of Kalimantan Barat	N 0° 16' 15"	E 110° 24' 21"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		7,277.82	Ha		
	• Community		4,271.00	Ha		
1.5.2	Area Statement					
	• Total area		11,498.82	Ha		
	• Mature area		7,443.10	Ha		
	• Immature area		-	Ha		
	• Mill/ Building/Road/Parit		196.15	Ha		
	• Conservation Area (HCV) Total HCV Area is 1227.33 Ha. Different 1227.33 ha - 321.20 ha = 906.13 ha (Outside Land Use Title).		321.20	Ha		
	• Boundaries, River, Hill, valley and Occupation area (Enclave and others).		3,538.37	Ha		
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		West Estate	East Estate	West Plasma	East Plasma	Total
	1997	1,458.56	-	1,195.00	-	2,653.56
	1998	1,003.74	-	1,120.00	208.00	2,331.74
	1999	-	635.24	-	1,392.00	2,027.24
	2003	-	48.82	-	218.00	266.82
	2004	-	25.74	-	138.00	163.74
	TOTAL	2,462.30	709.80	2,315.00	1,956.00	7,443.10
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 (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Bukit Ajong	40	219,002	47,000	21.46	12,012	5.48
	<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)	%
	West Estate	4,562.34	2,462.30	40,347.92	16.39	40,347.92	100
	East Estate	2,665.48	709.80	12,557.42	17.69	12,557.42	100
	West Plasma (1154 smallholders)	2,315.00	2,315.00	75,609.59	32.66	75,609.59	100
	East Plasma (978 smallholders)	1,956.00	1,956.00	46,276.72	23.66	46,276.72	100
	TOTAL	11,498.82	7,443.10	174,791.65	23.48	174,791.65	100
	<i>*Production data source from June 2016 – July 2017.</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	West Estate (Non RSPO)	PT. SIA	-	513.70	8,612.67		
	East Estate (Non RSPO)	PT. SIA	-	1731.39	19,698.55		
	Sei Mawang Estate (Non RSPO)	PT. SIA	-	837.75	10,065.06		
	Sei Mawang Plasma	KUD Himado (Associated SH)	240	480.18	4,268.77		
	Independent Outgrower	-	-	-	1,565.68		
	TOTAL					44,210.73	
	<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 18 July 2016 to 17 July 2017		Actual certified product 18 July 2016 to 17 July 2017 (tonnes/year)	

		(tonnes/year)					
	• FFB Production	167,744		173,266.17			
	• CPO Production	40,434		37,001.39			
	• Palm Kernel (PK) Production	10,350		9,365.68			
1.8.2	Product selling						
	Tonnage of selling product	Actual selling product period 18 July 2017 until 17 July 2018					
	• CSPO	2490.19					
	• CSPK	3701.30					
	• CPO under other scheme trading (e.g ISCC, RFS)	-					
	• CPO under conventional trading (if any)	34,511					
	• PK under other scheme	-					
	• PK under conventional trading (if any)	5,664					
1.8.3	Estimate of Certified FFB Claim						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	Yield (tonnes/ha/year)			
	West Estate	4,562.34	2,462.30	17.21			
	East Estate	2,665.48	709.80	18.58			
	West Plasma (1154 smallholders)	2,315.00	2,315.00	34.29			
	East Plasma (978 smallholders)	1,956.00	1,956.00	24.84			
	TOTAL	11,498.82	7,443.10	23.73			
	<i>*Projected FFB production for June 2017 – May 2018.</i>						
1.8.4	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO	Palm Kernel		
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Bukit Ajong	40	183,530	40,377	22	10,094	5.5
	<i>*Projected CSPO and CSPK production for June 2017 – May 2018.</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		
	Time						

Mill	Bound Plan					
INDONESIA						
Sekunyir. PT. Indotruba Tengah	2010	Sekunyir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified	
		Seruyan	2010		Certified	
Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified	
		Manggala 2	2010		Certified	
		Manggala 3	2010		Certified	
Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District – West Kalimantan	Certified	
		East	2010		7,223 Ha	Certified
		East	2019		1,652 Ha	-
		Sei Mawang	2019		-	
		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	
Pemantang. PT. Teguh Sempurna	2011	Pemantang	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 Kemasari	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 Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		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 – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013		Certified
		Blang Simpo-01	2013		Certified
		Blang Simpo-02	2013		Certified
MAS. PT Mitra Austral	2020	MAS 1	2018	Sanggau District – West Kalimantan	-
		MAS 1	2018		-

Sejahtera		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 SOU 1	2010	Bukit Hijau	2010	Kerangan, Kedah	Certified
		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
		Kalumpung	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
Kerdau SOU 11	2011	Kerdau	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	2011	Takau	2011	Bintulu, Serawak	Certified

SOU 33		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 February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd 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 Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	PT SIA have associated smallholders (KUD Himado) that have been certified.				

1.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA 1.1	<ol style="list-style-type: none"> 1. Leonada (Lead Auditor Supervised). Bachelor of Agricultural Cultivation Department of Agriculture, Faculty of Agriculture, Department of Plant Breeding and Seed Technology, Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and Sustainability in the company private Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, Lead Auditor ISO 9001; 2008, ISO 14001; 2005, Training Management Development Program Agronomy, training analysis base solution for operation, training integrated Pest Management (IPM), training Use of limited Pesticides, Training Management of Waste Pesticides and Fertilizers, training mediation and conflict resolution, general safety specialist training, Health and safety management system (SMK3) Auditor. Currently he worked as an auditor at Certification Body. During this audit, he assigned to verify legal, social and SCCS. 2. Ardiansyah (Lead Auditor Witness). Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. Several times following audit activities related to sustainable palm oil certification system as a lead auditor and an auditor. During this audit, he assigned as witnesser 3. Sandra Purba (Auditor). Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she assigned to verify transparency, worker welfare and OHS. 4. Brigitta Prita (Auditor). Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System. She has been audit experience ISPO & RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. During this audit, she assigned to verify HCV and environment aspect. 5. Dwi Haryati (Auditor). Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study :

	<p>Agronomy. Has experience on Palm Oil Plantation as Sustainability staff. Training have been followed : Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. Aspects to be audited are best management practices and long term management plan aspects.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA 1.1	<p>Number of auditors: 4 auditors Number of days for Surveillance-1.1 at site: 5 days Number of working days for Surveillance-1.1 at site: 20 Working days</p>
2.2.2	Assessment Process
ASA 1.1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Sime Indo Agro to the requirements of RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).</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 1.1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-2.1).</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Location of Assessment
ASA 1.1	<p>Sampling locations are determined by using the formula $0,8\sqrt{y}$ from the total of supplier estate and consider the issues arising from the document review and stakeholder consultation which is fundamental and crucial. At the time of this assessment, the location of the sample is Bukit Ajong Factory, East Estate, West Estate, Plasma East, Plasma West and Sei Mawang Estate.</p> <p>The locations visited are presented in the following:</p> <p>East Estate</p> <ol style="list-style-type: none"> Erosion stakes Block S401. Observation erosion monitoring POME Block 901. Observation waste management and environment aspect Harvesting Activities Block 904. Observation operational procedure and safety aspect. Replanting Area Block S908. Observation operational procedure and environment aspect. Spraying Activities Block S908. Observation operational procedure, safety and environment aspect. Fertilizer Activities Block 308. Observation operational procedure, safety and environment aspect. Rumai River Block N310. Observation field related management of riparian area. Roti River Block N311 Division 1. Observation field related management of riparian area. HCV 5 Bedagai Dusun Kopar, Block 905 Division 5. Observation and interview related management of HCV area. HCV 6 Rumah betang Block S901 Division 5. Observation and interview related management of HCV area. Workshop. Observation on maintenance activities and interview with foreman related understanding of working

procedure.

12. **Used battery and used oil storage.** Observation and interview related management of hazardous waste.
13. **Chemical Warehouse.** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
14. **Pesticide Mix storage.** Observation and interview related management of hazardous waste (pesticide).
15. **Dressing room and PPE room for spray.** Observation related condition of PPE room for sprayer.
16. **Oil Warehouse.** Observation and interview on environmental aspect, OHS implementation, management of oil and understanding of working procedure.
17. **Fuel Tank.** Observation related condition and management of Fuel.
18. **Generator Room.** Observation related condition of generator room.
19. **Housing Block J.** Observation and interview related facilities & infrastructure, domestic waste, and others.
20. **Landfill Block 21 Division 5.** Observation related management of domestic waste.
21. **HGU pole No. 2 block S901 division 5.** Observation field related condition of HGU pole.

West Estate

1. **Pre-Nursery Block A-705 Division I West Estate.** Interview with workers related to process and stage of breeding, workers rights, wages, employment insurance, PPE and OHS aspect.
2. **Spraying. Block A-703 West Estate.** Interviews related to worker knowledge about pesticide management, safety aspects, employment, wages, health checks, complaint mechanisms and complaints.
3. **Harvesting. Block C-701 division II West Estate.** Interviews related to the criteria of ripe fruit, harvesting techniques, aspects of OSH labor.
4. **Fertilization. Block B-805 Division IV West Estate.** Interviews related to fertilization techniques, wages, accident insurance, OHS, workers' rights, HI and H2 leave.
5. **Sengoret Riparian Block A705 Division 1 West Estate.** Observation field related management of riparian area.
6. **Replanting area Block A706 Division 3.** Observation field related replanting area.
7. **HGU Pole No. 2 Block A 706 Division 3.** Observation field related condition of HGU pole.
8. **HGU Pole No.3 Block A 709 Division 2.** Observation field related condition of HGU pole.
9. **Kondot Riparian area Block A708 Division 2.** Observation field related management of riparian area.
10. **Workshop.** Observation on implementation of OHS policy and waste management as well as interview with personnel related to employment aspect.
11. **Oil, Chemical and fertilizer storage.** Observation and interview on OHS, waste management and employment aspect.
12. **Mixing area and PPE storage.** Observation and interview related to OHS, waste management and employment aspect.
13. **Generator room and fuel tank.** Observation on OHS aspect, waste management and emergency preparedness aspect (secondary containment wall, oil trap and fire extinguisher).
14. **Housing.** Observation on the feasibility of housing and others facility and interview to resident regarding to waste management and complain mechanism.
15. **Block A705 Division 1, WSE.** Observation on land-fill.
16. **Clinic.** Observation on infectious waste management and interview related to employee's health services.

KUD Himado

1. **11 member of KT17 Amang.** Observation and interview on harvesting activities, OHS, waste management and employment aspect.
2. **10 member of KT 17 Goknala.** Observation and interview on harvesting activities, OHS, waste management and employment aspect.
3. **10 member of KT 13 Musan.** Observation and interview on harvesting activities, OHS, waste management and employment aspect.
4. **7 Member of KT 10 Engkalet.** Observation and interview on harvesting activities, OHS, waste management and employment aspect.

Bukit Ajong Factory

1. **Security Post.** Observation FFB received procedures and interview safety and employment aspect
2. **Grading Station.** Observation Grading procedure and safety aspect
3. **Sterilizer Station.** Observation processing procedure and safety aspect
4. **Press Station.** Observation processing procedure and safety aspect
5. **Boiler Station.** Observation processing procedure and safety aspect
6. **Engine room.** Observation processing procedure and safety aspect
7. **EFB Station.** Observation environment and safety aspect
8. **Workshop.** Observation environment and safety aspect
9. **Hazardous Waste Storage.** Observation environment and safety aspect
10. **Chemical Storage.** Observation environment and safety aspect
11. **WTP.** Observation efficiency use of water for operation
12. **Hydrant.** Observation emergency procedure
13. **WWTP.** Observation environment and safety aspect
14. **Weighbridge.** Observation FFB received procedures and interview employment aspect.

Surroundng Villages

1. **Maringin jaya Village.** Interview communication procedure and social aspect
2. **Palem Jaya Village.** Interview communication procedure and social aspect
3. **Dosan Village.** Interview communication procedure and social aspect
4. **Hibun Village.** Interview communication procedure and social aspect
5. **Suka Grundi Village.** Interview communication procedure and social aspect
6. **Rahayu Village.** Interview communication procedure and social aspect

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA 1.1	<p>Consultation of stakeholders for PT Sime Indo Agro was held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com on 5 May 2017. 2. Consultation meeting and interview with government agencies in Sanggau District on 30th May 2017. 3. Consultation meeting and interview with Sorrounding Village (Hibun Village, Maringin Jaya Village and Dozan Village) on 31th May 2017. 4. Consultation meeting and interview with Internal Stakeholder (Committee gender, labour union and local contractor) on 30th May 2017. 5. Consultation by email with NGO (Sawit watch, AMAN, WWF) 23th May 2017. <p>Numbers of input from stakeholders were clarified by PT Sime Indo Agro.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
ASA 1.1	The next visit (ASA-2.1) will be planned a year after ASA 1.1 assessment.

1.1 ASSESSMENT FINDINGS

1.5 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Bukit Ajong Factory – PT Sime Indo Agro, Sime Darby Plantation Sdn Bhd operation consisting of one (1) mill, two (2) oil palm estate and an associated smallholders namely KUD Himado (2,132 smallholders).

During the assessment, there were twenty six (26) nonconformities were assigned against Major Compliance Indicators, seventeen (17) nonconformities were assigned against Minor Compliance Indicators; twelve (12) nonconformities were assigned against minor compliance indicators on recertification that up grade to major on ASA-1, five (5) nonconformances against supply chain requirement for CPO mill, one (1) major nonconformance against certification system and two (2) opportunites for improvement were identified.

After the ASA 1.1 the certified unit has to provide corrective action to complying the non-conformances in 60 days (especially Major Non-conformance) prior the auditor team recommends to continue the certification.

Due to the certified unit has not been able to closed the major non-conformtiies within sixty days after the audit conducted, therefor Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *suspended* (28 August 2017) and given another sixty days to show the corrective actions taken.

The certified unit has showed the corrective action to closed out all the major non-conformities, therefore on **28 September 2017** the MUTUAGUNG LESTARI have recommend to lift the suspension and may continue the certificate

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. (document record). Those corrective actions taken that consist of 44 Major non-conformities and 17 Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Bukit Ajong Factory – PT Sime Indo Agro, Sime Darby Plantation Sdn Bhd complied with the requirements of *RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008.*

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Issued/Continued/suspended***).

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

The CH has been established the list of document that accessible by public as explained in the SOP of request of information no. RSPO/B.4.7/SIA revision 1 on 1 July 2015, personal to response and update the information is PSD Staff and/or Head of Administration. In the SOP also mentioned that the every request should be responded within two weeks. In addition, the CH also regularly submit the mandatory report to related institution, sighted the evidence of report submission, for e.g. EIA management and monitoring semester report submitted to Environmental Agency on 29 March 2017; OHS Committee quarterly report submitted to Labor Agency on 10 May 2017 and annually employment report submitted to Labor Agency on 14 Nov 2016.

Based on interview to the related stakeholders (relevant agencies and surrounded communities) stated that the mechanism for requesting of information has been well understood. Socialization are conducted to the stakeholders through formal and informal way.

1.1.2

The record of request of information and its response has been stored and maintained by CH in the form of record of incoming and outgoing letter, for e.g. recorded in WSE as many as 2 letter and BAF as many as 1 letter, these letters has been responded well by CH in timely. However, during the audit has been found the non-conformances, summarized in **NCR No. 2017.01**, namely:

- PT SIA and KUD HIMADO have not been able to show the mechanism of information request and response.
- Based on document review, it is known that there is a request for information but there is no response, such as letter dated 27 April 2017 about the report of the implementation of the Corporate Social Responsibility (CSR) program in 2016 and the submission of the company's CSR program for 2017.

Verification on 25 July 2017,

The Company shows evidence of corrective action in the form of:

- ✓ SOP of response of information request no document AI0900 on April 1, 2010 explaining on step in response to incoming letter that is 1 week and SOP request information no document RSPO / B.4.7 / SIA dated June 1, 2009
- ✓ Letter of submission of CSR program FY16 / 17 for PT SIA and PT MAS dated October 4, 2016 No letter 14 / GM-sanggau / SGU / 10/2016 area to Sanggau Regent.
- ✓ Proposed of CSR plan 2016-2017 (memorandum no 035 / SWE / 08/206 and memorandum no 01 / PTSIA-WSE / CSR / 08 / 16-17).

Verification o 1 August 2017,

1. Evidence of CSR report on 4 October 2016 to Sekda Regent No.: 14/GM-area sanggau/SGU/10/2016.
2. SOP of document control No Document SOP Administration/2012.

Verification on 28 August 2017,

KUD Himado shows SOP Request of Information approved on 8 February 2018 by Chairman, vice chairman & secretary of KUD Himado. The SOP describes all the request letters submitted to the KUD addressed to the Chairman of KUD Himado; incoming letter of inquiry request will be studied and made answer by Chairman Himado; Secretary of KUD shall prepare a draft of letter / contents of response of information to stakeholders; all response letters that will be sent to the parties signed by KUD Himado, and incoming & outgoing mail are stored at KUD Himado Office. Maximum length of information for 1 week. In addition, a statement from Staff Plantation Service Department (PSD) of Sanggau Area on August 24, 2017 stating that it has understood the SOP for request of informati and response. Based on the above explanation, the indicator 1.1.2 stated **Compliance**.

Major 1.1.2	Status: NCR No. 2017.01 with Major category is Closed.

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

The CH has a list of publicly accessible document consist of hectare statement, general facilities, employment

document, legal document, company's policies, HCV document, EIA document and OHS document.

KUD HIMADO has not shown a list of publicly accessible documents, it has been raised as **Major NC No. 2017.02**.

Verification on 31 July 2017,

KUD Himado has presented a list of publicly accessible and personal in charge documents for managing it (KUD secretary), described in the SOP of information request authorized Feb. 8, 2017, of 14 types of documents, the delivery of responses to each request is 1 week. NCR Closed.

1.2.1

Status: Non conformance NC.2017.02 with major category is closed.

Open

1.3

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

1.3.1

Sighted the business ethicque policy no. 440/HRM-COC/07 approved on 24 May 2007 applied for both PT SIA and KUD Himado. The CH considered to continuously socializing the policy to the employees.

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

The CH has been shown the efforts to comply with applicable regulation, such as: compliance to Plantation Act No 39/2014, the CH has a plantation business permit; compliance to safety act such as the provision of appropriate PPE to the workers and training of safe working. In addition, the CH has comply regarding to the environment regulation such as has licensed schedule waste storage and effluent application permit. However, found the regulation that have not been met, namely:

- West Estate already has 1 licensed operator of lifting & hauling aircraft under license No. 13.30719-OPK3-PAA / I / 2014 dated 10 January 2014 and valid until 10 Jan 2019. Based on field observation and document verification known that the total of heavy equipment owned by the management unit is 10 units. The management unit has not been able to show license for 9 other operators. This is not in accordance with Permenaker No. 5 of 1985.
- Field visit at Bukit Ajong Factory known that there is electrical installation maintainance conducted by Electrical Engineer on behalf of Mikail. Based on document verification, known that electrical technicians have background of senior high school majored in electricity, but this is not yet in accordance with Regulation of labor Minister No 12 of 2015 stating that maintenance activities should be carried out by the Electrical OHS expert or OHS Electric technician.
- Based on field observation and interview known that the mill has a boiler with capacity of 30 ton/hour and operated in 2 shift, in addition the mill has 6 operator in total (for 2 shift), however document verification showed that the operator who has license is only 1 operator with grade class I, it is not in accordance with Minister of Manpower Regulation no. 1 of 1988 stating that for boilers with capacities more than 20 Ton / Hour - < 40 Ton / Hour must have 1 operator with grade class I and 1 operator with grade class II (each shift).

See NCR No. 2017.03.

Verification on 25 July 2017,

The company has show the evidence of corrective action, namely:

2. OHS expert training in Electrical Field training enrollment form o/b of Mikail but no information regarding to date of training and the OHS services agency who will be the training implementer
3. Letter of application for license of operator No. 25 / Mng.WSE.06.2017 dated June 12, 2017 for 7 operators, but no information related to the date of implementation of the training and the implementing agency.

4. Inter office mail about mutation letter on behalf of riki rolli mere no 016 / PT SIA-BAF / VI / 2017 dated June 19, 2017 from processor employees to boiler operators but not licensed as operator.

Verification on 28 August 2017 (verification major),

1. **The company can show the license of boiler operator o/b of P Ricky Rolli Mere as operator class I, license No. 13.P05.172 OPK3-PUBT-B.I/VI/2013** date of 17 June 2013, valid until 17 Juni 2018
2. **Has been identified the electrician of PT SIA who will be attend the training, namely :**
 - ✓ ESE : Junaedi Pangariduan (SAP ID 0000071198 – Generator Set Operator)
 - ✓ WSE : Syayyid Hasim (32462 – Generator Set Operator)
 - ✓ BAF : Mikael (SAP Id 0000104629 – Generator Set Operator)

Upon three designated electrician technicians, submitted to HRM to be registered as trainees, the submission email was dated August 21, 2017 to HRM, and it was responded on August 29, 2017 stating that the vendor (Delta Praneggar) is currently awaiting the training quota fulfilled, the latest training will take place on 15-25 Sept 2017.

3. There is a letter of application for the issuance of lift and carriage license of 7 people (2 persons have been transferred to another section) WSE employees, by letter No. 25 / Mng.WSE.06.2017 dated June 12, 2017 to HIC estate area sanggau. Followed by a letter of application for the issuance of license to Disnakertrans of Sanggau Regency dated July 25, 2017 No. 41 / Mng.WSE / 07.2017. It has been responded by the agency dated July 29, 2017 stating that against the 7 people submitted, the license is currently in the process of issuance.

The evidence is acceptable, and will be observed during ASA 2. **Close with observation.**

KUD Himado showed the record of regulation compliance, for e.g. document of legal entity registration no. 55/BH/X/1996, dated 31 January 1996, company registration no. 140224700126 dated 11 January 2 (approved by cooperative ministry no.: 158/SK-PAD/DPPK/XI/2004), tax-payer number 02.050.949.3-705.000 and agreement document between PT SIA and KUD No.55/BH/ KWK.14/I/996 dated 31 January 1996.

2.1.2, 2.1.3, 2.1.4

List of applicable regulation has been updated regularly by PSQM, the latest update conducted on May 2017 consist of 127 regulation related to plantation aspect, environmental, employment including ratified regulation (ILO), OHS aspect and HCV/conservation.

However, there is nonconformances regarding to this requirement, namely:

- PT SIA has had list of legal requirements, but the list not cover all relevant legal requirements and or update regulations such as regulation related to electricity, forest area release/ forest are exchange, the update plantation act, the update river regulation the update regulation related to location permit.
- KUD HIMADO has not shown information related to legal requirements that relevant to oil palm plantation.

See NCR No 2017.04

Audit to monitor the compliance of regulation conducted by PSQM in annual basis, the latest audit conducted on April 2017, and the previous was on July 2016. There are 2 finding related to land title, IUP and EIA.

KUD HIMADO not yet able to shown the result of legal compliance evaluation that relevant with its operational activities.

See NCR No.: 2017.05

PT SIA and KUD HIMADO not yet able to shown the system for updating and tracking of any changes of the law. **See NCR No 2017.06**

2.1.1	Status: Non conformance NC.2017.03 with major category is closed.	Open
2.1.2	Status: Non conformance NC.2017.04 with minor category	
2.1.3	Status: Non conformance NC.2017.05 with minor category	

2.1.4	Status: Non conformance NC.2017.06 with minor category	
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 CH has had Document of land control owned by PT SIA in the form of Land Use Title and Building Use Title for an area of 7,227.82 Ha. Based on the result of overlay between the West Estate operational map and the Land Use Title map, it is known that the management area included in the HGU area is 2,557.14 ha and there are management areas outside the HGU such as B806, A702, A709, A705 (± 418,86 Ha) . NC 2017.07 . Area of KUD Himado smallholders consist of 4,271 Ha (2,132 members) also has the right to use the land shown by owner certificate for 1,857 members. The others members has certificate of land cultivation from head of village and sub district head.		
2.2.2 In re-certification audit had found non compliance that company legal border can not be found or identified in the field and PT SIA can not show the Plot Map shows the location of boundaries pole. At ASA-1, CH shown land map of West Estate in scale 1:20,000 (map No. 17-14.04-2007 dated 27 November 2007) from land agency of Kalimantan barat Province that informed a boundaries pole. But PT. SIA still can't show The boundaries poles in field and for East estate can not show legal boundaries map. Based on this situation, the minor non compliance 2015.04 on the re-certification audit has not been closed and up grade to Major on ASA 1 . Meanwhile, The information on farmers' landholdings (KUD Himado) can be seen in the certificate of land rights and found also during field visits.		
2.2.3, 2.2.4, 2.2.5 & 2.2.6 Based on the results of interviews with the land agency of Sanggau and letter of land Agency in December 2015 known land dispute between PT. SIA with villager of Pusat Damai Dusun Bodok. From the the West Estate conflicts maps known that conflict for 0.88 Ha block A702. But the CH has not been able to show the recording of land conflict resolution (NC 2017.08). CH also can not been able to show a participatory land-disute map for land dispute with villager of Pusat Damai Dusun Bodok. (NC 2017.09). Meanwhile, according to interviews with surrounding village (Maringin jaya, Palem Jaya, Dosan, Hibun, Suka Grundi and Rahayu) was not identified any significant land dispute and no mercenaries use in maintaining peace and order in the company's or KUD Himado operations.		
2.2.1 2.2.3 2.2.5	Status: Non conformance NC.2017.07 with major category Status: Non conformance NC.2017.08 with minor category Status: Non conformance NC.2017.09 with minor category	Open
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, 2.3.2, 2.3.3, & 2.3.4 Operational areas used by CH are the community land that has been compensated. The company has shown a record of land compensation for the area used as oil palm plantations. The compensation activities have been conducted at the beginning of land clearing and documented well. Meanwhile, for the plasma area is the land owned by local communities respectively, so there is no process of compensation to the previous owner.		
Status: Comply		
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

The company has a work plan for the next 5 years in the Long Term Business Plan period 2016/2017 to 2020/2021 which is created for mill and estate. The document has explained the plan area of operation has not changed, the production of FFB, CPO and PK, yield/ha, the extraction projection of CPO and PK, the cost for ESH, social and environmental management and operations.

Evaluation of management is recorded in the document Strategic Operating Unit Report Region Kalbar Sanggau Area SOU 15 Bukit Ajong March 2017 (19 Maret 2017). In the document explaining the difference between realization of activities and budget as well as to explain the evaluation of these differences. For example, OER in this month under target amounted to 23.25% due to the actually OER rate only at 21.49% with the action plan will be ensure the delivery of quality fruits by the estate (core & plasma) and maximize all processes in the estate and mill for increased OER and ensure no losses occur in both the estate and the mill.

The company has not yet shown the long-term (3 year) plan related to the management of smallholders.
Nonconformance No. 2017.10 Major category.

3.1.2

The Certificate Holder has had a replanting program set out in the Long Range Replanting Program (LRRP). The realizations of replanting activities are listed in the Statement area document.

Estate	Replanting Area(Ha)						
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
West Estate	188	359	325	242	262	311	279
East Estate	473,28	212,91	230,16	159,62	113,65	229,76	176,03

3.1.1

Status: Non Conformance No. 2017.10 with Major category.

Open

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

SOP of operational processing in the Mill and the Estate is still the same as the previous assessment listed in the References Agronomy Manual No. 110/EST-ARM/13 date September 1st, 2013 for Estate procedures and Mill SOP are listed in the Minamas Plantation Palm Oil Factory Operational Administrative Procedure Documents Oil Palm Factory No. 130/POD-FAC/07.

Based on interviews with harvester and spray worker in West Estate, East Estae and Plasma, it is known that workers have been trained and been able to explain the mechanism in accordance with the procedure, such as harvesters can explain the criteria of the harvest fruit and spray workers can explain the wide of the circle and harvesting path at spraying activity.

4.1.2 & 4.1.3

The certificate holder has the mechanism of checking and monitoring operations through Internal Audit activities. Based on the explanation of the management, internal audit conducted every 6 months by Group Corporation Audit Department (GCAD).

Records of the results of monitoring conducted by GCAD listed in document of Sheet Working Paper Conclusion Examination which explained the correction of any non-conformance. For example, for the second semester of 2016/2017 has been carried out on:

- West Estate held on 8-14 November 2016 with the results of 7 non-conformances; harvest of ripe fruit is low and garbage delivered to PKS is still high.
- East Estate held on 1-7 November 2016 with the results of 12 non-conformances.
- Bukit Ajong Factory held on 30 November with 10 non-conformances.

Nonconformance 2017.11

The Company has not shown sufficient evidence that plasma has been undertaken activities of inspection and monitoring of activities (Audit) in accordance with operating procedures at least once a year.

4.1.4

Based on FFB received document known that Bukit Ajong Factory receives the FFB from third party including smallholdings. FFB received from each supplier has recorded and documented well.

4.1.2	Status: Nonconformance 2017.11 with minor category	Open
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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 & 4.2.4

The Certificate Holder has had procedure guidance to manage soil fertility in SOP Palm Oil Planting Agronomy Reference Manual (No. Policy: 110/EST-ARM/13) approved by the Head Plantation Upstream Indonesia on 16 September 2013. The SOP consist of several sections related to the management of soil fertility such as fertilization, the use of organic fertilizers (EFB and POME) and manufacture of leguminous cover crops (legumes).

The Certificate Holder records all of POME and EFB application activities for the period July 2016-June 2017 in the document:

- The application of empty bunch application in West Estate for example is recorded in the Program and Application document of 2016/20017, it is known that there are total empty bunch transport of 22,116.67 tons and empty bunch application 12,935.79 tons (up to April 2017), total estate 2,982 ha.
- The application of empty bunch application in East Estate for example is recorded in the Program and Application document of 2016/20017, it is known that there are empty bunch application 12,935.79 tons (up to April 2017) in the area of 566,49 ha.

Based on field visit on the block A710 West Estate, it is known that there are applications in replanting areas that are applied around the circle and the former of palm oil trunks in replanting are collected in holes in inter row.

4.2.2

The Company shows the recording of fertilization in the Fertilization Realization Report. From the document is known fertilization period 2016/2017 until April 2017 has been implemented as follows:

West Estate

Fertilizer Type	Recommendation (Ton)	Realization (Ton)
HGFB	16.567	6.545
CCM 44	54.734	54.750

East Estate

Fertilizer Type	Recommendation (Ton)	Realization (Ton)
HGFB	12.041,49	12.035,84
CCM 44	493.281,50	493.350,00

The Company has a Fertilizer Use Document for the period of 2016-2017 (July 2016-April 2017) describing the amount of fertilizer used per type of fertilizer, the production of FFB and the comparison between fertilizer and the production of FFB. Based on the document, it is known that the average usage of fertilizer per ton of FFB in WSE is 0.03 ton of fertilizer / Ton TBS and ESE is 0,106 ton of fertilizer / ton of FFB.

Based on field observations in the West Estate Block B-805 IV division, the employee is performing palm oil fertilization for NPK 44 fertilizer type. The dose used 3500 gr (3.5 kg) / trees. With Stand / ha is 145 staples = 507,500 kg.

So one person must complete 1.28 ha for fertilization. Based on some of the above description shows that the company

has kept well records related to fertilization activities.

Non-compliance on Re-certification

NCR no.2015.04 Indicator 4.4.2.

Records of pesticide use and fertilization. Scheme Manager can not show evidence of recording of pesticide use and fertilization.

4.2.3

The Company has recorded the soil sampling activity in the Semi Detail Soil Survey and land suitability for the year 2017-2022 conducted by *Minamas Research Centre* (MRC at February 2017) describing soil fertility based on an assessment of nutrients N, P, K, Mg, Ca and B.

As for the leaf sample recording is recorded in the document Test Report on Plant Crop Analysis by MRC (Minamas Research Center) conducted in 2016. The document explains the nutrient levels of N, P, K, Mg, and B.

Nonconformance 2017.12

Plasma has not shown sufficient evidence of regular recording of soil, leaf and visual analysis activities.

4.2.3	Status: Nonconformance No. 2017.12 with Minor category	Open
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4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 & 4.3.2

The Company has recorded the soil sampling activity in the Semi Detail Soil Survey and land suitability for the year 2017-2022 conducted by *Minamas Research Centre* (MRC at February 2017)) which is also attached to the Land Size Map of PT Sime Indo Agri ESE and WSE in PT SIA Sanggau land survey.

- Land type map - ESE with scale 1: 40.000. There are soil types Aquic Paleudult: 76,39 Ha, typic Kandudult: 102,82 Ha, typic Paleudult: 2,358,38 Ha.
- Land type map - WSE with scale 1: 80.000. There are soil types of Aquic Paleuhumult: 1.29 Ha, Aquic Paleudult: 1,083.95 Ha, typic Hapludult: 151,64Ha, Typic Kandudult: 151,71 Ha, Typic Paleudult: 1,089,08 Ha.

Based on field observation in WSE block C701 division II found some evidence of company strategy in managing area with a certain slope that is in the form of contour terrace by using erosion barrier strategy that is use of horse tread, planting fern (*Neprolepis*).

4.3.1. Nonconformance 2017.13 Plasma has not shown sufficient evidence of the availability of land maps that explain the existence of marginal and critical soil.

4.3.3

The West Estate management unit shows the 2016-2017 road maintenance recapitulation in four divisions for 254.33 km of realized graders and 3214 tons and 6.26 km of unification.

Nonconformance 2017.14

- Based on the auditor's field visit at the East Estate, the access road to the boundary is still very limited in terms of road maintenance. In this case the company has not shown any evidence on the road maintenance program at East Estate.
- Besides Plasma also has not shown program related to road maintenance.

4.3.4 & 4.3.5

Based on field visits and review of semi detailed soil Survey document, it is known that there are no areas with peat soil types.

4.3.6

The company has SOP No.Policy 724 / TQEM-SPSMS / 09, no revision 00, dated 27/08/2010 Page 14 of 31. About the slope protection policy ie land in the plantation area with a slope angle > 40% (> 21.80°) at designated as land reserves

cultivated or not cultivated, if in the area there are already plants and is recommended for planted species of forest plants. For flat areas up to a slope of <40% (or <21.80°), in the early stages to prevent soil erosion and run off is by planting lentils / LCC and not planting oil palm.

Field visit in East Estate block S-908, it can be seen that in the hilly area the company has implemented land management in accordance with procedure, among others, there are making of terrace and planting of Legume Cover Crops as ground cover. In block B-802 WSE division IV, there is application of empty bunches on plants, this is intended to improve soil fertility.

4.3.1
4.3.3

Status: Nonconformance No. 2017.13 with Major category
Status: Nonconformance No. 2017.14 with Minor category

Open

4.4

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

4.4.1.

Certificate holder showed the water management plan listed in the Environmental monitoring plan / monitoring plan implementation report of Semester II of 2016 such as

- a. Making spil kits and road side pits with the objective of reducing surface water runoff and increasing infiltration of water into the soil with priority on slopes and high acreage.
- b. Outlet or Drainage.
- c. Water gate that serves to control the availability of ground water.
- d. Determination of 50 meters area along the left-right of the river as a buffer zone area, and others.

4.4.2.

Based on a field visit at Kondot Riparian area Block A708 Division 2 (Areal Replanting) West Estate it is known that the Palm oil is left only one stem with spacing less than 50 meters. It does not comply with SOPs for River / Wastewater Management (DAS) and conservation areas with document number 15 / PT SIA / 2009. Based on the above explanation, this Indicator is become **Nonconformance with NCR No.2017.15 with Major category.**

Verification, 2 August 2017.

The company shows documentation marking the 50-meter boundary right-left of the Kondot river border with yellow-colored wood, and available memos by the West Estate Manager explaining regarding for not doing fertilizer and spray work in HCV area of Kondot River Block A708.

Verification, 7 August 2017.

The company has showed evidence of a revitalization plan of buffer zone in the replanting area by planting Tengawang and Belian / iron wood as many as 213 staples.

Field verification, 29 August 2017.

Based on field observations to the Kondot river border, the spray boundary marking has been done as wide as 50 M from the river bank. Planting is not done on the area but left to be a border area of the river. The planting of woody plants has been planned and while it is in the process of nurseries.



The corrective action is acceptable and otherwise compliance and will be observed during ASA 2.

4.4.3

Certificate holder has conducted liquid waste quality tests every month (November 2016 - April 2017) conducted by Sucofindo Laboratory. Based on the explanation, there are no testing parameters (Ph, BOD & COD) that exceed the quality standard stipulated by Minister of Environment Decree No.28 Year 2003. In addition, the CH shows the utilization of waste water permit for PT Sime Indo Agro by the Office of Investment and Licensing Services Sanggau District with letter agreement number 503/001 / PMPP-D / IPALT / 2016. This permit is valid for 5 years from February 5, 2016 to February 5, 2021. Based on site visits in the land application there is no runoff Water and recording of waste water discharge conducted every day.

4.4.4.

Certificate holder has showed records of water use monitoring for the process (Mill) for the period 2016-2017. Average water use for the process is 1,023 m³ / ton FFB. This does not exceed the budget set by the company amounted to 1.26m³/ton FFB.

4.4.2.	Status: Nonconformance with NCR No.2017.15 with Major category is closed.	Open
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4.5

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

4.5.1

The Certificate Holder has had an IPM plan in the procedure "Agronomy Palm Oil Planting Manual Reference" No. Policy: 110/EST-ARM/13 which was approved by the Head Plantation Upstream Indonesia on 1 October 2013. The IPM plan contained in Section 15 of the plant protection which explains the census frequency of attacks, control techniques to justify the use of chemicals. In the procedure discusses horn beetle pests, leaf-eating caterpillars, rat pests and ganoderma diseases.

The company has identified potential pests by conducting monthly censuses. Census data is recap in the Pest and Disease Control reports. For example, reports in April and May 2017, there are no pests of caterpillars, oryctes (horn beetles), ganoderma, termites. In addition there has never been Tirta Harba attack in WSE as of May 2017 and almost in the WSE area around the local settlement, never found a wild boar attack / wild animals of the same kind. However in the WSE there are attacks with attack rates and minor damage in A702 and A703. The level of mild attack on this block is 0.01 and 0.03% already owned by Ratgon.

Based on the field visit, the company has implemented a biological pest control in accordance with the SOP for example the company has planted beneficial plant with types of *Turnera subulata* and *Antigonon leptosus*.

Nonconformance 2017.18. Major category

The East Estate and Plasma management units have not shown sufficient evidence of the implementation of Integrated Pest Management (IPM) records.

4.5.2

Nonconformance 2017.19 Minor category

The company has not shown enough evidence of integrated Pest training for estate and plasma farms.

At the time of the assessment, the auditor conducted an interview with the nursery worker. The interview result explained that the workers have understood the related types of pests and diseases that attack the oil palm and its natural enemies. For example, mouse pests and owl predators. However, based on the information of the WSE third division assistant until now is no longer available because of the possibility hunted by local people (owls and rats).

4.5.1	Status: Nonconformance No. 2017.18 with Major category	Open
4.5.2	Status: Nonconformance No. 2017.19 with Minor category	

4.6

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

4.6.1

The certificate holder has a procedure "Agronomy Palm Oil Planting Manual Reference" No. Policy: 110/EST-ARM/13, Part 15 (protection of plants) and Section 16 (weed control) are justified the use of chemicals that describes the type of pest /weed, chemicals usage and the dose/ha.

Based on interviews with supervisor and spray workers in WSE and ESE, explained that the use of chemicals are adjusted to the dominant weed on the block. For narrow-leaved weeds and broadleaf using glyphosate and metsulfuron-methyl.

Nonconformance 2017.20 Major category

Based on interviews with farmer of Dusun Empawek Farmer Group, plot no.1. Described by the land owner that spray activity is done by the farmer owning the land itself with a self-determined dose. While all stretchers are sprayed regardless of the type of weeds according to the type of active ingredients contained in these chemicals.

Verification on 2 June 2017 (ASA-1),

The Smallholding's management not yet able to show the corrective action and its implementation. The NC has upgrade to be Major.

Verification on 1 August 2017,

The Company has sent evidence of corrective action such as document of pesticide policy and management no 10x/PTK-PST/2004 index number X/01 describing poisoning symptoms based on pesticide and its treatment method as well as minute of training and socialization to the plasma farmer on 12 July 2017 attended by 48 farmers, however there is no evidence related to the treatment record for pesticide applicators. Non-compliance has not been met.

Verification on 28 August 2017 (major verification on field)

The company shows the result of medical check up (Spirometry & cholinestrase) for 2017 of 50 Farmers (West & East Plasma) conducted on July 31, 2017 by Mitra Medika Hospital. The result shows 46 participant is normal, 4 participant is need to follow, as described below:

1. Heronimus Heri (medical records No. 00-04-14-32), results of spirometry found that breathing is normal. Result of CHE of 13.173 * U/L (above the reference value of 5.320 - 12.920 U/L).
2. Salehudin (medical record No. 00-04-14-64), results of spirometry examination found that breathing in mild obstruction, diagnosis of asthma, recommended to consultation to lung specialist, and Cholinestration result shows 7,410 U / L (still in the reference value).
3. Yafet (No. medical record 00-04-14-72) from spirometry examination results found that breathing is in moderately severe restriction, recommended to re-test of spirometry whereas for CHE 15, 305 U / L = Not Normal (above Reference value 5,320 - 12,920 U / L).

4. Apung (medical record 00-04-14-34) spirometry examination (Normal) and CHE of 14,766 U / L = Not normal (Value above 5,320 - 12,920 U / L).

Based on the explanation above, the Company's Doctor has undertaken a follow-up plan for the farmers members, among others:

Heronimus Heri will be re-examined of CHE at 1 year later; Salehudin will be examined to the Lung doctor specialist for more complete examination; Yafet will be checked to the specialist for more complete examination; and Apung will be examined CHE (Cholinestration) at 1 year later.

Based on the above explanation, Indicator 4.6.1 is stated compliance with Observation.

4.6.2

The certificate holder shows Monitoring Usage of Agrochemicals the period July 2016- April 2017 made per type of Chemicals explains the name of the active ingredient, the total materials used, the amount of Ha application, the active ingredient /ha. For example, in WSE for the kenlon 480 EC herbicide with the active ingredient *Triklopir butoksi etil ester*; total usage are 67,33 L; the total applications area are 2.410 Ha; active ingredient /ha 0,028

In addition, the certificate holder has document of Pesticide Type Usage and Target that describes the type of pesticide (trade name), Registration No. In Pesticide Commission, Dose /ha, LD50; dose of active ingredient/ha; target. For example Audit 486AS with registration number RI.01030120031863 with LD50 is 5000 mg /BB, the dose of 3-4 L /Ha and target for broadleaf weeds and narrow leaves.

4.6.3

The Certificate Holder has had IPM plan in the procedure "Agronomy Palm Oil Planting Manual Reference" No. Policy: 110/EST-ARM/13. IPM plan contained in Section 15 of the plant protection which explains the census frequency of attacks, control techniques to justify the use of chemicals. In SOP, it is known the usages of pesticides are not used as a prophylactic, but pesticide use based on census results.

There is a pesticide reduction program in agrochemical usage data from July 2016 to April 2017. For example, the use of pesticides with methyl metsulfuron active ingredients decreased use from October 2016 by 10.28 kg to 3.80 kg in November 2016. While from December 2016 until April 2017 no use.

Based on the field visit, Certificate Holders have applied biological pest control in accordance with the SOP for example the company has planted beneficial plant with types of *Turnera subulata* and *Antigonon leptopus*.

Nonconformance 2017.21 Major category.

Based on field visit in East Estate block replanting area East - S 908 there is application of horn beetle pest (*Oryctes*) by using pesticide with active material cypermetrin from preventive. However, the company has not been able to provide the justification of pesticide application which is done by preventive.

4.6.4

Based on a review of documents and visits at the warehouse of chemicals, it is known that the company does not use chemicals that are categorized as Type 1A or 1B WHO, materials included in the list of the Stockholm and Rotterdam Conventions, and paraquat.

Document review and observation to the chemical warehouse, it is known that the company does not use chemicals categorized as WHO 1A or 1B types of materials included in the Stockholm and Rotterdam Conventions list, as well as paraquat.

The management unit shows the policy of Memor Estate Manager Tamiang Estate No. TME / 001 / VI / 2010 / M and memo HPO.POD-UM-127 / X / 2008 dated November 4, 2008, regarding the dismissal of the use of chemicals made from paraquat, bradifacoum and deltamethrin, which have been categorized as type 1A or 1B included in the Stockholm and Rotterdam convention lists.

Management of smallholdings has not been able to show the evidence that the availability of adequate safety equipment. **It's has been NCR No.2017.12 with Major Category.**

Verification on 25 July 2017,

The company showed evidence of corrective action in the form of minute of PPE handover to plasma farmers such as helmets, boots, gloves, apron, glasses and masks.

However:

- There is no evidence that PPE has been received by plasma workers
- Not yet available socialization of use of PPE
- No monitoring mechanism for PPE usage by workers, monitoring schedule and PIC.

Non-compliance has not been met

Verification on 31 July 2017,

Has been shown the evidence of corrective action, namely the minute of handover of PPE to plasma employees on June 15, 2017 of helmets, boots, gloves and masks to 71 employees. Document program to disciplining the use of PPE gradually 2017 - 2018.

However, there is no monitoring mechanism for the use of PPE, schedule and PIC in charge. Non-compliance is not fulfilled. Field verification is required to see the implementation of the corrective action taken.

Verification on 1 August 2017,

Programs have been shown to monitor PPE of plasma farmers explaining the PIC for each village, conducted every 28th of each month.



*Field verification are recommended for to see these corrective action implementation

Verification on 29 August 2017,

Based on visits and interviews with spray and harvest workers on blocks 28 & 29 West Plasma, it is known that workers have used PPE such as for harvesters (Helmets and Boots) and Sprayers (Gloves, apron, Glasses, Masks, shoes).

The NCR has been compliance.

4.6.5 & 4.6.9

Based on interviews with spray workers in West and East Estate as understood the hazards and risks related to the chemicals used. Besides that, obtained informations that the employees have been given training in safe work practices. During field visits and interviews, workers can demonstrate the correct way to work in accordance with the procedure, including how the use and handling of risk in accordance with the material safety sheet. Workers also use personal protective equipment in accordance with the particular hazard identification and material safety data sheets such as masks, gloves, safety boots, apron and goggles.

Based on interview, employees were also informed about the steps safe working in every moment before work. Agrochemical warehouse in operational unit has been complete with MSDS for each chemical types. Workers could well explain the functions related MSDS as reference information for workers. Results of field observations, obtained information that the mixing of pesticide carried out in premixed area on warehouse. The pesticides that will be applied is

already mixed. The company has provided information materials and evidence of periodic training of pesticide handling to workers.

Training and socialization of plasma farmers on 12 September 2015 at KUD Himado office trainer by Manager and assistant plasma. The training materials are:

Socialization of Agrochemical B3 use and waste management. Material presented by Plasma Assistant. Farmers are informed that not all toxic pesticides / herbicides are allowed to use. One of them is the paraquat that has been prohibited its use in the company including the plasma farmers' farm as a corporate partner.

4.6.6.

Based on field visits and interviews with smallholders, waste of pesticide packaging is buried or burned. This is not in accordance with Government Regulation No.101 of 2014 concerning hazardous waste management. Based on the above explanation, this indicator is **Nonconformance NCR No.2017.20 with Major category.**

Verification, 21 July 2017.

The Company showed training and minutes of meeting about the handling of Agrochemicals and the management of hazardous waste especially pesticide packaging and pesticide handling on July 12, 2017 located at KUD Himado Office. The number of smallholders who attended were 39 farmers. Presentation by Plasma Manager and Plasma Assistant (Attendance list and photo available).

Verification, 22 August 2017.

The Company has presented SOP of agrochemical & Non Hazardous Waste Management PT SIA - Plasma with document number 00. SOP was approved on February 8, 2017 by Chairman of KUD Himado. This SOP covers the company's activities on materials acceptance and management of hazardous Waste generated with an integrated management system in use and temporary storage to be safe for the labor and surrounding environment.

Verification, 29 August 2017.

Based on field observations and interviews with spray workers in Block 29 West Plasma note that the former packaging of hazardous waste is collected to the Chairman of Farmers Group then sent to temporary storage hazardous West Estate. Each delivered packaging waste is listed in the hazardous logbook.

4.6.7

The Certificate Holder has the SOP of Hazardous Material Handling (RSPO/ P&C/PB 3), No. PB3 / PPP PSKP PSS / V / 12 dated May 1st, 2012 was passed by the Chairman of SOU that explains the classification of chemicals, person in charge, person in charge, MSDS providing through suppliers, how to do chemical storage, chemicals handling upon use, measures against leaks and spills , first aid to the training program. The company has a BSS house which is a place for spraying workers to clean the body and PPE used after work, otherwise it is also used to keep PPE spraying workers who have been cleaned after work.

The Certificate Holder shows training records related to pesticide applications, such as:

- Spray Training on August 2nd, 2017 in WSE when do safety briefings to 12 spray workers. Material which is submitted by the assistant division about weed spraying technique /how to work safety.
- Socialization of Agrochemical, hazardous material waste use and waste management. Material presented by Plasma Assistant. Farmers are informed that not all pesticide / herbicide poisons are allowed to use. One of them is the paraquat which has been prohibited its use in the company including plasma farmers' farm as a partner company. In addition, plasma farmers are also given an understanding of hazardous waste management procedures in accordance with the company's procedure, which is disposed of in a licensed Hazardous Waste Temporary Warehouse at Bukit Ajong Factory, the danger posed by the use of herbicides other types of active contact materials.

4.6.8

Based on the field visit in pesticide application activities, the company never applied pesticides from the air. Application

is done by using a sprayer

4.6.10.

Certificate holder showed Procedure management of hazardous waste & Non-hazardous Waste with document number Rev.1 dated August 27, 2013. Approved by SOU Chairman and estate manager. Based on field visit to the East & West estate, Pesticide packaging is reused for spraying activities while for unused packaging the back is perforated and stored in storage containers of pesticide packaging. Based on interview with officer hazardous waste and Estate Manager (Mill & Estate), they have been known related handling of agrochemical. In documents of training program 2018 there is training of handling of agrochemical.

4.6.11

The list of pesticide applicator listed in the general medical check report 2016, consist of West as much as 66 persons and East as much as 54 persons, the latest general medical check conducted on 27 July 2016, however the CH not yet able to show the evidence of specific health checks to determine the levels of chemical exposure. **NCR No 2017.17**

During the re-certification known that the KUD Himado cannot shown the evidence of applicator health checks. It also cannot be shown till ASA-1. **The NCR No 2015.09 upgrade to be Major.**

Verification Verification on 3 August 2017,**The company show the evidence of corrective action, among others:**

1. Health examinations to the employee who working in high-risk position of WSE, ESE and BAF employees as many as 160 people. However, no evaluation to the result that indicated by occupational diseases, such as mild restriction, mild deafness and severe obstructive disorders.
2. Approval letter and submission of details of MCU implementation of Plasma employees as much as 50 pax in cooperation with RS Mitra Medika which is planned to be held on 31 July - 1 August, letter of assignment of MCU executor and photo of implementation documentation, but not yet shown the result of examination.

Verification on 21 August 2017,

1. The Company has shown the evidence of corrective action in the form of recapitulation document of chemical exposure and audiometry level for PT SIA (ESE, WSE and BAF) completed with explanation of conclusion, suggestion and readiness of work.
2. No medical examination results for plasma.

Verification on 28 August 2017,

The company shows the result of medical check up (Spirometry & cholinestrase) for 2017 of 50 Farmers (West & East Plasma) conducted on July 31, 2017 by Mitra Medika Hospital. The result shows 46 participant is normal, 4 participant is need to follow, as described below:

1. Heronimus Heri (medical records No. 00-04-14-32), results of spirometry found that breathing is normal. Result of CHE of 13.173 * U/L (above the reference value of 5.320 - 12.920 U/L).
2. Salehudin (medical record No. 00-04-14-64), results of spirometry examination found that breathing in mild obstruction, diagnosis of asthma, recommended to consultation to lung specialist, and Cholinestration result shows 7,410 U / L (still in the reference value).
3. Yafet (No. medical record 00-04-14-72) from spirometry examination results found that breathing is in moderately severe restriction, recommended to re-test of spirometry whereas for CHE 15, 305 U / L = Not Normal (above Reference value 5,320 - 12,920 U / L).
4. Apung (medical record 00-04-14-34) spirometry examination (Normal) and CHE of 14,766 U / L = Not normal (Value above 5,320 - 12,920 U / L).

Based on the explanation above, the Company's Doctor has undertaken a follow-up plan for the farmers members, among others:

Heronimus Heri will be re-examined of CHE at 1 year later; Salehudin will be examined to the Lung doctor specialist for more complete examination; Yafet will be checked to the specialist for more complete examination; and Apung will be

examined CHE (Cholinestration) at 1 year later.

Based on the above explanation, Indicator 4.6.11 is stated fulfilled with Observation.
on 3 August 2017,

The company show the evidence of corrective action, among others:

1. Health examinations to the employee who working in high-risk position of WSE, ESE and BAF employees as many as 160 people. However, no evaluation to the result that indicated by occupational diseases, such as mild restriction, mild deafness and severe obstructive disorders.
2. Approval letter and submission of details of MCU implementation of Plasma employees as much as 50 pax in cooperation with RS Mitra Medika which is planned to be held on 31 July - 1 August, letter of assignment of MCU executor and photo of implementation documentation, but not yet shown the result of examination.

Verification on 21 August 2017.

1. The Company has shown the evidence of corrective action in the form of recapitulation document of chemical exposure and audiometry level for PT SIA (ESE, WSE and BAF) completed with explanation of conclusion, suggestion and readiness of work.
2. No medical examination results for plasma.

Verification on 28 August 2017.

The company shows the result of medical check up (Spirometry & cholinestrase) for 2017 of 50 Farmers (West & East Plasma) conducted on July 31, 2017 by Mitra Medika Hospital. The result shows 46 participant is normal, 4 participant is need to follow, as described below:

1. Heronimus Heri (medical records No. 00-04-14-32), results of spirometry found that breathing is normal. Result of CHE of 13.173 * U/L (above the reference value of 5.320 - 12.920 U/L).
2. Salehudin (medical record No. 00-04-14-64), results of spirometry examination found that breathing in mild obstruction, diagnosis of asthma, recommended to consultation to lung specialist, and Cholinestration result shows 7,410 U / L (still in the reference value).
3. Yafet (No. medical record 00-04-14-72) from spirometry examination results found that breathing is in moderately severe restriction, recommended to re-test of spirometry whereas for CHE 15, 305 U / L = Not Normal (above Reference value 5,320 - 12,920 U / L).
4. Apung (medical record 00-04-14-34) spirometry examination (Normal) and CHE of 14,766 U / L = Not normal (Value above 5,320 - 12,920 U / L).

Based on the explanation above, the Company's Doctor has undertaken a follow-up plan for the farmers members, among others:

Heronimus Heri will be re-examined of CHE at 1 year later; Salehudin will be examined to the Lung doctor specialist for more complete examination; Yafet will be checked to the specialist for more complete examination; and Apung will be examined CHE (Cholinestration) at 1 year later.

Based on the above explanation, Indicator 4.6.11 is stated closed with Observation.

Verification on 3 August 2017.

The company show the evidence of corrective action, among others:

1. Health examinations to the employee who working in high-risk position of WSE, ESE and BAF employees as many as 160 people. However, no evaluation to the result that indicated by occupational diseases, such as mild restriction, mild deafness and severe obstructive disorders.
2. Approval letter and submission of details of MCU implementation of Plasma employees as much as 50 pax in cooperation with RS Mitra Medika which is planned to be held on 31 July - 1 August, letter of assignment of MCU executor and photo of implementation documentation, but not yet shown the result of examination.

Verification on 21 August 2017.

1. The Company has shown the evidence of corrective action in the form of recapitulation document of chemical exposure and audiometry level for PT SIA (ESE, WSE and BAF) completed with explanation of conclusion, suggestion

and readiness of work.

2. No medical examination results for plasma.

Verification on 28 August 2017.

The company shows the result of medical check up (Spirometry & cholinestrase) for 2017 of 50 Farmers (West & East Plasma) conducted on July 31, 2017 by Mitra Medika Hospital. The result shows 46 participant is normal, 4 participant is need to follow, as described below:

1. Heronimus Heri (medical records No. 00-04-14-32), results of spirometry found that breathing is normal. Result of CHE of 13.173 * U/L (above the reference value of 5.320 - 12.920 U/L).
2. Salehudin (medical record No. 00-04-14-64), results of spirometry examination found that breathing in mild obstruction, diagnosis of asthma, recommended to consultation to lung specialist, and Cholinestration result shows 7,410 U / L (still in the reference value).
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4. Apung (medical record 00-04-14-34) spirometry examination (Normal) and CHE of 14,766 U / L = Not normal (Value above 5,320 - 12,920 U / L).

Based on the explanation above, the Company's Doctor has undertaken a follow-up plan for the farmers members, among others:

Heronimus Heri will be re-examined of CHE at 1 year later; Salehudin will be examined to the Lung doctor specialist for more complete examination; Yafet will be checked to the specialist for more complete examination; and Apung will be examined CHE (Cholinestration) at 1 year later.

Based on the above explanation, Indicator 4.6.11 is stated fulfilled with Observation.

4.6.12

The CH's policy is to prohibit the female workers who are pregnant and breast-feeding involve in spraying and other activities related to chemicals. Provided the procedure of pregnancy monitoring in central clinic (West Estate) document no.: 001/DR-SOP/IV/2014, describes that regularly performed the physically checking to the female workers and also through monitoring of absence of menstruation period.

Based on interview with KUD Himado board mentioned that the chemical application activities is beyond of cooperative unit coordination but be the responsibility of farmers and farmers group. However, stated that the cooperative unit policy is prohibit the female workers who are pregnant and breast-feeding involve in spraying.

<p>4.6.1 4.6.4 4.6.6 4.6.3 4.6.11</p>	<p>Status: Nonconformance No.2017.12 with Major category is closed. Status: Nonconformance No. 2017.20 with Major category is closed. Status: Nonconformance No.2017.16 with Major category is closed. Status: Nonconformance No. 2017.21 with Major category is closed. Status: Non conformance NC.2017.17 with Major category is closed.</p>	<p>Open</p>
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4.7

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

4.7.1

No changes since the re-certification, the OHS policy has been approved by Head Plantation Upstream Indonesia on December 2011. The CH committed to provide and keep the safe and health workplace through implementing the effectively management.

Socialization to workers has been conducted by displaying in the work station and routinely during the morning-briefing, based on interview for example with generator operator in East (2 persons) and storage keeper in west (3 persons) known that they have quite understood.

OHS action plan and monitoring report can be shown for FY2016/2017, as much as 10 programs has been determined, monitoring report shown in the form of SIMECARD for each month, for example report on April 2017 consist of 38 SIMECARD consist of : 20 report of safe condition, 10 unsafe act and 8 unsafe condition. The unsafe condition and unsafe action has been evaluated and discussed in the OHS meeting.

Himado Cooperative Unit cannot able to shown the OHS policy and its implementation program. **See NCR No. 2017.22.**

Verification on 25 July 2017.

It has been shown the corrective action such as document of OHS policy of KUD Himado that has been approved by Smallholder Scheme Manager , as well as OHS program for period of 2016-2017 (4 activity).

Verification on 1 August 2017.

It has been shown the corrective action evidence such as assignment letter of personnel in charge of OHS document on behalf of Astuti S. Kep, details of job description which one of them is preparing KUD documents if there is ESH audit and RSPO audit, SOP of control document (Dok AI0900, Feb 2017) of KUD Himado as a guide in controlling documents.

The corrective action evidence is acceptable and discrepancies are met.

4.7.2

Risk and hazard has been identified in all operational activities of PT SIA, inform type of activity, hazard, effect, risk, risk control, residual risk and PIC. Accident monitoring done routinely and evaluated as well as its result became a feedback for next hirarc preparation.

However, there were non-conformances during the audit that has been noted as **NC No. 2017.23**, namely:

1. PT SIA:

- BAF cannot able to show the evidence of exposure noise level surveillance of factory employees.
- Based on field visit and interview in ESE known that the PPE of *cypermethrin* applicator taken and washed at employee's home, in regard of this matter the CH cannot able to shown the risk analysis against employees who apply *cypermethrin*.

2. Himado cooperative unit cannot able to show the result and document of identification and analysis of hazard and risk of its operational activities.

Verification on 31 July 2017.

The company shows the corrective evidence, such as:

- Inter-office mail on 17 Juni 2017 No.: 272/PT SIA Mill/VI/2017 on PPE use in the high-noise areaduring work
- Minute of training regarding to the spraying system, MSDS, first aid and best practice for spraying as well as socialize the HIRAC document

However, there is no document of HIRAC for KUD Himado.

Verification on 3 August 2017.

The Company shows evidence of improvements including:

Results of medical examinations for employees who working in high risk areas of WSE, ESE and BAF as many as 160 people.

Verification on 28 August and 30 August 2017 (field observatio on major NC).

1. High-risk employee health examinations of WSE, ESE and BAF employees working in high-risk jobs as many as 160 people. And has included the results of the evaluation of the company doctor for the results indicated exposure. For employees indicated by exposure to noise and dust, re-examination and consultation by a company doctor, and the results indicate that there is consistent lack of results, inflammatory infections and allergies (not occupational-diseases)

2. HIRAC has been shown for cypermethrin spraying activities, described in the risk control column that all sprays are given extra-fooding (milk) before work, perform body cleansing and all PPE is stored in the facilities provided. Storage facilities for cypermetryn spray PPE equipment are available in the ESE warehouse area, and based on interviews with the foreman and warehouse officer mention that all PPE is stored at the facility after spraying is complete.

Interview with cypermetrin sprayer during major verification at ESE states that at present all PPEs should not be taken home and should be stored in the facilities provided.



3. Can be shown the report of risk identification for KUD Himado, all activities categorized into the activity of mature crop, consisting of: fertilizer, pruning, spraying, road maintenance and harvest. The items identified are: activity type, hazard, effect (ExP), risk control, PIC and residual risk. Farmer understanding will be observed during ASA-2.

4.7.3

The CH has been provide the OHS training to employees of WSE and BAF, for example training of safety clinic supervision on 12 Jan 2016, BAF safety town hall on 18 March 2017 and drill of fire extinguisher on 8 May 2017. It has been conformed through interview with workers in WSE facility (storage and generator room) and mill. However, both of ESE and Himado Cooperative Unit cannot able to show the evidence of OHS training to its employees, it has been note as **NC No 2017.24**.

Verification on 25 July 2017.

Has been showed the evidence of corrective action, such as:

1. Report of safety town hall 4.0 of WSE on 20 and 23 Feb 2017 on OHS socialization.
2. List of attendances of fire fighting training and first aid training in BAF.
3. Minute of first aid training in ESE on 25 Nov 2016, 33 participant.
4. Training material of safety town hall.
5. Training and dril of first aid in BAF.

Verification 31 July 2017.

Has been shown the corrective action evidence, namely:

- List of attendance of safety training and safety townhall in WSE.
- OHS training program for ESE and Plasma.

Verification on 1 August 2017.

Has been shown the corrective action evidence, such as:

- Report of training and drill on first aid on 8 May 2017, as much as 34 participant (all foreman) and list of attendances
- SOP of document control No. AI0900.

Corrective action is acceptable and will be re-observed at the next assessment (**Closed with observation**).

The CH has been provide the appropriate PPE to its workers, the PPE of agro-chemical applicator has considered the precaution attached in the chemical packaging, for example using a non-translucent apron and a mask that has a carbon filter. Field observation result on spraying and harvesting in WSE and ESE shown that the PPE has been used

while working, based on interview it's mentioned that the damaged PPE can be replaced by showing to the foreman.

Since the re-certification, the Himado cooperative unit cannot able to show the evidence of provision of appropriate PPE, during the ASA-1 verification of this matter has been done through field observation, for e.g. observation to Kav 1, FG 1, Empawek Village. **Based on this explanation, the Minor NC No. 2015.12 raised to be Major.**

Verification on 25 July 2017.

The company showed evidence of corrective action in the form of minute of PPE handover to plasma farmers such as helmets, boots, gloves, apron, glasses and masks.

However:

- There is no evidence that PPE has been received by plasma workers
- Not yet available socialization of use of PPE
- No monitoring mechanism for PPE usage by workers, monitoring schedule and PIC.

Non-compliance has not been met

Verification on 31 July 2017.

Has been shown the evidence of corrective action, namely the minute of handover of PPE to plasma employees on June 15, 2017 of helmets, boots, gloves and masks to 71 employees. Document program to disciplining the use of PPE gradually 2017 - 2018.

However, there is no monitoring mechanism for the use of PPE, schedule and PIC in charge. Non-compliance is not fulfilled. Field verification is required to see the implementation of the corrective action taken.

Verification on 1 August 2017.

Programs have been shown to monitor PPE of plasma farmers explaining the PIC for each village, conducted every 28th of each month.



*Field verification are recommended for to see these corrective action implementation

Verification on 29 August 2017,

Based on visits and interviews with spray and harvest workers on blocks 28 & 29 West Plasma, it is known that workers have used PPE such as for harvesters (Helmets and Boots) and Sprayers (Gloves, apron, Glasses, Masks, shoes).

The NCR has been compliance.

4.7.4

OHS committee has been established as personnel for implementation of OHS program, consist of chairman and vice chairman, secretary (certified as general OHS expert no. Reg 22797/PK3/AJ/31/2015/P0 on 19 June 2015), health and environment section (3 persons), external and internal communication (3 persons), equipment, documentation and archives (3 persons). During the ASA-1 the approval of labor agency of west Kalimantan province is in process, sighted the application letter no. 001/P2K3/PT.SIA-SOU15/SGU/V/2-17 on 26 May 2017. OHS meeting to discuss the safety and health issues including accident evaluation has been conducted regularly in monthly basis, the latest meeting performed on 28 April 2017.

Himado cooperative unit cannot provide the evidence of appointment of OHS personnel in charge and the evidence of

its meeting in a regular basis. See **NCR No. 2017.25.**

Verification on 31 July 2017.

KUD Himado showed evidence of correction, namely assignment letter on behalf of Astuti S. Kep as OSH officer responsible in the case of OHS on June 28, 2017 and show evidence of meeting on March 23, 2017

Verification on 16 August 2017.

KUD Himado shows the agenda of the monthly regular meeting of OHS period 2017/2018. Based on the above mismatch can be stated closed with observation.

4.7.5

Has been established the SOP of emergency preparedness' no. 21/PT SIA/2010 and work accident No AI0900. The SOP explained the handling of minor, major and fatality accident, including the administration needed (reporting and insurance claim process).

PT SIA has been monitored the accident occurred in monthly basis and recapitulate in yearly. For example, for period of April 2017 monitored 5 minor cases in WSE and zero accident in ESE and BAF. According to the SOP, no need the investigation and insurance claim for minor cases, however the first aid measures has been taken.

Mentioned during the interview and field visit to the harvesting, spraying and manuring activities in WSE (7 workers) and ESE (13 workers) that the first aid kit has been provided in work place and the foreman is the responsible regarding on this matter. First aid training to all foreman has been conducted on 8 May 2017.

Smallholders operational activities conducted by the farmers themselves, there is no accident occurrence reported to the cooperative unit board. Based on field observation to smallholders for example FG 1, Kavling 1, Empawek village and document verification known that the Cooperative Unit (HIMADO) cannot provide the evidence of first aid kit provision and its training. **NCR No 2017.26.**

4.7.6, 4.7.7.

PT SIA has been covered its employees entirely in social insurance (health and accident), list and payment receipt can be provided as evidence that the insurance is still valid. The smallholder's workers such as clerk and foreman has been included.

The latest payment receipt in for period of April 2017, can be shown: 350 WSE workers paid on 3 May 2017, insurance of as many as 106 BAF workers paid on 5 May 2017 and ESE as many as 337 workers paid on 5 May 2017. However, based on document verification known that the freelance as many as 10 workers and contract workers (2 persons) in ESE not yet registered in the insurance. **NCR No 2017.27.**

Accident monitoring and reporting has been using the LTI metric, sighted the LTI recapitulation FY2016/2017, as per year to date shown the lost time in WSE were 42 man-days, ESE 0 (zero) and BAF is 2 man-days.

Based on interview with the farmers and the smallholding's harvester (2 persons) stated that if work accident occurred, the entire cost will be borne by farmers and assist by the farmer-groups.

4.7.1	Status: Non conformance NC.2017.22 with Major category is closed.	Open
4.7.2	Status: Non conformance NC.2017.23 with Major category is closed.	
4.7.3	Status: Non conformance NC.2017.24 with Major category is closed.	
4.7.4	Status: Non conformance NC.2017.25 with Major category is closed.	
4.7.5	Status: Non conformance NC.2017.26 with Minor category.	
4.7.6	Status: Non conformance NC.2017.27 with Minor category.	

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

4.8.1; 4.8.2

PT SIA (WSE, ESE and BAF) as well as HIMADO Cooperative Unit cannot provide the training program in regard of RSPO P&C aspects. **NCR No 2017.28.**

Verification on 29 August 2017,

The Company shows the program and realization of Plasma training 2017-2018, among others:

1. Socialization of work and safety instructions in July 2017 - June 2018.
2. Training of harvest in July 2017.
3. Quality Training of FFB in July 2017.
4. Training of fertilizer application in september 2017 and February 2018.
5. Pesticide spray training in August 2017 and February 2018.
6. Training of beneficial plant planting in October 2017 and March 2018.
7. U-Shape frondstacking training in November 2017 and May 2018.

Verification on 30 August 2017,

The Company shows the program and realization of training for PT SIA period 2017-2018, among others:

1. Socialization of work and safety instructions in July 2017 - June 2018.
2. Training of harvest in August 2017.
3. Training of FFB Quality in July 2017.
4. Pesticide spray training in April 2018.
5. Training of beneficial plant planting November 2017
6. Training of Leaf Sampling Unit (LSU)
7. SCCS Training in July 2017.
8. Agrochemical handling training in March 2018.
9. Separate planting technique training September 2017.
10. Pealtihan palm oil replanting in September 2017.
11. U-Shape frondstacking training in January 2018.
12. Fire and APAR simulations in November 2017 and April 2018.
13. Townhall Training (K3, Policy Socialization, etc.) in September 2017 and February 2018.
14. Implementation of the 5S program in May 2018.

Based on the above explanation, then indicator 4.8.1 stated compliance.

However, the record of workers trainings sighted, for example : LSU training in WSE on 28 July 2016 (29 workers), spraying training in WSE on 2 August 2016 including safe working and use of PPE (12 participants), first aid training in ESE on 25 Nov 2016 and first aid drill for SOU15 on 8 May 2017.

Also provided the socialization of FFB criteria for smallholders on 24 May 2016 and RSPO training and socialization on 18 Feb 2016. During the interview with farmers stated that the training and socialization has been conducted routinely.

4.8.1

Status: Non conformance NC.2017.28 with Major category is closed.

Open

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.

Certificate holder has an environmental impact assessment (AMDAL) document that has been approved by the Head of Agribusiness Agency of the Ministry of Agriculture no. 016 / ANDAL / RKL-RPL / BA / VIII / 1997 dated August 19, 1997 regarding the ANDAL Agreement and Environmental monitoring plan / monitoring plan of PT Sime Indo Agro. The scope of the Amdal study includes a 14,000 ha palm oil plantation development plan (In accordance with the Location Permit issued by the Head of Land Office of Sanggau Regency No. 400-29 / IL-41-1996 dated October 24, 1996) located in Sub District Parindu, Sanggau District With the development plan of 2 units of Mill with a capacity of 60 Ton FFB / hour and 30 Ton / FFB /Hour. This document covers the West estate, East estate, Plasma West and Plasma East.

Based on the results of interviews with KUD Himado officials stated that the Document Copy of Implementation Report of Environmental monitoring plan / monitoring plan is not available in KUD Office. **This becomes Nonconformance with NCR No.2015.16 with Minor Upgrade Major category.**

Verification, 2 June 2017 (ASA 1)

Based on the results of interviews with KUD Himado officials stated that the Document Copy of Implementation Report of Environmental monitoring plan / monitoring plan is not available in KUD Office. **This becomes Nonconformance with NCR No.2015.16 with Minor Upgrade Major category.**

Verification, July 23, 2017.

The Company shows receipt of a copy of RKL / RPL implementation document to KUD Himado dated July 18, 2017 (Evidence of receipt from KUD Himado).

Based on the above explanation this indicator is declared compliance and re-verified at the next surveillance **(Closed with observation).**

5.1.2.

Certificate holder has showed the environmental management plan contained in the Environmental monitoring plan / monitoring plan implementation report of Semester II of 2016, such as decreasing soil fertility, air quality and noise, water quality, flora and fauna, and community unrest.

5.1.3.

Certificate holder has not been able to show the document of environmental monitoring plan reviewed at least 2 years. Based on the above explanation this indicator is **Nonconformance NCR No.2017.29 with Minor category.**

5.1.3	Status : Nonconformance NCR No.2015.16 with Major category is closed. Nonconformance NCR No.2017.29 with Minor category.	Open
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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 HCVs in 2010 conducted by HCV approve assessors from Aksenta institutions. HCV assessment using HCV Toolkit Indonesia 2008 method. HCV assessment has been in consultation with stakeholders conducted in August 2009. The area of potential HCV identified in PT SIA is an area of 2,531.13 ha consisting of riparian, water action area, tembawang, Sloping areas and cemeteries. Based on monitoring data of flora and fauna for the Year 2017. The types of protected fauna are: *Nyctibecus coucang* (Bringsi / Encici) (Vulnerable) and *Hystrix brachyura* (Vulnerable).

Smallholders Himado has not been able to show evidence to have appointed trained specialists who are responsible for the management of protected species including conflict mitigation (if any). This is become **Nonconformance with NCR No.2015.17 with Minor Upgrade Major category.**

Verification, 2 June 2017 (ASA 1)

Smallholders Himado has not been able to show evidence to have appointed trained specialists who are responsible for the management of protected species including conflict mitigation (if any). This is become **Nonconformance with NCR No.2015.17 with Minor Upgrade Major category.**

Verification, August 21, 2017.

The Company shows the assignment letter of HCV officer for KUD Himado on behalf of Rahmat as Field Officer in

charge of managing and monitoring protected species on PT SIA HCV document and coordinating with plasma assistant. This assignment is valid from 1 July 2017. Based on the above explanation, **this indicator is stated compliance.**

5.2.2 & 5.2.4

Certificate holder has conducted a management plan to improve HCV and RTE such as, prohibition of clearing land in HCV area, patrolling HCV area, water management program implementation, HCV area socialization, monthly flora and fauna monitoring, making board, planting woody plants and others.

Based on monitoring data of flora and fauna for the Year 2017. The types of protected fauna are: *Nyctibecus coucang* (Bringsi / Encici) (Vulnerable) and *Hystrix brachyura* (Vulnerable). The company have management plant to increase biodiversity (2017-2018) example planting woody plants, Protecting and conserving important plants.

In the HCV management document PT SIA has described the threats and management actions for HCV areas.

Specific management measures for HCV habitats documented in HCV management PT SIA include:

- a. Make clear boundary marks on HCV in the field according to the map of identification results.
- b. Not making roads, canals and other infrastructure on HCV.
- c. Implementation of zero burning system policy (without burning) in land clearing.
- d. Identification of fire risks and fire control including preventing the spread to HCV areas with weed control, the presence of fire tower, the preparation of firefighting teams.
- e. Maintain a water source within HCV.
- f. Making protection of important plants,
- g. Conducting conservation.

Based on interviews with KUD Himado management, the copy of HCV Identification Document is not available at KUD Office. This is become **Nonconformance NCR No.2015.18 with Minor Upgrade to Major category.**

Verification, 2 June 2017 (ASA 1)

Based on interviews with KUD Himado management, the copy of HCV Identification Document is not available at KUD Office. This is become **Nonconformance NCR No.2015.18 with Minor Upgrade Major category.**

Verification, 31 July 2017.

The Company presented a copy of the HCV document of PT SIA to KUD Himado dated July 18, 2017.

Verification, 21 August 2017

The company has added the root Cause Analysis and preventive action so that **this indicator can be declared compliance.**

5.2.3.

Certificate holder showed HCV Socialization of PT SIA on February 3, 2017. This socialization was conducted by the head of village community around PT SIA. Socialization aims to know about HCV areas and in participating in maintaining environmental and ecosystem management. In addition, CH has a policy to protect RTE species. Based on field visit in Sengoret Riparian Block A705 Division 1 West Estate and interview with workers there is no worker who found to capture, harm and collect. There is HCV socialization on February 3rd 2017.

5.2.5.

Certificate holder has not shown any evidence of agreement regarding the management of HCV areas in the Sengoret River West Estate that entered the village community. Based on the above explanation this indicator is **Nonconformance No.2017.30 with Minor category.**

5.2.1	Status: Nonconformance with NCR No.2015.17 with Minor Upgrade Major category is closed.	Open
5.2.4	Status : Nonconformance NCR No.2015.18 with Minor Upgrade Major category is closed.	
5.2.5	Status : Nonconformance No.2017.30 with Minor category.	

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

5.3.1.

Certificate holder has shown the list of waste products in mill and estates including: oil, filter, battery, sludge, ash boiler, chemical used packaging, used tires, clinical waste, domestic waste and others. As for the list of sources of pollution emissions such as NO₂, CO, SO₂, NH₃, CH₄ and others.

KUD Himado has not been able to show identification of sources of waste and documented pollution sources list. This becomes **Nonconformance NCR No.2017.31 with Major category.**

Verification, 21 July 2017.

KUD Himado has shown identification of sources of waste and pollution, among others:

Waste sources	Waste type	Explanation
Car truck	Used oil, filter and battery	Waste is delivered to temporary storage hazardous waste
Heavy equipment		
Spraying of chemicals	Pesticide packing	

Polution sources	Emission sources	Explanation
Truck	CO, CO ₂	Socialization of energy efficiency improvement
Heavy equipment		
Fertilization	CO ₂ & NO ₂	Reduction of urea engagement and replace it with the use of organic fertilizer (Empty fruit bunch).
Spraying of chemicals	NO ₂	Maximizing IPM activities, planting beneficial plants and reducing pesticides.

Based on the above explanation, the company has shown identification of sources of waste and pollution.

Verification, 30 August 2017.

The company has made additional **Root Cause Analysis** such as KUD Himado has not done identification during the audit, because there is no safety officer in KUD who handles the document.

5.3.2.

Certificate holder has obtained temporary storage permit hazardous waste approved by Sanggau Regent with Letter Agreement with number 503/003 / PMPP-D / LB3 / 2015. This permit is valid for 5 years from June 30, 2015 to 2020. Types of hazardous waste that may be stored include used lubricating oil, used batteries, medical waste, used fabrics, TL lamps.

There is minutes of letter hazardous waste transportation dated May 26, 2017 to PT Mitra Karya Surya Kencana with letter agreement 040 / MKSK / BAP-LB3 / V / 2017 number KB 9611 SA. Type of hazardous waste that is transported include:

- a. Used oil with manifest number AHK 0000970 of 5,634 tons.
- b. Used filter with manifest number AHK 0000971 of 0.746 tons.
- c. Used batteries with manifest number AHK 0000972 of 0.440 tons.
- d. Used TL lamp with manifest number AHK 0000973 of 0.001 tons.
- e. Packaging former hazardous with manifest number AHK 0000974 of 0.123 tons.

There is Letter of collective agreements to transport hazardous waste between PT Sime Indo Agro and PT Mitra Karya Surya Kencana with number 001 / SIA-MKSK / I / 2017. PT MKSK has received the permit of recommendation for transportation of hazardous waste from the Ministry of Environment Republic Indonesia with letter number B-10139 / Dep / IV / LH / PDAL / 09/2014.

Vehicle with KB number 9611 SA has been permit License for special freight transport to carry hazardous waste with number: SK.1692 / AJ, 309 / DJPD / 2016 / 610710804BB issued by Ministry of Transportation Directorate General of Land Transportation valid from March 30, 2016 until February 12, 2020.

Based on field visits in the Workshop (East Estate) that founds:

- a. Hazardous waste (Used oil) is stored outside the temporary storage hazardous waste.
- b. There is no mechanism which govern related management or handling used oil mixed with water.

Based on the above explanation, this indicator is become **Nonconformance NCR No.2017.32 with Major category.**

Verification, 12 June 2017.

The Company shows the minutes of transporting hazardous waste with number 040 / MKSK / BAP-B3 / V / 2017 dated May 26, 2017 to a third party (PT Mitra Karya Surya Kencana). Type and quantity of hazardous Waste transported include: Used oil with manifest number AHK0000970 of 5,634 tons.

Verification, 31 July 2017.

The Company shall present the report on the handover of hazardous waste dated June 6, 2017 (East Estate) which is sent to hazardous waste licensed Temporary storage hazardous waste (Bukit Ajong Mill) such as 120 liters of used oil (Evidence photograph attached). In addition, the company shows the news of hazardous waste transport event dated May 26, 2017. Type of hazardous waste that is sent, among others: used oil as much as 5.634 (Number manifest AHK 0000970).

Based on this explanation this is compliance with **observation.**

5.3.3.

Medical Waste.

Certificate holder showed the introduction letter medical waste dated May 29, 2017 to Storage of hazardous waste (Mill) such as: needle no.23 (24 pairs); Needle no.27 (27 pairs); Lidocaine (16 ampoules); Spuit 1 cc (15 pairs); Spuit 2 cc (14 pairs); Bisturi (7 pairs); Sewing needles (3 pairs); Strip Glucose (1 strip); Strips of uric acid (1 strip); And Cholesterol Strip (1 strip).

Domestic waste.

Based on the results of interviews with residents of housing in Block J East Estate, domestic waste is collected and then transported every 2 times a week to landfills. Final waste disposal site away from housing ± 1 km is located in block 21 Division 5 East Estate.

Solid waste

Based on data of Environmental monitoring plan / monitoring plan implementation report of Semester II of 2016, solid waste data as follows:

- Empty Fruit Bunch (22-23%) FFB applied as mulch around palm oil with dose of 37-70 ton / ha / year.
- Fibers (12-15%) of FFB are used as boiler furnace fuel.
- Shell (4-5%) FFB used as fuel boiler furnace.
- Furnace boiler 0.5% FFB is collected at the landfill site as a hardener.

Liquid waste.

Certificate holder use WWTP to manage liquid waste before it is streamed to the Land Applications. Use of Flat bad system by flowing liquid waste from application pond to flatbed using installation of pipes placed in application land.

5.3.1

Status: Nonconformance NCR No.2017.31 with Major category is closed.

Open

5.3.2

Status :Nonconformance NCR No.2017.32 with Major category is closed.

5.4

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

5.4.1.

Certificate holder has made efficient use of fossil fuels with average electricity usage of 0.024 kwh / ton FFB and diesel efficiency of 0.384 liters / ton FFB. As for the efficiency of the use of shells of 0.060 TBS / ton and the efficiency of fiber 0.130 TBS / Ton.

The Scheme Manager has not been able to show evidence of having guidelines to improve energy use efficiency in smallholders. Based on the above explanation, this becomes **Nonconformance with NCR 2015.21 with Minor category upgrade to Major Category.**

Verification, 2 June 2017 (ASA 1)

The Scheme Manager has not been able to show evidence of having guidelines to improve energy use efficiency in smallholders. Based on the above explanation, this becomes **Nonconformance with NCR 2015.21 with Minor upgrade to Major Category.**

Verification, 21 July 2017.

The Company showed an appeal to increase the efficiency of energy use in smallholders to the Chairman of KUD Himado with letter number 017 / PT SIA / BAT / IX / 2017 dated June 5, 2017. In the memo explained about the appeal of FFB delivery to Factory by maximizing the load in accordance with the rules which applies to be more efficient in the use of diesel. In the memo is expected to KUD can socialization it to the smallholders in the members of each KUD. Socialization is available to smallholders on July 12, 2017.

Verification, 1 August 2017.

The company has added a root cause analysis and preventive action. Based on the explanation, this indicator is a compliance.

5.4.1

**Status:
Nonconformance with NCR 2015.21 with Minor upgrade to Major Category is closed.**

Open

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.

Fire prevention and fire prevention guidelines are available with policy number 7302 / PSQM-ESH / 14 dated August 7, 2014 approved by Head Plantation Upstream Indonesia. This procedure is purpose as a guide in the process of controlling land fires, can be implemented in an effort to maintain the integrity of land concession area in accordance with the policy, objectives and environmental targets.

Certificate holder showed the estate Fire and Land Fire Response dated on August 1st, 2016 to the Head of Hibun Village, Maringin Jaya Village Chief and Dosan Village Head. The CH encourages all participating smallholders in the estate area of PT SIA (East Estate) related estate and land fire control to immediately report to CH.

Based on field visit in Block A706 Division 3 West Estate, land clearing activities were carried out mechanically such as uprooted, stacked, chopped / cut. In addition, there has been a burning prohibition board in the plantation area.

Based on interviews with smallholders Himado, it is known that smallholders have received training for land clearing without burning.

Status: Comply

5.6

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

5.6.1.

Certificate Holder shows a list of sources of pollution from engine room, boiler station, generator machine, transportation, organic waste, fertilizer & spray activity. The resulting emissions are NO₂, CO, SO₂, NH₃, CH₄ and others.

5.6.2.

The company shows plans to reduce pollution sources including:

- Reduce the use of generators in operation.
- Domestic waste is disposed to the existing landfill on the East Estate.
- Maximize application of Empty Fruit Bunch (EFB) to estate.
- Sludge and effluent liquid waste is managed in WWTP then applied to the land.
- And others.

KUD Himado has not been able to show identification of pollution sources and plan documents to reduce or minimize pollution and emissions. This becomes **Nonconformance with NCR No.2017.33 with Minor Category**.

Verification, 19 June 2017.

- a. The Company has showed the identification of hazardous waste & Non hazardous Waste produced by KUD Himadon for the period of May 2017.
- b. The Company has presented a memo indicated to the Chairman of KUD on June 5, 2017 regarding the call for increased energy use efficiency in plantation areas by maximizing cargo according to the prevailing rules to be more efficient in the use of diesel.
- c. The Company has developed plans to reduce sources of pollution, among others, to reduce the use of generators in operations, domestic waste disposed to the final shelter, and others.

Verification, July 31, 2017.

The Company has shown the assignment letter on behalf of Astuti S Kep as a member of the supervisor (Employee KUD HIMADO), who serves as Personal Incharge for monitoring activities of pollution sources and emissions on activities in Plasma (KUD Himado).

Based on the above explanation it's can be Compliance.

5.6.3.

Certificate Holder and KUD HIMADO have not been able to show the Green House Gas (GHG) calculation using Palm GHG Version 3.0.1. Based on the above explanation, this is **Nonconformance with NCR No. 2017.34 with Minor category**.

5.6.2

Status: Nonconformance with NCR No.2017.33 with Major Category is Closed.

5.6.3

Status : Nonconformance with NCR No. 2017.34 with Minor category.

Open

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, 6.1.2 & 6.1.5

The CH has identified the Social Impact Assessment (SIA) conducted in August 2009 for all aspects of plantation including replanting. This study has been discussed about the positive and negative impacts that may be caused by plantation operations. Also pay attention to the impact on the smallholder scheme. The document study results showed that the assessment has been carried out with the participation of the parties. This is also recognized by the communities at public consultation with surrounding village (Maringin Jaya, Palem Jaya, Dosan, Hibun, Suka Grundi and Rahayu).

6.1.3

The CH shows the social and environmental management plan in management review conducted on 8 May 2017. While the results of interviews with the surrounding communities (Maringin Jaya Village, Palem Jaya Village, Dosan Village, Hibun Village, Suka Gerundi Village, Rahayu Village) are identified several issues of Social:

- Hesitations of the village government to the company against responses from communication/requests for information and assistance.
- Lack of company attention in the improvement of village roads and access roads in plasma estates
- Inhibited the entry of power plant network of Maringin Jaya Village and Hibun due to land acquisition factor of the company's area.
- Public perception related to the understanding of replanting activity must be made a new MOU or re-compensation process
- Completion of an agreement regarding the issue of cash village land
- Public perception that with the existence of company operations that resulted in the absence of fish in the River Sengoret
- Hampered of plasma members in the arrangement of land legal certificate
- Not involving the community in preparing the CSR (Community Social Responsibility) program.
- information related to job vacancy to surrounding community
- Concerns over plasma land replanting then people's income will decrease

So in this case there are still social issues of the community that have not been identified in the management plan and monitoring of social impacts that have been done by the company. The social management review also has not indicated a scheduled management plan, the executing responsibility and participatory evidence involving the affected parties. KUD Himado also has not been able to show a documented, scheduled management and monitoring plan of social impact and participatory evidence involving the parties' affected. This matters became Non compliance **NC 2017.35**.

6.1.4

The CH shows management review of social management plan conducted on 8 May 2017. In the management review is known some kind of impact, evaluation and follow-up management, such as

- Air quality, noise and other sources of interference
- The quality of river water, reservoirs and wells. Evaluation has been carried out routine analysis for upstream and downstream rivers
- Liquid and solid waste. Evaluation has been done analysis and the results are still below the standard.
- Potential fires. Evaluation of potential fires in the dry season and when starting to grow crops
- Sustainability of soil, water and HCV conservation. Evaluation of field observations has been found HCV concessions.
- Disruption of flora and fauna. Evaluation has been done periodically
- Public unrest and replanting

However, the review management has not shown any participatory evidence involving the affected parties. **NC 2017.36**

<p>6.1.3 6.1.4</p>	<p>Status: Non conformance NC.2017.35 with Major category Status: Non conformance NC.2017.36 with Minor category</p>	<p>Open</p>
<p>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.</p>		
<p>6.2.1 & 6.2.2 PT SIA has had communication and consultation procedure which explain flow chat of communication and consultation, time frame to response, etc. Based on interview with stakeholder (government agency, community and scheme smallholder) found that they already known the mechanism to communication and consultation with PT SIA. The PIC for communication and consultation is PSD staff or Estate/Mill Manager.</p> <p>KUD HIMADO has not demonstrated its communication procedures and socialization record to the affected parties and also not been able to show the officer responsible for communication. Nonconformity No. 37 with major category and Nonconformity No. 38 with minor category.</p> <p>6.2.3 PT SIA has had stakeholder list with the last update on 1 July 2016. Based on the list there are 29 contractor, 28 suppliers, 29 communities, 17 other instistution (hospital, police, immigration, etc) and 4 NGO. PT SIA always record the communication with stakeholder, such as letter from Local Revenue Office on 2 October 2016 related to payment of water retribution and the response is payslip to Local Treasury Office via BRI Bank on 18 Nov 2016.</p> <p>KUD HIMADO has not shown the list of stakeholders (stakeholders). Nonconformity No. 39 with minor category.</p>		
<p>6.2.1 6.2.2 6.2.3</p>	<p>Status: Non conformance NC.2017.37 with Major category Status: Non conformance NC.2017.38 with Minor category Status: Non conformance NC.2017.39 with Minor category</p>	<p>OPen</p>
<p>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.</p>		
<p>6.3.1, 6.3.2 The CH has the SOP of complain handling which has been approved by SOU15 Chairman on 2 March 2014. Describes that the step of complain submission is through verbally and/or written addressed to unit manager/management. The response to the stakeholders are made in 2 weeks if no need the head department approval and 1 month if need approval. Also stated in the SOP that the identity of the complainants and whistleblowers will be kept confidential if required.</p> <p>The entire complaints and its responses has been recorded in the complaint book, for e.g. for period of 2016-2017 the complaints recorded are comes from internal (workers), generally related to housing maintenance. Based on document verification known that the whole complaint has been addressed well. Its also confirmed during the interview with housing residents in WSE and ESE, interview conducted to 7 residents.</p> <p>KUD HIMADO not yet able to shown the procedure of complain and dispute handling in an effective, timely and appropriate manner and ensuring anonymity of complainants and whistleblowers. See NCR No 2017.40. KUD HIMADO not yet able to show the records of dispute resolution process. See NCR No 2017.41.</p> <p>Verification on 31 July 2017, It has been shown that corrective action in the form of SOP for handling complaints for Plasma (KUD Himado) were passed on 8 Feb 2017. It has been explained in connection with the wisthelblower and complaints mechanism through the RSPO website. The NC stated closed with observation</p>		

Verification on 25 July 2017.

KUD Himado can show evidence of corrective action in the form of dispute resolution reports as many as 8 conflicts, but there is no evidence that the settlement has been agreed by the parties concerned, including evidence that the deliberations have been made.

Non-compliance has not been met.

Verification on 1 August 2017.

Conflict resolution documents such as settlement with Jeni, Marsianus and Libertus Sudopo have been presented, with agreement and evidence of compensation to the parties affected.

However, there is no evidence of a mechanism ensuring that any audit of conflict-related documents will be available when the audit includes the PIC. Non-conformity is still OPEN.

Verification on 29 August 2017.

The Company shows a letter stipulating the person in charge of handling the Plasma dispute on behalf of Gusti Darmudin as Plasma Assistant assigned on 29 August 2017 by Plasma Manager. The plasma assistant is responsible for the management, handling, completion and monitoring of disputes that occur in the plasma area (KUD Himado). Based on the above explanation, **then indicator 6.3.2 otherwise compliance.**

6.3.1	Status: Non conformance NC.2017.40 with major category is closed.	Open
6.3.2	Status: Non conformance NC.2017.41 with major category is closed.	

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, 6.4.2 & 6.4.3

Since the audit of re-certification to ASA 1, there is no new land acquisition proces. The CH already has SOP of Occupation Land Acquisition which identifies the mechanisms to identify and calculate the land compensation. In this procedure was explained that the process of identifying the company's land involves the community, the village administration and the Sub district Government.

At the beginning of the development of oil palm plantations, PT SIA has conducted socialization to the community so that in 1998 and 1999, there is handover of land from community to PT SIA for oil palm plantation development cooperation with the partnership pattern then the cooperation is outlined in the Cooperative Agreement Letter between HIMADO KUD with PT SIA on November 23, 2004.

	Status: Comply	
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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

Wages determination by HR No 004/HRM-i3/I/2017 has been referring to West Kalimantan Governor decree no 783/Disnakertrans/2016 on determination of minimum wage 2017 of Sanggau Regent, namely Rp. 1,973,425,- / month (Rp 78937 / day).

Wages payment performed by account transferred, and pay slips are distributed to employees that explaining the details of the wage component (incomes and deductions). For example, pay-slip of workers No. 32462 in WSE and No. 34403 in ESE.

Based on document verification known that East Estate cannot provide the evidence of wage payment of 10 freelance workers for period of April 2017. **NCR No 2017.42.**

Verification on 4 August 2017,

Has been sent evidence of improvements include:

- Evidence of appointment of freelance employees to permanent employees of 7 persons, eg appointment letter on behalf of Vedrianus Miki, NIK 14215, No. 013 / PT.SIA / EE / 07/2017 dated June 1, 2017, explains the position, class, basic salary and allowances.
 - Freelancer slip for the period of Jan - Jun 2017 as many as 10 people, wages are paid in accordance with the applicable regulations.
 - Employee freelance slips that have been appointed to permanent employees' period July 2017.
- Improvements can be accepted and declared fulfilled.

Based on interview with Himado Board known that the smallholder's operational activities are managed by farmers and farmer-groups including the wage payment (for farmers who uses labor). Interview with famers and smallholding's labor in KT 1 Empawek village stated that the harvester wage are Rp 120,000 – Rp 150,000 per day (7 hours) and sprayer wage are Rp 5,000,- / knapsack.

6.5.2

Employment regulated and written on direct contract (e.g. manuring workers contract No.: 171/SPK-WSE/II/2017 onl 31 Jan 2017; permanent workers appointment letter No 019/PT SIA/ESE/02/2017 dated 1 February 2017; non-permanent workers agreement No. 167/PT.SIA-BAF/II/2017) and on collective agreement between employer and employee (represented by labor union board) period of 2007 - 2009, describes among others acknowledgment of rights, industrial relationship, working days and working hours, payment, OHS, social insurance, retirement, validity and others. At the time of audit, the document has been expires, on the article 46 mentioned that the extension is only one (1) year, and a new draft is on process of review of HRM.

Based on document verification and interview with internal stakeholder (union labor and workers) known that there were non-conformances summarized in the **NCR No 2017.43**, namely:

- PT SIA cannot provide the evidence of collective agreement that still valid and recognized by the labor union
- ESE cannot able to shown the agreement of freelance workers as many as 10 workers
- The payment explained in the contract workers agreement in BAF (e.g. contract no. 167/PT.SIA-BAF/II/2017) are the minimum wage per month divided by 30 days (as a daily wage), its not in accordance with governor decree which states that the daily wage is the minimum wage divided by 25 days.

Verification on 31 July 2017.

Has been showed the corrective action evidence, namely:

1. A new copy of the CLA for the period 2017-2020 agreed between the employer and the trade union of PT SIA. The minutes of the talks and the order of which were held on July 27, 2017 at the hotel shafira sanggau were attended by 8 representatives of businessmen and 7 union representatives, attendance list and photo documentation of activities.
2. A copy of the appointment decree of the harvester to permanent employees of 6 persons. A copy of the employment agreement of 20 contract employees.
3. Employee salary slips for 4 people.

Verification, 3 August 2017.

Submitted a proof of corrective action that is the amendment of the employment agreement on behalf of Mira (contract), No. 002 / PT.SIA-BAF / VII / 2017 dated July 1, 2017 which has explained the wage system in accordance with applicable regulations. Non-compliance has been met

During the recertification there is a minor nonconformance related on written work agreement/appointment letter of smallholder's employees. Verification on ASA-1, the document also can not provide to the auditor, so that the **NCR No. 2015.24 upgrade to be Major.**

Verification on 2 June 2017.

The Smallholding's management not yet able to show the corrective action and its implementation. The NC has upgrade to be Major.

Verification on 25 July 2017.

Appointment decree has been made to KUD employees on behalf of Nobertus as IT operator dated 1 Jan 2016, but the decree does not yet have the employee's signature and evidence that a copy is provided.

Not yet available evidence related to other employees

Non-conformity is still OPEN.

Verification on 29 August 2017.

The Company shows the organizational structure of KUD HIMADO consisting of administrators (5 persons) and Supervisor (3 persons) and employees consisting of Savings and Loans Unit (4 persons); Administration (4 persons), Fruit Weigh (3 persons), fertilizer unit (2 persons) and IT (1 person). Based on employee data of 2017, there are 14 employees (Head Adm of Savings and Loans, Administration Head, Fertilizer Officer, Coordinator of Weighing, Administrative Officer, Cashier, fertilizer officer, 2 savings and loans unit officers, 2 administration and IT officers). In addition, the company also shows a work agreement letter in the form of Internal Memo Office for all employees in KUD Himado, among others: No. SK.001/KUD.HIMADO/VIII/2017; No. SK.001/KUD.HIMADO/VIII/2017; No. SK.001/KUD.HIMADO/VIII/2017; and SK001/KUD.HIMADO/VIII/2017.

In addition, the company has presented evidence of receipt of a SPK copy in August 2017.

Based on the explanation above the NC stated compliance.

Based on interview with ESE and WSE workers, for example manuring in A705 Div 2 WSE (2 workers) and S908 Div 6 ESE (5 workers) mentioned that the copy of agreement has been given and it was written in Bahasa.

6.5.3; 6.5.4

Based on field observation to workers housing in WSE, BAF and ESE and interview with the residents states that the CH has been provided the decent and adequate facilities, such as housing, electricity, clean water, clinic, school bus, waste management facility, mosque, church/chapel and facility for sport. In addition, the CH has been provide the access to market and decent food sources and affordable prices, the residents can use school bus for monthly shopping.

Based on interview with Himado Board known that the smallholder's operational activities are managed by farmers and farmer-groups. However, the for farmers which uses the labor for operational has paid wage above the standard, interview with famers and smallholding's labor in KT 1 Empawek village stated that the harvester wage are Rp 120,000 – Rp 150,000 per day (7 hours) and sprayer wage are Rp 5,000,- / knapsack.

6.5.1 6.5.2	Status: Non conformance NC.2017.42 with Major category is closed. Status: Non conformance NC.2017.43 with Major category is closed.	Open
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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, 6.6.2

Head Plantation Upstream of Indonesia has been approved the social policy on December 2011, which one of the articles mentioned that employees have the rights and freely to form and join with the unions according to their choice. It's also confirmed during the interview with union board, mentioned that the CH never intervened in regard to the determination of union members. Meeting with the management representative are done in accidentally if there are labor issues that need to discuss. The latest meeting are conducted on 19 April 2017, discussing on the plan of new drafting of collective agreement.

Based on interview with Himado Board known that the smallholder's operational activities are managed by farmers and farmer-groups, no need to form the labor union.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Mentioned on social policy on Dec 2011 related to the prohibition of forced employing and underage labor, the CH has been determined that the minimum age of workers is 18 years. Based on field observation and document verification known that the CH has been implemented its policy, there is no found any child labor or forced labor.

Based on interview with Himado Board known that the smallholder's operational activities are managed by farmers and farmer-groups, based on field observation to KT 1 Empawek village known that the farmers not use child on its operational activities.

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.

In social policy that has been approved on Dec 2011 mentioned that the employees are treated fairly in regard of recruitment, promotion, limitation and condition of workers regardless of race, caste, gender, skin color, physical, organization membership, political view, religion and age.

Based on document verification on employee's master list, field observation and interview with workers confirmed that the policy has been implemented, mentioned that there is no discrimination. The interview were performed represent of all activities such as FFB process, harvesting, manuring, spraying, workshop and storage.

Based on interview with Himado cooperative unit known that the smallholder's operational activities are managed by farmers and farmer-groups, based on field observation and interview with farmer in KT 1 Empawek village known that the farmers not discriminating in terms of employment.

6.8.3

The CH has recruitment SOP no. Policy 431/HRM-RCT/07 states that the recruitment are performed based on selection, qualification test, interview and medical test. In the IOM No. 062/RSP-i2/IV/2017 dated 28 April 2017 mentioned that the evaluation are performed annually in July.

Provided the record of promotion of employees in BAF, WES and EAST that performed based on annual evaluation result, for example evaluation result of as many as 12 workers in BAF (evaluation parameter is capability, responsibility, achievement, honesty, discipline, loyalty, team work and self of belonging).

Based on interview with Himado cooperative unit known that the smallholder's operational activities are managed by farmers and farmer-groups. Based on field observation and interview with farmers mentioned that the operational activities such as manuring and spraying are done by farmers themselves, if there is any labor (for harvesting) generally it is the farmers family.

Status: Comply

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

On the social policy that has been approved by HPU Indonesia on 2011 stated that the CH are developing system to

prevent sexual harassment and others violence against women as well as protect the rights related to reproduction for female workers.

The CH has been established the gender committee for period of 2017-2019 and mechanism for specific grievance in the document no. 41//PT SIA/2016. Based on interview with gender committee mentioned that until ASA 1.1 there is no specific grievance and/or report of sexual harassment, gender harassment and others submitted.

Provided the procedure for pregnancy test in the document no. 001/DR-SOP/IV/2014, mentioned that regularly conducted the physical check and monitoring the absence of menstruation. If found any female workers who is pregnant then not allowed to work in activities that related to chemical. Based on field observation and interview with spraying workers and manuring workers in WSE and ESE known that the policy has been applied, there is no found any female workers who are pregnant and breast-feeding in the field.

Based in interview with Himado Cooperative Unit Board mentioned that the spraying activities are coordinated by farmer groups and farmers themselves, however stated that it was prohibited for farmers who are pregnant to involve in chemical activities. During the audit, there is no spraying activities due the round has been completed.

Status: Comply

6.10

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

6.10.1 & 6.10.2

The management unit uses FFB purchase price standard based on the results of meeting from Pricing Team in plantation agency of FFB Production from Palm Oil Growers in West Kalimantan conducted every month and apply for the area of West Kalimantan Province. The team is composed from the Provincial Government and District as well as representatives from palm oil company and the smallholders (KUD). Based on interviews with the secretary of Himado KUD on June 02, 2017 known that the price above is available in the KUD office and POM PT SIA each period and became the basis of the sales and purchase price of FFB. The preparation mechanism of FFB price and FFB price records and evidences of payments to the parties (smallholders) are available in PT SIA and HIMADO KUD.

6.10.3 & 6.10.4

Records of contract with the parties in cooperation with PT SIA are well documented. The parties can read and understand the contents of the contract before making the deal (signature). According to the harvesters in West Estate and East Estate, the payments made by PT SIA are always on time in accordance with the contract made. There are evidences of payment which is equipped with the contract summary, the minutes of work examination, bank vouchers, and receipts for payment with stamp duty and transfer form.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1.

Certificate holder shows the Memorandum of Corporate Social & responsibility procedure with number M-056 / HPUI / XI / 2015 dated November 4, 2015 from Head Plantation Upstream Indonesia. This procedure includes CSR program planning, CSR program drafting and approval, CSR socialization and implementation programs and reporting. CH shows CSR Program and Work Plan Year 2016-2017. Example:

- a. Grading Compacting in West Plasma in November - March 2017.
- b. The construction of churches and mosques was located in Parindu Sub district and 7 Villages around the company in May 2017.

6.11.2.

Based on interviews with smallholders it is known that KUD Himado was conducted regular training for smallholders, the understanding related to aspects of OHS, HCV, environment and other aspects of RSPO has been sufficient.

Status: Comply

6.12	
No forms of forced or trafficked labour are used.	
6.12.1, 6.12.2, 6.12.3	
<p>There is no found migrant workers and/or inter-regional workers in PT SIA, mostly the workers comes from surrounded villages. The CH has been set the policy on prohibition of uses of forced and child labor, it was mentioned in social policy Dec 2011.</p> <p>Verification on work contract, appointment letter and work agreement known that there is no forced statement in the contract such as financial penalties. Consistent with interview result with the workers in WSE, ESE and BAF, for example with generator operator, storage man, workshop personnel and workers in field, mentioned that the workers are freedom to resign and there is no threat against family members.</p> <p>Based on field observation to harvesting field, known that there are no found any act of illegal/forced labor such as family gank for loose-fruit picking activity.</p> <p>Based on interview with Himado cooperative unit known that the smallholder's operational activities are managed by farmers and farmer-groups. Based on field observation and interview with farmers mentioned that the paid labor (for harvesting) is daily basis, and they may refuse work at any time.</p>	
	Status: Comply
6.13	
Growers and millers respect human rights	
6.13.1	
<p>Sighted the human rights policy, the document explained that the PT SIA and HIMADO Cooperative Unit are committed to protect the human rights such as the right to life, right to married and reproduction, right to self-development, right to equity, the right to personal liberty, right to security, the right to welfare, and the right for child protection. Based on interview with workers and gender committee known that the policy has been socialized and understood by workers, in addition the policy also has been displayed in workplace such as storage, workshop, estate office and division office.</p>	
	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, 7.1.2. & 7.1.3.	
<p>Based on statement area, there is no new development area. Land planting activities have been in existence since 1997, 1998, 1999, 2003, and 2004.</p>	
	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	
<p>Until the ASA-4, PT SIA does not extend of new plantation area. There are only a replanting activities that have been conducted since July 2014.</p>	
	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, 7.3.2, 7.3.3, 7.3.4, & 7.3.5.	

Based on document review, the plantation area of PT Sime Indo Agro (East Estate, West Estate, West Plasma and East Plasma) did not land clearing above November 2005. Land planting activities have been in existence since 1997, 1998, 1999, 2003, and 2004.	
	Status: Comply
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
7.4.1 & 7.4.2 Until the ASA-4, PT SIA does not extend of new plantation area. There are only a replanting activities that have been conducted since July 2014.	
	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 Based on results of document reviews, field visits and interviews found that PT SIA does not perform conversion or new planting.	
	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 & 7.6.7 Based on results of document reviews, field visits and interviews found that PT SIA does not perform conversion or new planting.	
	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. Based on field visit in replanting area Block A706 Division 3 West Estate, land clearing activities were carried out by mechanically such as uprooted, stacked, chopped / cut. In addition, there has been a burning prohibition board in the plantation area. Interview with smallholders (KUD Himado), it is known that farmers have received training for land clearing without burning.	
	Status: Comply
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.	
7.8.1 & 7.8.2. Certificate holder did not open the land after 1 January 2015. Land-planting activities have been in existence since 1997, 1998, 1999, 2003, and 2004.	
	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.

PT SIA has conducted continuous improvement such as: no longer use pesticide with paraquat active ingredient, outlined in the document of memorandum from the Head Plantations Operation (No: POD-UM-127 / X / 2008, dated November 4, 2008) about the Recommendation of Active Ingredients Application Replacement of Paraquat-Gramoxone in Minamas Environmental. CH has conducted Monitoring the quality of air, quality of generator emissions and boiler emissions quality every 6 months. If the test results do not meet the quality standards set by the government, then the management unit will perform follow-up or control.

Status: Comply

4.5 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	
<p>Bukit Ajong Factory received FFB from certified and uncertified base. Related to this case, Bukti Ajong Factory implemented Module E for mass balance CPO Mill.</p>	
<p>Status: Comply</p>	
E.2	Explanation
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>	
<p>Estimation of CPO and PK production: - CPO: 36,904 ton - PK: 10,065 ton</p> <p>CH has not been able to show the realization of CPO and PK products during the license certificate period(18 July 2016 – 17 July 2017).NC 2017.44</p>	
<p>Status: Non compliance with category Major</p>	
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	
<p>Bukti Ajong Factory RSPO IT Platform member registration number: CB40691</p> <p>CH Has not been able to show record of IT Platform transactions (Palm trace) for CPO and PK during the license certification period(18 July 2016 – 17 July 2017).NC 2017.45</p>	
<p>Status: Non compliance with category Major</p>	
E.3	Documented procedures
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 	

CH has procedures covering the application of all elements in mass balance requirements (SOP No. 500/SIA-SPC-01/12, Revision 01 dated July 1, 2015). In the procedure it describes the Name of the person who has overall responsibility and authority over the application of such requirements and compliance with all applicable requirements

Based on the result of visit in weighbridge, it is known that there is a receipt of FFB from Sei Mawang Estate (RSPO uncertified), for example is SPB no. Series 35217 and ticket weighs no. Series 35217 dated 30 May 2017 with certified RSPO Certified stamp. From the visit in weighbridge there is also known that there is FFB acceptance from East Estate that has been certified and not yet certified. However, a mechanism for ensuring the separation of non-certified and certified TBS receipts has yet to be demonstrated. **NC 2017.46**

Status: Non compliance with category Major

E.3.2

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

CH has owned the procedure of product identification and product traceability in the POM of Minamas Plantation No. 500 / SIA-SPC-01/12, Revision 01, dated July 1, 2015. In the procedure explained that the identification of raw materials between certified and non-certified FFB and not done in the Delivery Order Letter. FFB Delivery Order Letter from RSPO certified estates will be marked with "RSPO Certified" while FFB Delivery Order Letter from the estates which are not certified is not marked.

Status: Comply

E.4

Purchasing and goods in

E.4.1

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

CH has not been able to show the document of the volume of TBS certified and Non certificate received during the license certificate period (18 July 2016 – 17 July 2017). **NC 2017.47**

Status: Non compliance with category Major

E.4.2

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

There is no information to CB related to over produced of certified product. This matter can't be verified further because The CH has not been able to show the realization of CPO and PK products during the license certificate period. This became Non compliance 2017.44 on E.2.1.

Status: Comply

E.5

Record keeping

E.5.1

- a. 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.**
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.**
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)**

CH has not been able to display mass balance records of all RSPO certified FFB receipts and CPO, PKO and PK shipments for a quarterly basis during the license certificate period (18 July 2016 – 17 July 2017) To ensure mass balance sales from positive stock. **NC 2017.48.**

	Status: Non compliance with category Major
<p>E.5.2 In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>	
<p>Bukit Ajong Factory does not conduct activities of outsource on the crushing of palm kernel to the independent crushers.</p>	
	Status: Comply

4.6 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 1	PT Sime Indo Agro does not use the certificate and logo.	NA
	Status: NA	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ASA 1	PT Sime Indo Agro does not use the certificate and logo.	NA
	Status: NA	
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA 1	PT Sime Indo Agro does not use the certificate and logo.	NA
	Status: NA	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA 1	PT Sime Indo Agro does not use the certificate and logo.	NA
	Status: NA	

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 correspondence with RSPO Remediation and Compensation.</p>
i.	Any new plantings since	Company Group/Holding Statement:

	<p>January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>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.
<p>ii.</p>	<p>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>	<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.
<p>iii.</p>	<p>Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<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>
<p>iv.</p>	<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<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>

4.7 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1.1 Identification of Findings at ASA 1.1

Minor Findings at Recertification for nucleous Estate

NCR No.	: 2015.04	Issued by	: Leonada
Date Issued	: 2 Nov 2015	Time Limit	: 1 August 2017
NC Grade	: Minor up grade Major	Date of Closing	: 29 Agustus 2017
Standard Ref. & Requirement	: 2.2.2 Legal Boundary		
Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of verification of documents and field visits in the East Estate and West Estate showed that the company's legal boundary could not be found or is not identified in the Field. However, PT SIA has not been able to show the Plot Map which becomes the Attachment of Land Use Title where on the map shows the location of boundaries pole of PT SIA Land Use Title.			
Root Cause Analysis (filled by organization audited): Associated with the availability of field stakes are not identified due to poor road conditions (due to weather) during the audit. Related to the location map of the big BPN stakes, already available and shown to the auditor but has not done field verification and approval by BPN. In relation to other stakes, the initial map based on SK HGU No. 1/1998 and No. 5/2000 was not found and the copy was not available at BPN (BPN stated that the map had been deactivated after the issuance of plasma plasma release map), so it is not currently there is a reference for installing helpers and is being coordinated with BPN. Currently there is a plasma release map for plasma published in 2007, but can only be used to determine the partial boundary of HGU (which is adjacent to plasma).			
Correction (filled by organization audited): Field verification by BPN for stakes No. 1, 2, 3 in the WSE and ESE includes the validation of the stakes sheet, the coordinate point and the position map of the stake by the BPN. Application for the installation fee of the stakes to the minamas plantation stakes and preparation of the timing plan for the installation of HGU boundary PT SIA.			
Corrective Action (filled by organization audited): Schedule monitoring of the HGU stakes and assign the PIC to be responsible for each estate. The program set is 6 months, no later than May for the first semester and the month of Nov for the second semester. The responsible PIC has been established, ie Mr. Gusti Darmudin (assistant plasma).			
Assessor Evaluation and Conclusion (filled by auditor): Verifikasi Auditor 21 Oktober 2015 PT SIA has performed communication with the National Land Agency of Sanggau District related to the requests for coordination information and Land Use Title map. However, the management unit has not been able to show the Land			

Use Title map which showing the location of boundary pole

Verifikasi 2 Juni 2017 (ASA 1)

CH shown land map of West Estate in scale 1:20,000 (map No. 17-14.04-2007 dated 27 November 2007) from land agency of Kalimantan barat Province that informed a boundaries pole. But PT. SIA still can't show The boundaries poles in field and for East estate can not show legal boundaries map.

the company shows:

- East: Land Map scale 1: 20,000 Map number 09-14.04-2007 dated May 22, 2007 from head of Survey of measurement and mapping BPN West Kalimantan Province (No border information)
- West: Land Map Map Scale 1: 20,000 Map number 17-14.04-2007 dated November 27, 2007 from the head of Survey of measurement and mapping of West Kalimantan Province BPN (There is border information)

Based on this situation, the minor **non compliance 2015.04 on the re-certification audit has not been closed and up grade to Major on ASA 1.**

Verification 1 August 2017

The Company presented a letter from Region Kalbar - Central Kalimantan Head on May 24, 2017 regarding the application for approval of the redemption fee at the HGU West Estate location of 7,300 Ha.

Verification 29 August 2017 (Field Major Verification)

Field verification by BPN against the position of the stakes installed on August 23, 2017, there is an official report and validation of the monument sheet by BPN dated August 24, 2017 which explains that the pegs are installed accordingly, as follows:

No Patok	Coordinate EAST	Coordinate West
1	X: 110 29' 14.6" Y: 0 18' 18.2"	X: 110 28' 2.5" Y: 0 17' 11.9"
2	X: 110 27' 25.1" Y : 0 15' 20.8"	X: 110 24' 22.7" Y : 0 18' 18.3"
3	X: 110 28' 18.6" Y : 0 13' 54.8"	X: 110 24' 34.8" Y : 0 14' 57.4"

Based on the BPN directive dated 23 August 2017, it was explained that for the auxiliary position (the outer boundary and boundary with the enclave area) will be determined first by BPN based on the plasma area release map. Auxiliary positions adjacent to the plasma area will use the map reference:

- East: Land Map map scale 1: 20,000 Map number 09-14.04-2007 dated May 22, 2007
- West: Land Map Map Scale 1: 20,000 Map number 17-14.04-2007 dated November 27, 2007

In the minutes of the BPN visit, it was made clear that the HGU Map published earlier, prior to the issuance of plasma area release map, is now declared invalid (this has also been explained by BPN to the auditor during the ASA 1.1 public consultation).

It can be shown that the delineation plan and the installation of the SIA HGU boundary stakes, planned until July 2018 has been completed (all stakes have been published by BPN), detail in the following figure:

RENCANA PEMASANGAN TUGU BATAS HGU PT. SIME INDO AGRO

NO	WAKTU	KEGIATAN
1	24 Mei 2017	Surat Permohonan kepada Management PT. SIA perihal permohonan Hagu Tata Batas Ulang areal HGU.
2	September 2017	Membuat surat permohonan Perizinan Tata Batas Areal HGU kepada Kepala Kantor Pertanahan Kab. Sanggau dan permohonan kepada Kepala BPN Provinsi serta Kepala BPN / Kantoreran Agraria dan Tata Ruang.
3	November 2017	Menentukan jumlah paku yang akan dipasang berdasarkan koordinat peta HGU.
4	Desember 2017	Membuat Surat Permohonan Pemasangan Hagu Pemasangan Patok HGU kepada management PT. SIA.
5	Januari s/d Februari 2018	Pemasangan Tugu Batas (patok standar dan patok beton).
6	Maret s/d April 2018	Pemasangan Tugu Batas HGU areal West Estate
7	Mei s/d Juni 2018	Pemasangan Tugu Batas HGU areal East Estate
8	Juli 2018	Membuat Baku Tugu Batas HGU.

Bukit Ajong, 20 Agustus 2017
Kese SOU : PT. SIA
(Signature)
WAN SUKRYAWAN

The current stages that have been made are the application of fees to HPUI and CFO from the Head Region of Kalbar-Kalteng dated May 24, 2017 No 1.043 / HR Kalbar - Kalteng - HPUI / V / 2017 on request for approval of refund cost at HGU West Estate

Field observation in the ESE, visible stakes BPN No. 1, 2 and 3 have been installed in the field



Field observation in the WSE, visible stakes BPN No. 1, 2 and 3 have been installed



Corrective action is acceptable and will be re-verified during ASA-2. Close with observation	
Diverifikasi oleh	: Leo & Sandra

Minor Findings at Recertification for smallholders (KUD Himado)

NCR No.	: 2015.04	Issued by	: Dwi haryati
Date Issued	: 2 Nov 2015	Time Limit	: 1 August 2017
NC Grade	: Minor upgrade Major	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	: 4.4.2 Records of pesticide use and fertilization		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Scheme Manager can not show evidence of recording of pesticide use and fertilization.			
Root Cause Analysis <i>(filled by organization audited):</i> Improper administrative archiving so that management of smallholdings can not show the document when the audit takes place.			
Corrective Action <i>(filled by organization audited):</i> Verification on September 28, 2015 PT SIME INDO AGRI has show the Plasma Fertilizer Application Report which explains the types of fertilizer, fertilizer inventory and application of persemester.			
Verification on July 29, 2017 Shows evidence of corrective action the list of herbicide species distributed to plasma farmers through KUD HIMADO July 2016 to June 2017			
Preventive Action <i>(filled by organization audited):</i> Document archiving is more tidy so that when this data is requested it can be found easily and review the SOP of the Document control owned by the plasma unit.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 28 September 2015 PT SIA has presented the Plasma Fertilizer Application Report which describes the type of fertilizer, fertilizer inventory and the application of persemester. But there is no record of pesticide use.			
Verification on 2 June 2017 (ASA-1), There is no evidence of improvement			
Verification on July 24, 2017 The management of smallholdings showed evidence of corrective action in the form of a list of herbicide types, herbicide taking in January to December 2016. However, it has not been fully informed about the unit (gram / liter) of any use of pesticides and the use of pesticides until the audit activities are carried out (June 2017). It is also to meet the demand of indicator 4.6.2 (recording the use of fertilizers and pesticides up to ASA1.1 audit activities implemented).			
Verification on August 8, 2017 The management unit showed evidence of corrective action in the form of fertilizer list document of 2016/2017 KUD Himado from July 2016 - June 2017 with information of type / brand of fertilizer and amount (tons) of harvest every			

month.

In addition, the unit also shows evidence of corrective action the distribution of pesticides to smallholders through KUD HIMADO July 2016 to June 2017.

The NCR has been fulfilled

Verified by : Dwi Haryati & Brigitta

NCR No.	: 2015.09	Issued by	: Sandra Purba
Date Issued	: 2 November 2015	Time Limit	: 1 August 2017
NC Grade	: Minor upgrade Major	Date of Closing	:
Standard Ref. & Requirement	: 4.6.1 Records of applicator treatment		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The management of smallholdings cannot show the medical records for pesticide applicators, in case of poisoning.			
Root Cause Analysis <i>(filled by organization audited):</i> MCU for plasma has not been executed at the time of this audit due to costing problem. After the assignment of the fixed costs will be made by the company, it will be scheduled on July 31, 2017.			
Corrective Action <i>(filled by organization audited):</i> Medical examination was conducted by RS Mitra Medika-Pontianak on July 31, 2017.			
Preventive Action <i>(filled by organization audited):</i> Medical surveillance will be conducted once a year in coordination with the company's doctor.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 2 June 2017 (ASA-1), The Smallholding's management not yet able to show the corrective action and its implementation. The NC has upgrade to be Major. Verification on 1 August 2017, The Company has sent evidence of corrective action such as document of pesticide policy and management no 10x/PTK-PST/2004 index number X/01 describing poisoning symptoms based on pesticide and its treatment method as well as minute of training and socialization to the plasma farmer on 12 July 2017 attended by 48 farmers, however there is no evidence related to the treatment record for pesticide applicators. Non-compliance has not been met. Verification on 28 August 2017 (major verification on field) The company shows the result of medical check up (Spirometry & cholinestrase) for 2017 of 50 Farmers (West & East Plasma) conducted on July 31, 2017 by Mitra Medika Hospital. The result shows 46 participant is normal, 4 participant is need to follow, as described below: <ol style="list-style-type: none"> 2. Heronimus Heri (medical records No. 00-04-14-32), results of spirometry found that breathing is normal. Result of CHE of 13.173 * U/L (above the reference value of 5.320 - 12.920 U/L). 3. Salehudin (medical record No. 00-04-14-64), results of spirometry examination found that breathing in mild obstruction, diagnosis of asthma, recommended to consultation to lung specialist, and Cholinestration result shows 7,410 U / L (still in the reference value). 4. Yafet (No. medical record 00-04-14-72) from spirometry examination results found that breathing is in moderately severe restriction, recommended to re-test of spirometry whereas for CHE 15, 305 U / L = Not 			

Normal (above Reference value 5,320 - 12,920 U / L).

5. Apung (medical record 00-04-14-34) spirometry examination (Normal) and CHE of 14,766 U / L = Not normal (Value above 5,320 - 12,920 U / L).

Based on the explanation above, the Company's Doctor has undertaken a follow-up plan for the farmers members, among others:

Heronimus Heri will be re-examined of CHE at 1 year later; Salehudin will be examined to the Lung doctor specialist for more complete examination; Yafet will be checked to the specialist for more complete examination; and Apung will be examined CHE (Cholinestration) at 1 year later.

Based on the above explanation, Indicator 4.6.1 is stated compliance with Observation.

Verified by : **Sandra Purba & Brigitta Prita**

NCR No.	: 2015.11	Issued by	: Dwi Haryati
Date Issued	: November 2, 2015	Time Limit	: August 1, 2017
NC Grade	: Minor upgrade Major	Date of Closing	: August 1, 2017
Standard Ref. & Requirement	: 4.6.3 List of types and volume of pesticides distributed to smallholdings		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The management of smallholdings has not been able to show evidence of pesticide type list and volume distributed to plasma farmers.			
Root Cause Analysis <i>(filled by organization audited):</i> Administration is less tidy so that evidence of the list of types and volumes of pesticides distributed to plasma farmers has not been shown.			
Corrective Action <i>(filled by organization audited):</i> The company shows a list of types of pesticide volumes that are distributed to plasma farmers.			
Preventive Action <i>(filled by organization audited):</i> The management of smallholdings will consistently document the list of types and volumes of pesticides distributed to plasma farmers.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verification on June 2, 2017 There is no evidence of corrective action.			
Verification on July 24, 2017 The management of smallholdings showed evidence of corrective action the form of a list of Herbicide types, Herbicide taking in January to December 2016. However, it has not been fully informed about the unit (gram / liter) of any use of pesticides and the use of pesticides until the audit activities are carried out (June 2017). It is also to answer of indicator 4.6.2 (recording the use of fertilizers and pesticides up to ASA1.1 audit activities implemented).			
Verification on August 1, 2017 The management of smallholdings showed evidence of corrective action in the form of fertilizer list document 2016-2017 KUD Himado from July 2016 to June 2017 with the description of the type / brand of fertilizer and the number (tons) of harvest each month.			

In addition, the unit also shows evidence of the distribution of pesticides to the plasma farmers through KUD HIMADO period July 2016 to June 2017. The company has completed the unit in the taking of fertilizers and pesticides.

The NCR has been fulfilled

Verified by : Dwi haryati

NCR No.	: 2015.12	Issued by	: Sandra Purba
Date Issued	: 2 November 2015	Time Limit	: 1 August 2017
NC Grade	: Minor upgrade Major	Date of Closing	:
Standard Ref. & Requirement	: 4.6.4 Safety Equipment		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Management of smallholdings has not been able to show the evidence that the availability of adequate safety equipment			
Root Cause Analysis <i>(filled by organization audited):</i> At the time of the audit, it is still in coordination between PT SIA and KUD Himado related to the costing of Personal Protective Equipment (PPE).			
Corrective Action <i>(filled by organization audited):</i> Plasma Management took the initiative to discipline the use of PPE for Plasma farmers by way of socialization and provision of PPE to representatives of farmers representing their hamlets. It aims to civilize the use of PPE for every plasma farmer. This has been done on June 15, 2017 by Plasma management.			
Preventive Action <i>(filled by organization audited):</i> Plasma management is committed to monitoring the use of safety equipment for plasma farmers and in charge for monitoring and supervision is a plasma assistant, assisted by the plasma mandor. In addition, plasma management will regularly socialize this subject. Monitoring mechanism by means of inspection into each village (plasma) and designated PIC in each village (monitoring program and sample attached form check).			
Auditor Evaluation and Conclusion <i>(filled by auditor):</i> The Smallholding's management not yet able to show the corrective action and its implementation. The NC has upgrade to be Major.			
Verification on 25 July 2017, The company showed evidence of corrective action in the form of minute of PPE handover to plasma farmers such as helmets, boots, gloves, apron, glasses and masks. However: - There is no evidence that PPE has been received by plasma workers - Not yet available socialization of use of PPE - No monitoring mechanism for PPE usage by workers, monitoring schedule and PIC. Non-compliance has not been met			
Verification on 31 July 2017,			

Has been shown the evidence of corrective action, namely the minute of handover of PPE to plasma employees on June 15, 2017 of helmets, boots, gloves and masks to 71 employees. Document program to disciplining the use of PPE gradually 2017 - 2018.

However, there is no monitoring mechanism for the use of PPE, schedule and PIC in charge. Non-compliance is not fulfilled. Field verification is required to see the implementation of the corrective action taken.

Verification on 1 August 2017,

Programs have been shown to monitor PPE of plasma farmers explaining the PIC for each village, conducted every 28th of each month.



*Field verification are recommended for to see these corrective action implementation

Verification on 29 August 2017,

Based on visits and interviews with spray and harvest workers on blocks 28 & 29 West Plasma, it is known that workers have used PPE such as for harvesters (Helmets and Boots) and Sprayers (Gloves, apron, Glasses, Masks, shoes).

The NCR has been fulfilled

Verified by : Sandra Purba & Brigitta Prita

NCR No.	: 2015.14	Issued by	: Sandra Purba
Date Issued	: 2 November 2015	Time Limit	: 1 August 2017
NC Grade	: Minor upgrade Major	Date of Closing	:
Standard Ref. & Requirement	: 4.7.4 OHS Equipment		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Management of smallholdings has not been able to show the evidence of the provision of safety equipment (PPE).			
Root Cause Analysis <i>(filled by organization audited):</i> At the time of the audit, it is still in coordination between PT SIA and KUD Himado related to the costing of Personal Protective Equipment (PPE).			
Corrective Action <i>(filled by organization audited):</i> Plasma Management took the initiative to discipline the use of PPE for Plasma farmers by way of socialization and provision of PPE to representatives of farmers representing their hamlets. It aims to civilize the use of PPE for every plasma farmer. This has been done on June 15, 2017 by Plasma management.			
Preventive Action <i>(filled by organization audited):</i> Plasma management is committed to monitoring the use of safety equipment for plasma farmers and in charge for monitoring and supervision is a plasma assistant, assisted by the plasma mandor. In addition, plasma management will regularly socialize this subject.			

Monitoring mechanism by means of inspection into each village (plasma) and designated PIC in each village (monitoring program and sample attached form check).

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

The Smallholding's management not yet able to show the corrective action and its implementation. The NC has upgrade to be Major.

Verification on 25 July 2017,

The company showed evidence of corrective action in the form of minute of PPE handover to plasma farmers such as helmets, boots, gloves, apron, glasses and masks.

However:

- There is no evidence that PPE has been received by plasma workers
- Not yet available socialization of use of PPE
- No monitoring mechanism for PPE usage by workers, monitoring schedule and PIC.

Non-compliance has not been met

Verification on 31 July 2017,

Has been shown the evidence of corrective action, namely the minute of handover of PPE to plasma employees on June 15, 2017 of helmets, boots, gloves and masks to 71 employees. Document program to disciplining the use of PPE gradually 2017 - 2018.

However, there is no monitoring mechanism for the use of PPE, schedule and PIC in charge. Non-compliance is not fulfilled. Field verification is required to see the implementation of the corrective action taken.

Verification on 1 August 2017,

Programs have been shown to monitor PPE of plasma farmers explaining the PIC for each village, conducted every 28th of each month.

* Field verification are recommended for to see these corrective action implementation

Verification on 29 August 2017,

Based on visits and interviews with spray and harvest workers on blocks 28 & 29 West Plasma, it is known that workers have used PPE such as for harvesters (Helmets and Boots) and Sprayers (Gloves, apron, Glasses, Masks, shoes).



The NCR has been Compliance.

Verified by : Sandra Purba & Brigitta Prita

NCR No.	: 2015.16	Issued by	: Brigitta Prita
Date Issued	: 2 Nov 2015	Time Limit	: 1 August 2017
NC Grade	: Minor upgrade Major	Date of Closing	: 23 July 2017
Standard Ref. & Requirement	: 5.1.1 Available recording of implementation and reporting of environmental impact management in smallholders.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of interview with Himado KUD management stated that the copies of EIA Document are not available in KUD office.			
Root Cause Analysis <i>(filled by organization audited):</i> Administration is less so when the audit cannot be shown. Administration in KUD is not neat so when conducting audit document implementation and reporting Environmental management plan & environmental monitoring plan is not available in KUD.			
Corrective Action <i>(filled by organization audited):</i> Plasma Management sends back a copy of Environmental management plan & Environmental monitoring plan to the management of KUD HIMADO (minutes of meeting attached).			
Preventive Action <i>(filled by organization audited):</i> Plasma Management will immediately confirm whether a copy of the document has been found or not and will resend the document if it is not found. Environmental management and monitoring plans document will be sent back to HIMADO Cooperative Party (Handing-over report following). Scheme Manager has assigned Mr. Tamui to data archiving problems at HIMADO Cooperative. July 21, 2017. The Plasma Assistant has coordinated with the KUD Secretary to provide a place for archiving documents in KUD HIMADO.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification, 2 June 2017 (ASA 1) Based on the results of interviews with KUD Himado officials stated that the Document Copy of Implementation Report of Environmental monitoring plan / monitoring plan is not available in KUD Office. This becomes Nonconformance with NCR No.2015.16 with Minor Upgrade Major category. Verification, July 23, 2017. The Company shows receipt of a copy of RKL / RPL implementation document to KUD Himado dated July 18, 2017 (Evidence of receipt from KUD Himado).			

Based on the above explanation this indicator is declared compliance and re-verified at the next surveillance (Closed with observation).	
Verified by	: Brigitta Prita

NCR No.	: 2015.17	Issued by	: Brigitta Prita
Date Issued	: 2 Nov 2015	Time Limit	: 1 August 2017
NC Grade	: Minor upgrade Major	Date of Closing	:
Standard Ref. & Requirement	5.2.1 If there are protected species in the plantation, there should be an officer within the farmer's institution to nurture his members in managing the protected species, including conflict mitigation.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Smallholder institutions (KUD) Himado can not show the evidence that have been appointed a special trained officer responsible for the management of protected species including conflict mitigation (if any).			
Root Cause Analysis <i>(filled by organization audited):</i> KUD Himado not have HCV officers, so the HCV management is done by plasma assistant			
Corrective Action <i>(filled by organization audited):</i> Appoint HCV officers.			
Preventive Action <i>(filled by organization audited):</i> Plasma management will negotiate with HIMADO Cooperative management regarding the appointment of HCV officers in particular.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification, 2 June 2017 (ASA 1) Smallholders Himado has not been able to show evidence to have appointed trained specialists who are responsible for the management of protected species including conflict mitigation (if any). This is become Nonconformance with NCR No.2015.17 with Minor Upgrade Major category. Verification, August 21, 2017. The Company shows the assignment letter of HCV officer for KUD Himado on behalf of Rahmat as Field Officer in charge of managing and monitoring protected species on PT SIA HCV document and coordinating with plasma assistant. This assignment is valid from 1 July 2017. Based on the above explanation, this indicator is stated compliance.			
Verified by	: Brigitta Prita		

NCR No.	: 2015.18	Issued by	: Brigitta Prita
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Date Issued :	2 Nov 2015	Time Limit :	1 August 2017
NC Grade :	Minor upgrade Major	Date of Closing :	
Standard Ref. & Requirement :	5.2.2 There is evidence of the results of the identification of high conservation value habitats stored in farmer institutions (see also criterion 5.1).		
Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of interviews with Himado KUD boards stated that the HCV Identification Documents Copies are not available in KUD Office.			
Root Cause Analysis (filled by organization audited): Administration is less so when the audit cannot be shown. SOP Document control is not properly implemented by PIC archiving documents ie KUD Secretary.			
Corrective Action (filled by organization audited): The Company has presented copies of HCV documents that have been sent to KUD Himado.			
Preventive Action (filled by organization audited): Improve communication with KUD Himado to ensure the document is available Plasma Management will coordinate with KUD HIMADO on this matter. Scheme Manager has assigned Mr. Tamui to data archiving problems at KUD HIMADO. Additional August 21, 2017 The PIC will study and implement the document control SOP to keep the document neat and easy to find if at any time it is needed.			
Assessor Evaluation and Conclusion (filled by auditor): Verification, 2 June 2017 (ASA 1) Based on interviews with KUD Himado management, the copy of HCV Identification Document is not available at KUD Office. This is become Nonconformance NCR No.2015.18 with Minor Upgrade Major category. Verification, 31 July 2017. The Company presented a copy of the HCV document of PT SIA to KUD Himado dated July 18, 2017. Verification, 21 August 2017 The company has added the root Cause Analysis and preventive action so that this indicator can be declared compliance.			
Verified by :	Brigitta Prita		

NCR No. :	2015.21	Issued by :	Brigitta Prita
Date Issued :	2 Nov 2015	Time Limit :	1 August 2017

NC Grade :	Minor upgrade Major	Date of Closing :	
Standard Ref. & Requirement :	5.4.1 The partnership coach makes guidelines for improving energy use efficiency in their smallholders' estates.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Scheme Manager is not able to show the evidence that they has owned guidelines for improving the efficiency of energy use in the smallholdings.			
Root Cause Analysis <i>(filled by organization audited):</i> Management units have not been socialized to smallholders.			
Corrective Action <i>(filled by organization audited):</i> 27 July 2017. The management of PT SIA has submitted an energy efficient appeal memo to KUD HIMADO and Plasma management has also conducted socialization to smallholders on 12 July 2017.			
Preventive Action <i>(filled by organization audited):</i> Immediately socialize it. The socialization will be held on July 27, 2016 at the same time with the socialization of pesticide applicator treatment. Management plasma has been socialization energy efficiency on 12 July 2017 (minutes of meeting attached).			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification, 2 June 2017 (ASA 1) The Scheme Manager has not been able to show evidence of having guidelines to improve energy use efficiency in smallholders. Based on the above explanation, this becomes Nonconformance with NCR 2015.21 with Minor upgrade to Major Category.			
Verification, 21 July 2017. The Company showed an appeal to increase the efficiency of energy use in smallholders to the Chairman of KUD Himado with letter number 017 / PT SIA / BAT / IX / 2017 dated June 5, 2017. In the memo explained about the appeal of FFB delivery to Factory by maximizing the load in accordance with the rules which applies to be more efficient in the use of diesel. In the memo is expected to KUD can socialization it to the smallholders in the members of each KUD. Socialization is available to smallholders on July 12, 2017.			
Verification, 1 August 2017. The company has added a root cause analysis and preventive action. Based on the explanation, this indicator is a compliance.			
Verified by :	Brigitta Prita		

NCR No.	: 2015.23	Issued by	: Leonada
Date Issued	: 2 Nov 2015	Time Limit	: 1 August 2017
NC Grade	: Minor upgrade Major	Date of Closing	: 26 July 2017
Standard Ref. & Requirement	: 6.1.1 The Document of the Implementation of Social Impact management and monitoring.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The management unit of smallholdings has not shown the implementation records of management and monitoring of social impacts available in the smallholders institution.			
Root Cause Analysis <i>(filled by organization audited):</i> A poor administration in archiving			
Correction <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i> Tidy up the administration again about this. Scheme Manager has assigned Mr. Tamui (Plasma Assistant) for data archiving issues at KUD HIMADO.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verifikasi 2 Juni 2017 (ASA 1) No Corrective action on ASA 1 Verification 26 July 2017 The management unit shows the social aspect document of plasma operational activities PT. SIA, including the following components: <ul style="list-style-type: none"> - Absorption of local laborers - New sources of livelihood are growing - Public health - Household economy - New employment - Public perception <p>In the recording, it is known that the management and monitoring of social impacts are conducted periodically once a year, including: monitoring the percentage of local and non-local workforce numbers, livelihoods source questionnaires, monitoring of health service centers, household economic change questionnaires, local contracts recaps, community perception questionnaires.</p> <p>Based on this, NC shall be Closed.</p>			
Verified by	: Leonada		

NCR No.	: 2015.24	Issued by	: Sandra Purba
Date Issued	: 2 November 2015	Time Limit	: 1 August 2017
NC Grade	: Minor upgrade Major	Date of Closing	:
Standard Ref. & Requirement	: 6.5.1 Work agreement for workers		
Non-Conformance Description & Evidence observed (filled by auditor): Employees in Himado KUD do not have yet the Work Agreement and the appointment letter in written form.			
Root Cause Analysis (filled by organization audited): The document is confidential so can not show it during the audit.			
Corrective Action (filled by organization audited): Shows the latest employment appointment letter of KUD HIMADO.			
Preventive Action (filled by organization audited): Plasma Management (Plasma Manager) will always communicate to explain such matters so that this does not happen again.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 2 June 2017. The Smallholding's management not yet able to show the corrective action and its implementation. The NC has upgrade to be Major. Verification on 25 July 2017. Appointment decree has been made to KUD employees on behalf of Nobertus as IT operator dated 1 Jan 2016, but the decree does not yet have the employee's signature and evidence that a copy is provided. Not yet available evidence related to other employees Non-conformity is still OPEN. Verification on 29 August 2017. The Company shows the organizational structure of KUD HIMADO consisting of administrators (5 persons) and Supervisor (3 persons) and employees consisting of Savings and Loans Unit (4 persons); Administration (4 persons), Fruit Weigh (3 persons), fertilizer unit (2 persons) and IT (1 person). Based on employee data of 2017, there are 14 employees (Head Adm of Savings and Loans, Administration Head, Fertilizer Officer, Coordinator of Weighing, Administrative Officer, Cashier, fertilizer officer, 2 savings and loans unit officers, 2 administration and IT officers). In addition, the company also shows a work agreement letter in the form of Internal Memo Office for all employees in KUD Himado, among others: No. SK.001/KUD.HIMADO/VIII/2017; No. SK.001/KUD.HIMADO/VIII/2017; No. SK.001/KUD.HIMADO/VIII/2017; and SK001/KUD.HIMADO/VIII/2017. In addition, the company has presented evidence of receipt of a SPK copy in August 2017. Based on the explanation above the NC stated compliance.			
Verified by	: Sandra Purba & Brigitta Prita		

Identification of Findings at ASA-1

NCR No.	: 2017.01	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 1.1.2 Records of requests for information and responses to the information requested shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<ul style="list-style-type: none"> - PT SIA and KUD HIMADO have not been able to show the mechanism of information request and response. - Based on document review, it is known that there is a request for information but there is no response, such as letter dated 27 April 2017 about the report of the implementation of the Corporate Social Responsibility (CSR) program in 2016 and the submission of the company's CSR program for 2017. 			
Root Cause Analysis (filled by organization audited):			
Discontinuity in filing SOP of information requests and responding. This is due to the lack of implementation of document control SOP.			
Receipt of submission of CSR program plan is located in the GM (GM staff) so that at the time of audit, it can not be submitted to auditor.			
Corrective Action (filled by organization audited):			
Refreshment to the PIC on document control, and what documents should be available during the audit.			
Preventive Action (filled by organization audited):			
Establish the responsible PIC that is the department of the PSD in the implementation of the SOP for information requests and the response			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification on 25 July 2017,			
The Company shows evidence of corrective action in the form of:			
<ul style="list-style-type: none"> ✓ SOP of response of information request no document AI0900 on April 1, 2010 explaining on step in response to incoming letter that is 1 week and SOP request information no document RSPO / B.4.7 / SIA dated June 1, 2009 ✓ Letter of submission of CSR program FY16 / 17 for PT SIA and PT MAS dated October 4, 2016 No letter 14 / GM-sanggau / SGU / 10/2016 area to Sanggau Regent. ✓ Proposed of CSR plan 2016-2017 (memorandum no 035 / SWE / 08/206 and memorandum no 01 / PTSIA-WSE / CSR / 08 / 16-17). 			
Verification on 1 August 2017,			
<ol style="list-style-type: none"> 1. Evidence of CSR report on 4 October 2016 to Sekda Regent No.: 14/GM-area sanggau/SGU/10/2016. 2. SOP of document control No Document SOP Administration/2012. 			
Verification on 28 August 2017,			
KUD Himado shows SOP Request of Information approved on 8 February 2018 by Chairman, vice chairman & secretary of KUD Himado. The SOP describes all the request letters submitted to the KUD addressed to the Chairman of KUD Himado; incoming letter of inquiry request will be studied and made answer by Chairman Himado; Secretary of KUD shall prepare a draft of letter / contents of response of information to stakeholders; all response letters that will be sent to the parties signed by KUD Himado, and incoming & outgoing mail are stored at KUD Himado Office. Maximum length of			

information for 1 week. In addition, a statement from Staff Plantation Service Department (PSD) of Sanggau Area on August 24, 2017 stating that it has understood the SOP for request of informati and response. Based on the above explanation, the indicator 1.1.2 stated compliance.

Verified by : **Sandra Purba.**

NCR No.	2017.02	Issued by	Sandra Purba
Date Issued	2 June 2017	Time Limit	1 August 2017
NC Grade	Major	Date of Closing	
Standard Ref. & Requirement	1.2.1 Publicly available documents shall include, but are not necessarily limited to: a. Land titles/user rights (Criterion 2.2) b. Occupational health and safety plans (Criterion 4.7) c. Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d. HCV documentation (Criteria 5.2 and 7.3) e. Pollution prevention and reduction plans (Criterion 5.6) f. Details of complaints and grievances (Criterion 6.3) g. Negotiation procedures (Criterion 6.4) h. Continual improvement plans (Criterion 8.1) i. Public summary of certification assessment report j. Human Rights Policy (Criterion 6.13).		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> KUD HIMADO not yet able to show the list of publicly accessible documents.			
Root Cause Analysis <i>(filled by organization audited):</i> Lack of neatness of document filling of KUD Himado due to the PIC not designated yet to manage the incoming and outgoing letter, so that at the time of audit the KUD Himado can not shown its document.			
Corrective Action <i>(filled by organization audited):</i> Shows SOPs of information requests including a list of public documents			
Preventive Action <i>(filled by organization audited):</i> Chairman assigns KUD secretary in the document control to be responsible for the management of documents in KUD HIMADO Office.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 31 July 2017, KUD Himado has presented a list of publicly accessible and personal in charge documents for managing it (KUD secretary), described in the SOP of information request authorized Feb. 8, 2017, of 14 types of documents, the delivery of responses to each request is 1 week. Acceptable repair, NCR Closed.			

Verified by :	Sandra Purba
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NCR No. :	2017.03	Issued by :	Sandra Purba
Date Issued :	2 June 2017	Time Limit :	1 August 2017
NC Grade :	Major	Date of Closing :	
Standard Ref. & Requirement :	2.1.1 Evidence of compliance with relevant legal requirements shall be available.		

Non-Conformance Description & Evidence observed *(filled by auditor):*

- West Estate already has 1 licensed operator of heavy equipment (lifting & hauling) under license No. 13.30719-OPK3-PAA/I/2014 dated 10 January 2014 and valid until 10 Jan 2019. Based on field observation and document verification known that the total of heavy equipment owned by the management unit is 10 units. The management unit not yet been able to show the license for 9 other operators. This is not in accordance with Permenaker No. 5 of 1985.
- Field visit at Bukit Ajong Factory known that there is electrical installation maintenance conducted by Electrical Engineer on behalf of Mikail. Based on document verification, known that electrical technicians have background of senior high school majored in electricity, but this is not yet in accordance with Regulation of labor Minister No 12 of 2015 stating that maintenance activities should be carried out by the Electrical OHS expert or OHS Electric technician.
- Based on field observation and interview known that the mill has a boiler with capacity of 30 ton/hour and operated in 2 shift, in addition the mill has 6 operator in total (for 2 shift), however document verification showed that the operator who has license is only 1 operator with grade class I, it is not in accordance with Minister of Manpower Regulation no. 1 of 1988 stating that for boilers with capacities more than 20 Ton / Hour - < 40 Ton / Hour must have 1 operator with grade class I and 1 operator with grade class II (each shift).

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

1. Difficulty in finding vendors to conduct operator training in Sanggau District makes the new operators do not have SIO and electrical competence certificates.
2. Employees on behalf of Riki Rolli Mere (foreman who has license) has been mutated into a process foreman so that boiler operator for shift A does not have license

Corrective Action *(filled by organization audited):*

1. Applying for license of 7 operator to related institution, while 2 others has been transferred to driver (Letter of request attached)
2. Mikail submitted by BAF management for trining of General OHS Expert (Electrical Speciality)
3. Management BAF took the policy to re-assign Mr. Riki rolli mere become boiler operator for shift A (letter of mutation attached)

Preventive Action *(filled by organization audited):*

1. West Management has established a system that the license application will be made in advance for each prospective lifting and transport equipment operator before performing the work. Any addition of new operator will be ensured in advance to have a license, which is responsible for each unit manager
2. Electrician o/b Mikail currently submitted by BAF management for OHS expert training in Electrical Field.
3. Assign Riki rolli mere as boiler operator for shift A.

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

Verification on 25 July 2017,

The company has show the evidence of corrective action, namely:

1. OHS expert training in Electrical Field training enrollment form o/b of Mikail but no information regarding to date of training and the OHS services agency who will be the training implementer
2. Letter of application for license of operator No. 25 / Mng.WSE.06.2017 dated June 12, 2017 for 7 operators, but no information related to the date of implementation of the training and the implementing agency.
3. Inter office mail about mutation letter on behalf of riki rolli mere no 016 / PT SIA-BAF / VI / 2017 dated June 19, 2017 from processor employees to boiler operators but not licensed as operator.

Verification on 28 August 2017 (verification major),

1. **The company can show the license of boiler operator o/b of P Ricky Rolli Mere as operator class I, license No. 13.P05.172 OPK3-PUBT-B.I/VI/2013** date of 17 June 2013, valid until 17 Juni 2018
2. **Has been identified the electrician of PT SIA who will be attend the training, namely :**
 - ✓ ESE : Junaedi Pangariduan (SAP ID 0000071198 – Generator Set Operator)
 - ✓ WSE : Syayyid Hasim (32462 – Generator Set Operator)
 - ✓ BAF : Mikael (SAP Id 0000104629 – Generator Set Operator)

Upon three designated electrician technicians, submitted to HRM to be registered as trainees, the submission email was dated August 21, 2017 to HRM, and it was responded on August 29, 2017 stating that the vendor (Delta Praneggar) is currently awaiting the training quota fulfilled, the latest training will take place on 15-25 Sept 2017.

3. There is a letter of application for the issuance of lift and carriage license of 7 people (2 persons have been transferred to another section) WSE employees, by letter No. 25 / Mng.WSE.06.2017 dated June 12, 2017 to HIC estate area sanggau. Followed by a letter of application for the issuance of license to Disnakertrans of Sanggau Regency dated July 25, 2017 No. 41 / Mng.WSE / 07.2017. It has been responded by the agency dated July 29, 2017 stating that against the 7 people submitted, the license is currently in the process of issuance.

The evidence is acceptable, and will be observed during ASA 2. **Close with observation.**

Verified by : Sandra Purba

NCR No.	2017.04	Issued by	Sandra Purba
Date Issued	2 June 2017	Time Limit	ASA-2
NC Grade	Minor	Date of Closing	
Standard Ref. & Requirement	2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.		
Non-Conformance Description & Evidence observed (filled by auditor):: <ul style="list-style-type: none"> - PT SIA has had list of legal requirements, but the list has not covered all relevant legal requirements and/or new (updated) regulations such as regulation regarding to electricity, forest area release/ forest are exchange, the update plantation act, the update river regulation the update regulation related to location permit. - KUD HIMADO has not shown information related to legal requirements that relevant to oil palm plantation. 			
Root Cause Analysis (filled by organization audited):			

Corrective Action <i>(filled by organization audited):</i>	
Preventive Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	: 2017.05	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.1.3 A mechanism for ensuring compliance shall be implemented.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> KUD HIMADO not yet able to shown the result of legal compliance evaluation that relevant with its operational activities			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.06	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 2.1.4 A system for tracking any changes in the law shall be		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT SIA and KUD HIMADO not yet able to shown the system for updating and tracking of any changes of the law.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			

Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	:	2017.07	Issued by	:	Leonada
Date Issued	:	2 June 2017	Time Limit	:	1 August 2017
NC Grade	:	Major	Date of Closing	:	29 August 2017
Standard Ref. & Requirement	:	2.2.1 Document that show ownership or lease, a history of period of land ownership / ownership and legal land rights			

Non-Conformance Description & Evidence observed *(filled by auditor):*

Based on the result of overlay between the West Estate operational map and the Land Use Title map, it is known that the management area included in the HGU area is 2,557.14 ha and there are management areas outside the HGU such as B806, A702, A709, A705 (± 418.86 Ha). In this case the company has not been able to show valid proof of ownership for the area.

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

There is no RSPO scope audit information for ASA 1.1 to PT SIA unit from PSQM Jakarta, so there is no delineation in the unit to separate and map HGU (scope audit) and non HGU (outside scope audit) area.

Correction *(filled by organization audited):*

Correction July 31, 2017:

1. Sending proof of request for funds to CFO and HPUI concerning the purpose of reimbursement fee of HGU HGU PT SIA
2. Sending PT SIA's legal bounds

About this PT SIA keep trying to always follow and strive for the development of problematic handling of HGU

Verify August 29, 2017

Overlay HGU maps with operational maps (entire areas) to obtain information on the blocks entering HGU and outside HGU, and make a list of blocks for each estate consisting of HGU blocks and non-HGU blocks including their area.

Corrective Action *(filled by organization audited):*

Maintain the block and map information document and provide at any time during the audit, in charge is Mr. Antonius Amon (Assistant PSD of PT SIA)

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

Verification 1 August 2017

The Company presented a letter from Regian Kalbar - Central Kalimantan Head on May 24, 2017 regarding the application for approval of the redemption fee at the HGU West Estate location of 7,300 Ha.

However, the Company has not been able to show evidence of approval from the management. Then have not shown the response from the BPN and a clear time plan in the implementation of repeated boundary measurement HGU.

Verification 29 August 2017 (field major verification)

Since ASA-4 (cycle 1) has been established by Minamas that scope audits for PT SIA are only HGU-rated areas (based on previous audit reports and certificate attachments)

The Company has presented a map informing the boundaries of planting areas and the division of planting blocks of HGU and non-HGUs for 1: 110,000 West Estate and 1: 80,000 East Estate which are equipped with a list of outside blocks and in HGU and their services.

- West: a total of 513.7 Ha outside the HGU (included in 14 planting blocks) and in HGU totaling 2462 ha (included into 24 planting blocks)
- East: 1731.39 Ha outside HGU (entered into 33 working blocks) and an area of 709.80 in HGU.

It has been shown the details of actual land use for HGU and Non HGU areas in the document of statement area, which explained that the total area of HGU / HGB is 7227.82 Ha divided into embedded 3172.10 Ha, facilities 196.15 Ha, HCV covering 321.20 Ha and area of occupation / enclave etc. area 3538.37 Ha.

It has been shown a map of PT SIA scale 1: 95000 that informs the boundaries of HGU, Non HGU, enclave and plasma areas.

Based on the explanation and evidence of the above improvements, NC are Closed

Verified by : **Leo & Sandra**

NCR No.	: 2017.08	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: ASA 2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	2.2.3 Where there have been dispute shall be adequate proof of expropriation and adequate compensation or settlement of compensation process through the settlement of conflicts which have been received through Free, Prior and Informed Consent (FPIC) by all parties concerned .		
Non-Conformance Description & Evidence observed (filled by auditor): <ul style="list-style-type: none"> - Based on the results of interviews with the land agency of Sanggau and letter of land Agency in December 2015 known land dispute between PT. SIA with villager of Pusat Damai Dusun Bodok. - From the the West Estate conflicts maps known that conflict for 0.88 Ha block A702. But the CH has not been able to show the recording of land conflict resolution. 			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited)			

Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by :	

NCR No. :	2017.09	Issued by :	Leonada
Date Issued :	2 June 2017	Time Limit :	ASA 2
NC Grade :	Minor	Date of Closing :	
Standard Ref. & Requirement :	2.2.5 For any conflicts or disputes, evidence should be available that the disputed land has been mapped to the adjacent community and local government if necessary).		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> CH can not been able to show a participatory land-disute map for land dispute with villager of Pusat Damai Dusun Bodok.			
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. :	2017.10	Issued by :	Dwi Haryati
Date Issued :	June 2, 2017	Time Limit :	August 1, 2017
NC Grade :	Major	Date of Closing :	July 29, 2017
Standard Ref. & Requirement :	3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company has not yet shown the long-term (3 year) plan related to the management of smallholders.			
Root Cause Analysis <i>(filled by organization audited):</i> Disapproval in document archiving.			
Verification on July 27, 2017 The document control process of the PIC Plasma (Plasma assistant) needs improvement so that when the assessment can not show the requested data. In fact, the requested document already exists.			
Corrective Action <i>(filled by organization audited):</i> Give PT SIME INDO AGR I longterm bussines plan to auditor. This document also contains long-term plans of East and			

West Plasma.	
Preventive Action <i>(filled by organization audited):</i> More tidying up this document so that the future will no longer be a finding?. What mechanisms can ensure data is available during audit activities?	
Verification on July 27, 2017 The person who responsible is plasma assistant, should be more thorough with the requested document so that it does not become a non-conformity.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on July 24, 2017 The management unit shows the Long Term Business Plan Document 2016/2017 - 2020/2021. The document describes the production of FFB, the percentage of OER, the cost of production, the estimated price, as well as the benefits for estate and plasma scope (West Estate, East Estate, Sei Mawang Estate, West Plasma and East Plasma). This document is endorsed by SOU Chairman 15 PT SIME INDO AGR I.	
Verification on July 29, 2017 Based on the evidence shown in the form of improvement in the Root Cause Analysis (email July 28, 2017), then this discrepancy is still declared fulfilled (closed).	
The NCR has been fulfilled	
Verified by	: Dwi Haryati

NCR No.	: 2017.11	Issued by	: Dwi Haryati
Date Issued	: 2 June 2017	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.1.2 (A mechanism to check consistent implementation of procedures shall be in place). There are inspection activities or monitoring activities according to operating procedures at least once a year.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company has not shown sufficient evidence that plasma has been conducted activities of inspection and monitoring of activities (Audit) according to operating procedures at least once a year.			
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.	: 2017.12	Issued by	: Dwi Haryati
Date Issued	: 2 June 2017	Time Limit	:
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.2.3 Recorded soil analysis, leaf and visual activities are regularly available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Plasma has not shown sufficient evidence of regular recording of soil, leaf and visual analysis activities.			
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.	: 2017.13	Issued by	: Dwi Haryati
Date Issued	: June 2, 2017	Time Limit	: August 1, 2017
NC Grade	: Major	Date of Closing	: July 29, 2017
Standard Ref. & Requirement	: 4.3.1 Maps of any fragile soils shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Management of smallholdings cannot show sufficient evidence of the availability of land maps that explain the existence of marginal soil and critical soil.			
Root Cause Analysis <i>(filled by organization audited):</i> At the time of assessment activities, the latest Land Survey report does not yet exist in PT SIME INDO AGR I.			
Verification on July 27, 2017 the land survey report is still in the drafting stage by the MRC Team so it can not be shown yet.			
Corrective Action <i>(filled by organization audited):</i> Submit document of PT SIME INDO AGR I land survey report which contained plasma land information.			
Preventive Action <i>(filled by organization audited):</i> For the next assessment more neatly in the preparation of documents so that when the audit activities conducted this finding is not repeated.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on July 24, 2017 The management unit show semi-detailed soil survey documents and land suitability for oil palm planting period 2017 - 2022. The document describes information on plasma.			
Verification on July 29, 2017			

Based on the evidence of compliance indicated in the form of evaluation of the root cause analysis (email July 28, 2017), no incompatibility. 2017.13 is declared fulfilled (closed).

The NCR has been fulfilled

Verified by : Dwi Haryati

NCR No.	: 2017.14	Issued by	: Dwi Haryati
Date Issued	: 2 June 2017	Time Limit	: ASA 2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.3.3 Road maintenance programs should be available.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<ul style="list-style-type: none"> - Based on the auditor's field visit at the East Estate, the access road to the boundary is still very limited in terms of road maintenance. In this case the company has not shown any evidence on the road maintenance program at East Estate. - Besides Plasma also has not shown program related to road maintenance. 			
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.	: 2017.15	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 4.4.2. Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.		
Non-Conformance Description & Evidence observed (filled by auditor):			
<p>Based on a field visit at Kondot Riparian area Block A708 Division 2 (Areal Replanting) West Estate it is known that the Palm oil is left only one stem with spacing less than 50 meters. It does not comply with SOPs for River / Wastewater Management (DAS) and conservation areas with document number 15 / PT SIA / 2009. Based on the above explanation, this Indicator is become Nonconformance with NCR No.2017.15 with Major category.</p>			

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

Lack of knowledge of SOP and inappropriate communication with AKSENTA TEAM in treating the Konua river border (Kondot).

Corrective Action *(filled by organization audited):*

1. Submit Document Memo from WSE Manager regarding direction of not doing fertilizer and spraying in Konua River Area (Kondot) block A708.
2. Submitting program documents indicating that there is no spraying chemist activity and fertilizing in Konua River area (Kondot) Block A708.
3. Send documentation photos of the bufferzone area marking (50 meters to the right and left) of the Konua river (Kondot).

For the Revitalization Plan for riparian areas, west estate management has identified the buffer zone area in WSE replanting activities. Revitalization plan by planting tree of tengkawang and belian (program attached).

Preventive Action *(filled by organization audited):*

Assistant Division 2 WSE, will carry out the instructions from the WSE's manager on this matter. WSE management has identified the buffer zone again before doing the replanting and revitalizing the buffer zone with the existing SOP or regulation.

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

Verification, 2 August 2017.

The company shows documentation marking the 50-meter boundary right-left of the Kondot river border with yellow-colored wood, and available memos by the West Estate Manager explaining regarding for not doing fertilizer and spray work in HCV area of Kondot River Block A708.

Verification, 7 August 2017.

The company has showed evidence of a revitalization plan of buffer zone in the replanting area by planting Tengkawang and Belian / iron wood as many as 213 staples.

Field verification, 29 August 2017.

Based on field observations to the Kondot river border, the spray boundary marking has been done as wide as 50 M from the river bank. Planting is not done on the area but left to be a border area of the river. The planting of woody plants has been planned and while it is in the process of nurseries.



The corrective action is acceptable and otherwise compliance and will be observed during ASA 2.

Verified by : **Brigitta Prita**

NCR No.	: 2017.16	Issued by	: Dwi Haryati
Date Issued	: June 2, 2017	Time Limit	: August 1, 2017
NC Grade	: Major	Date of Closing	: August 30, 2017
Standard Ref. & Requirement	: 4.5.1 Implementation of Integrated Pest Management plans shall be monitored		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The East Estate and Plasma management units have not shown sufficient evidence of the implementation of Integrated Pest Management (IPM)			
Root Cause Analysis <i>(filled by organization audited):</i> Document archiving is not so neat that when auditors do audit documents have not been found.			
Corrective Action <i>(filled by organization audited)</i> Submit the document of IPM in the form of planting of beneficial plant on mature block. Submit the document of East estate progress replanting containing the planting beneficial plant program at the replanting area, cover crop plant breeding in the replanting area and chipping and debolling activities that function as a biologic way to suppress the development of horn beetles and the prevention of ganoderma diseases.			
Verification on August 1, 2017 1. Realization and integrated pest and disease control program 2017-2018 East Estate 2. Identification of potential pests and diseases of PT Sime Indo Agri.			
Preventive Action <i>(filled by organization audited):</i> Coordination in document collection will be further improved so that when assessment it does not happen again.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on July 24, 2017 Plasma management shows beneficial plant growth documentation (Turnera sp, Cassia cobanensis, and Neprolephis sp) in 2016-2017. The document describes the hectare plant, actual plant, planting site from July 2016 to June 2017. Based on evidence of improvements submitted, there is insufficient demand for indicators to explain:			

- IPM program for the current year.
 - Identification of potential pests
 - Realization of IPM program for the current year.
- Based on the evidence of improvement shown, then the non-conformity No. 2017.18. stated not yet fulfilled (open).

Verification on August 8, 2017

The company shows document-enhanced improvements:

- Identification of potential pest of PT SIME INDO AGRI 2016-2017 informing about pest type, type of monitoring, and evaluation.
- Program and realization of beneficial plant planting in 2017-2018 (Turnera sp, Cassia cobanesis, and Neprolephis).

Based on the evidence presented, please provide an explanation of the summary results of the EWS census of potential estate and plasma pests.

So the incompatibility of 2017.16 is not fulfilled yet (Open).

Verification on August 30, 2017

The company showed a pest and disease control report conducted in June 2016. The report explained that there were no attacks from pests and diseases. However, the company has implemented beneficial plants such as Turnera subulata planting of 1,500.00 m or 0.35 m / ha.

Pest and Disease control programs have been documented in the Pest & Disease document (No. 9XX / PTK-HPT / 2004 policy.

- a. Handling of Caterpillar Flies and Caterpillar Bags monitored daily by Mantri Hama.
- b. Handling of Rat Pests
- c. Handling of Oryctes
- d. Handling of Termite Pest with rotation as much as 1-2 times a week for spraying insecticide.
- e. And others.

Based on the above explanation, indicator 4.5.1 is stated fulfilled.

Verified by	:	Dwi Haryati
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NCR No.	:	2017.17	Issued by	:	Dwi Haryati
Date Issued	:	2 June 2017	Time Limit	:	ASA 2
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.5.2 There should be evidence of Integrated Pest Management (IPM) training records			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company has not shown enough evidence of integrated Pest training for core and plasma plantations.					
Root Cause Analysis <i>(filled by organization audited):</i>					
Corrective Action <i>(filled by organization audited):</i>					
Preventive Action <i>(filled by organization audited):</i>					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Verified by	:				

NCR No.	: 2017.18	Issued by	: Dwi Haryati
Date Issued	: June 2, 2017	Time Limit	: 1 Agustus 2017
NC Grade	: Major	Date of Closing	: 29 Agustus 2017
Standard Ref. & Requirement	4.6.1 Justification of all pesticide used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on interviews with landowner farmers, Dusun Empawek Farmer Group, plot no.1. Described by the land owner that spray activity is done by the farmer owning the land itself with a self-determined dose. While all expenses are sprayed without seeing the type of weeds according to the type of active ingredients contained in these chemicals. In this case KUD Himado has not been able to show evidence of weed control in accordance with the target species and pay attention to the impact on species outside the target.			
Root Cause Analysis <i>(filled by organization audited):</i> Information dissemination to plasma farmers about the procedures for the use and management of pesticides to some smallholders.			
Corrective Action <i>(filled by organization audited)</i> Recall by socializing the plasma farmers that have been done on July 12, 2017. About the procedures for the use of pesticides and the handling of poisoning on pesticide applicators in case of poisoning. Sends the minutes of the socialization meeting about this to the auditor. Please indicate that the correction indicated may refer to the appraisal and verification evaluation below.			
Preventive Action <i>(filled by organization audited):</i> In order for these findings to not recur, plasma management will continue to socialize to the smallholders of farmers about the handling of pesticides and the first aid procedures for pesticide applicators indicated to be poisoned. Socialization will be routinely carried out in the field or done regularly scheduled every semester. How about farmers' understanding of the types of pesticides that can be used and target species based on the type of pesticide used			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on July 24, 2017 Plasma management showed evidence of improvement in the form of training notulensi and socialization to the plasma farmers of PT SIME INDO AGRI SOU 15 in KUD Himado office on July 12, 2017 and attended by 39 plasma farmers. Socialization activities are one of them explained about the use of pesticides and pesisida handling according to SOP Minamas. Based on the evidence shown, it has not yet explained about: Types of pesticides permitted for plasma farmers. <ol style="list-style-type: none"> 1. Target species based on the type of pesticide used along with its recommendations. 2. Based on the evidence of improvement shown, the mismatch of 2017.20 is stated not yet fulfilled (open). 3. Improvements to these nonconformities are recommended for field verification again. 			
Verification on August 29, 2017 The Company shows the pesticide recommendations in the Plasma area of 2017-2018 approved by Plasma & Plasma Assistant Manager on July 2, 2017, among others:			

pesticides	Chemical	Unit	Doses	Target
Thiram	Thiram	Kg	1 gr/ liter air	insects
Amistartop	Azoxystrobin	Liter	2 cc/ liter air	Curvularia sp
Antrocoal	Propineb	Kg	2 cc/liter air	Curvularia sp
Kenlon	Triclopyr butoxy-ethyl ester	Liter	1 liter/19 liter solar	Wide leaved weeds and wooden
Ally	Metsulfuron methyl	Kg	3 gr/pump	Wide leaved weeds and wooden
Supremo 41.0	Glyphosate	Liter	120 ml/pump	Weed narrow leaves
Round up	Glyphosate	Liter	120 ml/pump	Narrow leaved weeds
Audit	Glyphosate	Liter	90 ml/16 liter air	Narrow leaved weeds
Ken UP	Glyphosate	Liter	120 ml/16 liter air	Narrow leaved weeds
Cythrín	Cypermethrin	Liter	320 ml/pump	Horn Beetle
Racumin	Coumatetralyl	Kg	1 butir/pokok	rat
Basta	Glufosinate ammonium	Liter	320 ml/16 liter air	Narrow leaved weeds

In addition, field observation Block 29 West Plasma, known farmers sprayer using Round UP pesticide with a dose of 120 ml / pump to eradicate narrow leaf weeds.

**Based on the above explanation then Indicator 4.6.1 stated fulfilled.
The NCR has been fulfilled**

Verified by : Dwi Haryati, Sandra

NCR No.	: 2017.19	Issued by	: Dwi Haryati
Date Issued	: June 2, 2017	Time Limit	: August 1, 2017
NC Grade	: Major	Date of Closing	: August 30, 2017
Standard Ref. & Requirement	4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.		
Non-Conformance Description & Evidence observed (filled by auditor): Based on field visit in ESE blocking area East - S 908 block was applied spraying application of horn beetle pest (Orictes) by using pesticide with active ingredient of cypermethrin preventively. However, the company has not been able to provide the justification of pesticide application which is done by preventive			
Root Cause Analysis (filled by organization audited): The preventive use of cypermethrin is a recommendation from the MRC (minamas reserch center), carried out on the replanting area indicated by horn beetle pest and egg / larva horn beetle in high attack rate. In the program document shown to the auditor has not included the justification for not getting the information from the MRC			
Corrective Action (filled by organization audited): Establish justification based on MRC recommendations and census results conducted with respect to the use of cypermethrin for preventive.			
Preventive Action (filled by organization audited): Furthermore, for each action the chemical application will be justified by the estate manager of each unit, this is in			

accordance with the description of the estate manager, including coordinating with the MRC if there is less obvious info.

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

Verification on August 30, 2017

The Company has presented a document outlining the explanation and justification of the use of cypermethrin for the horn beetle preventive activity at the East Estate. In the document it was stated that the use of TBM replanting area for 2016 planting was done following the recommendation of MRC with the explanation that the provision of 156 kg / 25 tons / ha) which gives rise to potential pest of horn beetle. In addition, based on the results of the census on the symptoms of attacks in the adult phase is still below but in the larval phase / eggs have shown a fairly high attack.

There is a census recapitulation and control of the oryctes period of 2017 which informs the extent of the adult phase attack and the number of larvae per stem. Where for example for field 16S910 the number of larvae reaches 65 / palm staple.

Based on the explanation and the documents indicated, the discrepancies are met.

The NCR has been fulfilled

Verified by : Sandra Purba

NCR No.	: 2017.20	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 4.6.6 Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Based on field visits and interviews with smallholders, waste of pesticide packaging is buried or burned. This is not in accordance with Government Regulation No.101 of 2014 concerning hazardous waste management. Based on the above explanation, this indicator is Nonconformance NCR No.2017.20 with Major category.			
Root Cause Analysis <i>(filled by organization audited):</i>			
The information provided by plasma management on previous occasions has not reached the smallholders interviewed.			
Corrective Action <i>(filled by organization audited):</i>			
Plasma management socialization to smallholder's representatives on the handling of hazardous waste and other agrochemicals according to Minamas SOP.			
Preventive Action <i>(filled by organization audited):</i>			
There was conducted socialization on July 12, 2017 on how to handle hazardous waste and other agrochemicals			

according to Minamas SOP. On another occasion, plasma management will continue to attempt to discipline monitored smallholders using pesticides in their work activities in order to deliver hazardous waste packaging to licensed Hazardous Storage at BAF.

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

Verification, 21 July 2017.

The Company showed training and minutes of meeting about the handling of Agrochemicals and the management of hazardous waste especially pesticide packaging and pesticide handling on July 12, 2017 located at KUD Himado Office. The number of smallholders who attended were 39 farmers. Presentation by Plasma Manager and Plasma Assistant (Attendance list and photo available).

Verification, 22 August 2017.

The Company has presented SOP of agrochemical & Non Hazardous Waste Management PT SIA - Plasma with document number 00. SOP was approved on February 8, 2017 by Chairman of KUD Himado. This SOP covers the company's activities on materials acceptance and management of hazardous Waste generated with an integrated management system in use and temporary storage to be safe for the labor and surrounding environment.

Verification, 29 August 2017.

Based on field observations and interviews with spray workers in Block 29 West Plasma note that the former packaging of hazardous waste is collected to the Chairman of Farmers Group then sent to temporary storage hazardous West Estate. Each delivered packaging waste is listed in the hazardous logbook.

Verified by : **Brigitta Prita**

NCR No.	: 2017.21	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
The CH has performed the general medical check on 27 July 2016 to all employees included the chemical applicator, however the CH not yet able to show the evidence of specific health checks to determine the levels of chemical exposure to all chemical applicator.			
Root Cause Analysis <i>(filled by organization audited):</i>			
For periodic physical MCUs have been done but MCU on the level of chemical exposure and audiometry has not been implemented until the audit process takes place. This is because of the difficulty of finding vendors for such checks			
Corrective Action <i>(filled by organization audited):</i>			
Performing checks on levels of chemical exposure (blood and cholinesterase examinations) to WSE, ESE and Smallholder (KUD Himado) spraying employees and audiometry checks for BAF employees. In the Document "PT SIA recap of the level of chemical exposure and audiometry" there is a "suggestion" column which is a form of evaluation of the examination.			

Preventive Action *(filled by organization audited):*

Contracts with vendors (hospitals) who perform to year checks to be able to perform annual routine checks

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

Verification on 3 August 2017,

The company show the evidence of corrective action, among others:

1. Health examinations to the employee who working in high-risk position of WSE, ESE and BAF employees as many as 160 people. However, no evaluation to the result that indicated by occupational diseases, such as mild restriction, mild deafness and severe obstructive disorders.
2. Approval letter and submission of details of MCU implementation of Plasma employees as much as 50 pax in cooperation with RS Mitra Medika which is planned to be held on 31 July - 1 August, letter of assignment of MCU executor and photo of implementation documentation, but not yet shown the result of examination.

Verification on 21 August 2017,

1. The Company has shown the evidence of corrective action in the form of recapitulation document of chemical exposure and audiometry level for PT SIA (ESE, WSE and BAF) completed with explanation of conclusion, suggestion and readiness of work.
2. No medical examination results for plasma.

Verification on 28 August 2017,

The company shows the result of medical check up (Spirometry & cholinestrase) for 2017 of 50 Farmers (West & East Plasma) conducted on July 31, 2017 by Mitra Medika Hospital. The result shows 46 participant is normal, 4 participant is need to follow, as described below:

1. Heronimus Heri (medical records No. 00-04-14-32), results of spirometry found that breathing is normal. Result of CHE of 13.173 * U/L (above the reference value of 5.320 - 12.920 U/L).
2. Salehudin (medical record No. 00-04-14-64), results of spirometry examination found that breathing in mild obstruction, diagnosis of asthma, recommended to consultation to lung specialist, and Cholinestration result shows 7,410 U / L (still in the reference value).
3. Yafet (No. medical record 00-04-14-72) from spirometry examination results found that breathing is in moderately severe restriction, recommended to re-test of spirometry whereas for CHE 15, 305 U / L = Not Normal (above Reference value 5,320 - 12,920 U / L).
4. Apung (medical record 00-04-14-34) spirometry examination (Normal) and CHE of 14,766 U / L = Not normal (Value above 5,320 - 12,920 U / L).

Based on the explanation above, the Company's Doctor has undertaken a follow-up plan for the farmers members, among others:

Heronimus Heri will be re-examined of CHE at 1 year later; Salehudin will be examined to the Lung doctor specialist for more complete examination; Yafet will be checked to the specialist for more complete examination; and Apung will be examined CHE (Cholinestration) at 1 year later.

Based on the above explanation, Indicator 4.6.11 is stated fulfilled with Observation.

Verified by : **Sandra Purba**

NCR No.	2017.22	Issued by	Sandra Purba
Date Issued	2 June 2017	Time Limit	1 August 2017

NC Grade	: Major	Date of Closing	: 3 August 2017
Standard Ref. & Requirement	4.7.1 A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Himado Cooperative Unit cannot able to shown the OHS policy and its implementation program			
Root Cause Analysis <i>(filled by organization audited):</i>			
The SOP of document control has not implemented well			
Corrective Action <i>(filled by organization audited):</i>			
Shows the policy and program of OHS aspect of KUD Himado to the auditor			
Re-arrange the RSPO application documents for KUD Himado and assign the officer responsible for that matter			
Preventive Action <i>(filled by organization audited):</i>			
Re-arrange the RSPO application documents for KUD Himado and assign the officer responsible for that matter			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verification on 25 July 2017,			
It has been shown the corrective action such as document of OHS policy of KUD Himado that has been approved by Smallholder Scheme Manager , as well as OHS program for period of 2016-2017 (4 activity).			
Verification on 1 August 2017,			
It has been shown the corrective action evidence such as assignment letter of personnel in charge of OHS document on behalf of Astuti S. Kep, details of job description which one of them is preparing KUD documents if there is ESH audit and RSPO audit, SOP of control document (Dok AI0900, Feb 2017) of KUD Himado as a guide in controlling documents. The corrective action evidence is acceptable and discrepancies are met.			
Verified by	: Sandra Purba		

NCR No.	: 2017.23	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
1. Risk and hazard has been identified in all operational activities of PT SIA, however: <ul style="list-style-type: none"> - BAF cannot able to show the evidence of surveillance of the level of noise exposure of factory employees. - Based on field visit and interview in ESE known that the PPE of <i>cypermethrin</i> applicator taken and washed at employee's home, in regard of this matter the CH cannot able to shown the risk analysis against employees who apply <i>cypermethrin</i>. 			
2. Himado cooperative unit cannot able to show the result and document of identification and analysis of hazard and			

risk of its operational activities.

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

- Previously, the company only conduct physical examination and have not done audiometry inspection due to the difficulty of finding the vendor.
- Some workers come from the surrounded village and are not willing to live in the housing provided by the company, and several of them take the PPE home after doing the work
- Previously, HIRAC for PT SIA and plasma were combined because the activity was done by the company, after some activities were done by plasma, HIRAC was separated, but the hirac for plasma had not been prepared by KUD.

Corrective Action *(filled by organization audited):*

1. Conducting the audiometry test, evaluating the result and following up the result that indicated exposure to noise
2. Provide the facility for keeping/stored PPE, compile the SOP and routinely socialize to the workers every morning muster activity
3. Compile the HIRAC by the KUD Himado for all operational activities and socialize to the farmers and workers

Preventive Action *(filled by organization audited):*

1. Factory Management with PIC Safety Officer will continuously update the OHS-related socialization.
2. Improved supervision by managers, assistants, and foremen on the implementation of spraying activities to prevent repetition
3. Document archiving will be arranged by a Head Adm and a plasma assistant.

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

Verification on 31 July 2017,

The company shows the corrective evidence, such as:

- Inter-office mail on 17 Juni 2017 No.: 272/PT SIA Mill/VI/2017 on PPE use in the high-noise areaduring work
- Minute of training regarding to the spraying system, MSDS, first aid and best practice for spraying as well as socialize the HIRAC document

However, there is no document of HIRAC for KUD Himado.

Verification on 3 August 2017,

The Company shows evidence of improvements including:

Results of medical examinations for employees who working in high risk areas of WSE, ESE and BAF as many as 160 people.

Verification on 28 August and 30 August 2017 (field observatio on major NC),

1. High-risk employee health examinations of WSE, ESE and BAF employees working in high-risk jobs as many as 160 people. And has included the results of the evaluation of the company doctor for the results indicated exposure. For employees indicated by exposure to noise and dust, re-examination and consultation by a company doctor, and the results indicate that there is consistent lack of results, inflammatory infections and allergies (not occupational-diseases)
2. HIRAC has been shown for cypermethrin spraying activities, described in the risk control column that all sprays are given extra-fooding (milk) before work, perform body cleansing and all PPE is stored in the facilities provided.Storage facilities for cypermetryn spray PPE equipment are available in the ESE warehouse area, and based on interviews with the foreman and warehouse officer mention that all PPE is stored at the facility after spraying is complete.

Interview with cypermetrin sprayer during major verification at ESE states that at present all PPEs should not be taken home and should be stored in the facilities provided.



3. Can be shown the report of risk identification for KUD Himado, all activities categorized into the activity of mature crop, consisting of: fertilizer, pruning, spraying, road maintenance and harvest. The items identified are: activity type, hazard, effect (ExP), risk control, PIC and residual risk. Farmer understanding will be observed during ASA-2.

Based on above explanation, the NC stated fulfilled and will be observed on next surveillance

Verified by : Sandra

NCR No.	: 2017.24	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 1 August 2017
Standard Ref. & Requirement	: 4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
Non-Conformance Description & Evidence observed (filled by auditor): The CH has been provide the OHS training to employees of WSE and BAF, however, both of ESE and Himado Cooperative Unit cannot able to show the evidence of OHS training to its employees.			
Root Cause Analysis (filled by organization audited): Incompleteness in document retention by Safety Officer of ESE as PIC. This is due to the Safety Officer does not run SOP Document control in good manner.			
Corrective Action (filled by organization audited): 1. Shows the documents of the minutes of safety townhall in the ESE followed by ESE and Plasma employees, along with the list of participants 2. Show minutes of ESE first aid training on November 2016 3. Shows the training document fire fighting and first aid for PT SIA and Plasma 6. Shows ESE and Plasma ESH program documents 2. SOP Document Control SOP of PT SIA Plasma			
Preventive Action (filled by organization audited): The OHS expert of ESE will be reasserted and re-trained to better manage the files. The mechanism to make sure the document has been neat is to run a Document Control SOP so that the document is well controlled and easy to find when needed.			

Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verification on 25 July 2017,	
Has been showed the evidence of corrective action, such as:	
<ol style="list-style-type: none"> 1. Report of safety town hall 4.0 of WSE on 20 and 23 Feb 2017 on OHS socialization 2. List of attendances of fire fighting training and first aid training in BAF 3. Minute of first aid training in ESE on 25 Nov 2016, 33 participant 4. Training material of safety town hall 5. Training and drill of first aid in BAF 	
Verification 31 July 2017,	
Has been shown the corrective action evidence, namely:	
<ul style="list-style-type: none"> - List of attendance of safety training and safety townhall in WSE - OHS training program for ESE and Plasma 	
Verification on 1 August 2017,	
Has been shown the corrective action evidence, such as:	
<ul style="list-style-type: none"> - Report of training and drill on first aid on 8 May 2017, as much as 34 participant (all foreman) and list of attendances - SOP of document control No. AI0900 	
Corrective action is acceptable and will be re-observed at the next assessment (Closed with observation).	
Verified by	: Sandra Purba

NCR No.	: 2017.25	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 16 August 2017
Standard Ref. & Requirement	4.7.4 The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues		
Non-Conformance Description & Evidence observed <i>(filled by auditor)::</i>			
Himado cooperative unit cannot provide the evidence of appointment of OHS personnel in charge and the evidence of its meeting in a regular basis			
Root Cause Analysis <i>(filled by organization audited):</i>			
At the time of the audit, the KUD Himado not yet assign the OHS officer, it was due to the there is no personnel who have competence.			
Corrective Action <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> 1. Melakukan penunjukan Safety Officer yang bertanggungjawab terhadap kegiatan K3 dan menjadwalkan pertemuan berkala mengenai pembahasan K3. 2. Bukti pertemuan berkala yang masih dijadwalkan oleh pengurus KUD (sebelum penunjukan Safety Officer) 3. Set an OHS meeting schedule for KUD Himado 			
Preventive Action <i>(filled by organization audited):</i>			
<ol style="list-style-type: none"> 1. Chairman of KUD ensure Safety Officer do the job well and correctly 2. Always archive periodic meetings of P2K3 meetings 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verification on 31 July 2017,			
KUD Himado showed evidence of correction, namely assignment letter on behalf of Astuti S.Kep as OSH officer			

responsible in the case of OHS on June 28, 2017 and show evidence of meeting on March 23, 2017

Verification on 16 August 2017,

KUD Himado shows the agenda of the monthly regular meeting of OHS period 2017/2018. Based on the above mismatch can be stated closed with observation.

Verified by : **Sandra Purba**

NCR No.	: 2017.26	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: ASA-2
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 <i>(filled by auditor):</i> Based on field observation to smallholders for example KT 1, Kavling 1, Empawek village and document verification known that the Cooperative Unit (HIMADO) cannot provide the evidence of first aid kit provision and its training			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2017.27	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: ASA-2
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 <i>(filled by auditor):</i> PT SIA has been covered its employees entirely in social insurance (health and accident), list and payment receipt can be provided for e.g. for period of April 2017. However, based on document verification known that the freelance as many as 10 workers and contract workers (2 persons) in ESE not yet registered in the insurance			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			

Preventive Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	:	2017.28	Issued by	:	Sandra Purba
Date Issued	:	2 June 2017	Time Limit	:	1 August 2017
NC Grade	:	Major	Date of Closing	:	30 August 2017
Standard Ref. & Requirement	:	4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT SIA (WSE, ESE and BAF) as well as HIMADO Cooperative Unit cannot provide the training program in related to RSPO P&C aspects					
Root Cause Analysis <i>(filled by organization audited):</i> Document archiving has not been neatly arranged, This is because there is no clarity regarding the determination of PIC for training program documentation in Plasma and PT SIA.					
Corrective Action <i>(filled by organization audited):</i> The company and KUD Himado shows the document of training program for farmers, KUD employees and PT SIA employees.					
Preventive Action <i>(filled by organization audited):</i> Determination of PIC for documentation of employee training programs and archiving in accordance with Document Control SOP.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Verification on 29 August 2017, The Company shows the program and realization of Plasma training 2017-2018, among others: <ol style="list-style-type: none"> 1. Socialization of work and safety instructions in July 2017 - June 2018. 2. Training of harvest in July 2017. 3. Quality Training of FFB in July 2017. 4. Training of fertilizer application in september 2017 and February 2018. 5. Pesticide spray training in August 2017 and February 2018. 6. Training of beneficial plant planting in October 2017 and March 2018. 7. U-Shape frondstacking training in November 2017 and May 2018. 					
Verification on 30 August 2017, The Company shows the program and realization of training for PT SIA period 2017-2018, among others: <ol style="list-style-type: none"> 1. Socialization of work and safety instructions in July 2017 - June 2018. 2. Training of harvest in August 2017. 3. Training of FFB Quality in July 2017. 4. Pesticide spray training in April 2018. 5. Training of beneficial plant planting November 2017 					

6. Training of Leaf Sampling Unit (LSU) 7. SCCS Training in July 2017. 8. Agrochemical handling training in March 2018. 9. Separate planting technique training September 2017. 10. Pealthihan palm oil replanting in September 2017. 11. U-Shape frondstacking training in January 2018. 12. Fire and APAR simulations in November 2017 and April 2018. 13. Townhall Training (K3, Policy Socialization, etc.) in September 2017 and February 2018. 14. Implementation of the 5S program in May 2018. Based on the above explanation, then indicator 4.8.1 stated compliance.	
Verified by	: Brigitta Prita

NCR No.	: 2017.29	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: ASA 2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance raised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.		
Non-Conformance Description & Evidence observed (filled by auditor): Certificate holder has not been able to show the document of environmental monitoring plan reviewed at least 2 years. Based on the above explanation this indicator is Nonconformance NCR No.2017.29 with Minor category.			
Root Cause Analysis (filled by organization audited):			
Corrective Action (filled by organization audited):			
Preventive Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2017.30	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: ASA 2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	5.2.5 Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.		

Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>	
Certificate holder has not shown any evidence of agreement regarding the management of HCV areas in the Sengoret River West Estate that entered the village community. Based on the above explanation this indicator is Nonconformance No.2017.30 with Minor category.	
Root Cause Analysis <i>(filled by organization audited):</i>	
Corrective Action <i>(filled by organization audited):</i>	
Preventive Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	:	2017.31	Issued by	:	Brigitta Prita
Date Issued	:	2 June 2017	Time Limit	:	1 Agustus 2017
NC Grade	:	Major	Date of Closing	:	
Standard Ref. & Requirement	:	5.3.1 A documented identified source of all waste and pollution, shall be available.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
KUD Himado has not been able to show identification of sources of waste and documented pollution sources list. This becomes Nonconformance NCR No.2017.31 with Major category.					
Root Cause Analysis <i>(filled by organization audited):</i>					
Sources of waste and pollution KUD Himado not to identify during the audit, because there is no safety officer in KUD who handles the document.					
Corrective Action <i>(filled by organization audited):</i>					
Plasma Management prepares and sends waste and pollution source documents and emissions generated on Plasma activities.					
Preventive Action <i>(filled by organization audited):</i>					
Furthermore, Plasma's assistant as PIC will ensure that this document is available to avoid being a finding during the audit.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Verification, 21 July 2017.					
KUD Himado has shown identification of sources of waste and pollution, among others:					
	Waste sources	Waste type	Explanation		

Car truck	Used oil, filter and battery	Waste is delivered to temporary storage hazardous waste
Heavy equipment		
Spraying of chemicals	Pesticide packing	

Polution sources	Emission sources	Explanation
Truck	CO, CO2	Socialization of energy efficiency improvement
Heavy equipment		
Fertilization	CO2 & NO2	Reduction of urea engagement and replace it with the use of organic fertilizer (Empty fruit bunch).
Spraying of chemicals	NO2	Maximizing IPM activities, planting beneficial plants and reducing pesticides.

Based on the above explanation, the company has shown identification of sources of waste and pollution.

Verification, 30 August 2017.

The company has made additional **Root Cause Analysis** such as KUD Himado has not done identification during the audit, because there is no safety officer in KUD who handles the document.

Verified by : **Brigitta Prita**

NCR No.	: 2017.32	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Based on field visits in the Workshop (East Estate) that founds:			
<ul style="list-style-type: none"> a. Hazardous waste (Used oil) is stored outside the temporary storage hazardous waste. b. There is no mechanism which govern related management or handling used oil mixed with water. 			
Based on the above explanation, this indicator is become Nonconformance NCR No.2017.32 with Major category.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Hazardouse waste (used oil) found during field observation is used new oil. Used ESE oil is delivered to Temporary storage hazardous waste on May 12, 2017 and new used oil at ESE workshop is delivered on 06 June 2017 (documents attached).			

Corrective Action *(filled by organization audited):*

Hazardouse waste management mixed with water is not placed outside the Temporary storage hazardouse waste but still collected and delivered to Temporary storage hazardouse waste. Related to used oil mixed with water there is no problem with Third Party. For manifest from third Party for new hazardouse waste can not be obtained because 3rd Party has not yet carried out transportation.

Document, 29 July 2017:

1. Sends the latest minutes of meeting of hazardouse waste.
2. Documentation of former photo where hazardouse waste was found.

Preventive Action *(filled by organization audited):*

ESE management for the future will send used oil to Temporary storage hazardouse waste. Related to the mechanisms governing the management / handling of used oils that are mixed with water in ESE does not exist. For management hazardouse waste Management is only guided by SOP of Management of hazardouse waste and so far there is no problem or rejection when delivery of hazardouse waste by third party and its mechanism if any other contaminant on hazardouse waste then it is considered as hazardouse waste also. But in this case management is committed to this does not happen again.

In order not to reoccur ESE management will commit to deliver the used oil from the workshop to the Temporary storage hazardouse waste at BAF and ensure the temporary storage of used oil in the workshop is safe from other contaminants.

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

Verification, 12 June 2017.

The Company shows the minutes of transporting hazardouse waste with number 040 / MKSK / BAP-B3 / V / 2017 dated May 26, 2017 to a third party (PT Mitra Karya Surya Kencana). Type and quantity of hazardouse Waste transported include: Used oil with manifest number AHK0000970 of 5,634 tons.

Verification, 31 July 2017.

The Company shall present the report on the handover of hazaroudse waste dated June 6, 2017 (East Estate) which is sent to hazardouse waste licensed Temporary storage hazardouse waste (Bukit Ajong Mill) such as 120 liters of used oil (Evidence photograph attached). In addition, the company shows the news of hazardouse waste transport event dated May 26, 2017. Type of hazardouse waste that is sent, among others: used oil as much as 5.634 (Number manifest AHK 0000970).

Based on this explanation this is compliance with **observation**.

Verified by : **Brigitta Prita**

NCR No.	: 2017.33	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.		

<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i></p> <p>KUD Himado has not been able to show identification of pollution sources and plan documents to reduce or minimize pollution and emissions. This becomes Nonconformance with NCR No.2017.33 with Minor Category.</p>	
<p>Root Cause Analysis <i>(filled by organization audited):</i></p> <p>Indicates identification data of hazardous waste and non-hazardous waste PT SIA, Memo appeals for efficient improvement of energy use in Plantation, and document of PT SIA pollution reduction plan.</p>	
<p>Corrective Action <i>(filled by organization audited):</i></p> <p>29 July 2017.</p> <ol style="list-style-type: none"> 1. PIC for Safety Officer KUD HIMADO has been established by KUD (letter of assignment attached). 2. The officer will conduct Control Document SOP. 	
<p>Preventive Action <i>(filled by organization audited):</i></p> <p>The PIC assigned in this case has been established by the SOU chairman is the Safety Officer of each unit.</p> <p>29 July 2017.</p> <ol style="list-style-type: none"> 1. Sending the assignment letter of safety officer KUD Himado. 2. Submit job description Safety officer KUD Himado. 3. Supervision and coordination function with Plasma Management is further enhanced about document archiving, while also studying and implementing document control SOPs to make documents more compact and easy to find when needed. 	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i></p> <p>Verification, 19 June 2017.</p> <ol style="list-style-type: none"> a. The Company has showed the identification of hazardous waste & Non hazardous Waste produced by KUD Himado for the period of May 2017. b. The Company has presented a memo indicated to the Chairman of KUD on June 5, 2017 regarding the call for increased energy use efficiency in plantation areas by maximizing cargo according to the prevailing rules to be more efficient in the use of diesel. c. The Company has developed plans to reduce sources of pollution, among others, to reduce the use of generators in operations, domestic waste disposed to the final shelter, and others. <p>Verification, July 31, 2017.</p> <p>The Company has shown the assignment letter on behalf of Astuti S Kep as a member of the supervisor (Employee KUD HIMADO), who serves as Personal Incharge for monitoring activities of pollution sources and emissions on activities in Plasma (KUD Himado).</p> <p>Based on the above explanation it's can be Compliance.</p>	
Verified by	: Brigitta Prita

NCR No.	: 2017.34	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: ASA-2

NC Grade :	Minor	Date of Closing :	
Standard Ref. & Requirement :	5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<p>Certificate Holder and KUD HIMADO have not been able to show the Green House Gas (GHG) calculation using Palm GHG Version 3.0.1. Based on the above explanation, this is Nonconformance with NCR No. 2017.34 with Minor category.</p>			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Preventive Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by :			

NCR No. :	2017.35	Issued by :	Leonada
Date Issued :	2 June 2017	Time Limit :	1 August 2017
NC Grade :	Major	Date of Closing :	29 August 2017
Standard Ref. & Requirement :	6.1.3 Plan for avoidance or mitigation of negative impacts and enhance positive impacts based on the results of Social Impact analysis through consultation process with affected, documented and scheduled parties including their implementation responsibilities.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
<p>The CH shows the social and environmental management plan in management review conducted on 8 May 2017. While the results of interviews with the surrounding communities (Maringin Jaya Village, Palem Jaya Village, Dosan Village, Hibun Village, Suka Gerundi Village, Rahayu Village) are identified several issues of Social:</p> <ul style="list-style-type: none"> - Hesitations of the village government to the company against responses from communication/requests for information and assistance. - Lack of company attention in the improvement of village roads and access roads in plasma estates - Inhibited the entry of power plant network of Maringin Jaya Village and Hibun due to land acquisition factor of the company's area. - Public perception related to the understanding of replanting activity must be made a new MOU or re-compensation process - Completion of an agreement regarding the issue of cash village land - Public perception that with the existence of company operations that resulted in the absence of fish in the River Sengoret - Hampered of plasma members in the arrangement of land legal certificate - Not involving the community in preparing the CSR (Community Social Responsibility) program. - information related to job vacancy to surrounding community 			

- Concerns over plasma land replanting then people's income will decrease

So in this case there are still social issues of the community that have not been identified in the management plan and monitoring of social impacts that have been done by the company. The social management review also has not indicated a scheduled management plan, the executing responsibility and participatory evidence involving the affected parties. KUD Himado also has not been able to show a documented, scheduled management and monitoring plan of social impact and participatory evidence involving the parties.

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

The emergence of these issues because of the lack of communication between the management of PT SIA with the village head, but in reality there are some things that are not right that also submitted by the village head.

Related management review has committed to meet once every 3 months to the village heads (stakeholders) so that key issues can be recorded and documentation by PT SIA management.

The previous social impact monitoring and monitoring plans for previous plasma and KUD documents have not been specially incorporated in the core plans, whereas previously the drafting for core and plasma plans is still based on the SIA reports made by the acc. Communications with stakeholders are routinely conducted but the results are not included in the SIA plan but are managed separately by the company's PSD / public relations.

Correction *(filled by organization audited):*

- Submitting the documents of the meeting with the village heads around PT SIA and in this meeting produced several conclusions
- Submit revisions of the results of management meeting of PT SIA with the village head (explained again about not being involved in the preparation of CSR, information on job vacancies, and explanation on income decrease of plasma farmers if Plasma is done replanting).
- Attendance meetings with the village head
- Send social aspect documents in PT SIA Plasma
- Submitting review management documents and PT SIA (core and plasma) social impact plans for 2017-2018
- Submit proof of socialization of replanting documents
- NCR that has been filled in root analysis of the problem, correction and corrective action.
- Shows the recording of participatory activities in the form of questionnaires that have been filled by participants from surrounding villages and KUDs sampamped by the company, formulates the questionnaire results to the positive and negative aspects, prepares a social impact management plan for the negative aspects identified both for core and plasma

Corrective Action *(filled by organization audited):*

The management of PT SIA is committed to always maintain good relations with stakeholders especially in this case the village head.

Any result of communication with stake holder will be input as input in the preparation of SIA management and will be carried out questionnaire every year to see the growing issues

In SIA's core management plan has been set implementation schedule that is per month, per three months, per 6 months and once a year and responsible person is sr assistant, kasie, EM / FM, PSD.

In the planning of SIA KUD management has been set implementation schedule and responsible that is once a year for all aspects and plasma manager is responsible for all activities.

Assessor Evaluation and Conclusion *(filled by auditor):***Verification 24 July 2017**

Perusahaan mengadakan pertemuan kembali dengan pihak Desa pada 21 Juli 2017 yang mewakili Desa Rahayu, Maringin Jaya, Palem Jaya, Suka Gerundi, Hibun dan Dosan. Beberapa hasil dari pertemuan tersebut diantaranya terkait komunikasi dan tanggapan dari pihak perusahaan, perbaikan jalan, penumbangan pokok sawit untuk instalasi PLN, dampak replanting, tanah kas desa, analisa lab air sungai sengoret, penyelesaian penerbitan SHM.

The Company held a reunion with the Village on 21 July 2017 representing Desa Rahayu, Maringin Jaya, Palem Jaya, Suka Gerundi, Hibun and Dosan. Some of the results of the meeting are related to communication and responses from the company, road improvements, palm kernel planting for electricity installations, replanting impacts, village cash lands, laboratory analysis of the river water of sengoret, completion of land certificates issuance.

Verification 1 August 2017

The Company shows: Revision of the meeting on July 21, 2017 concerning the concerns of plasma replanting land, the people's income will decrease, the involvement of the community in the preparation of CSR through Musrembang January 20, 2016 and related job vacancy.

The company shows the management of social management review of 2017-2018 that is scheduled, the person in charge of implementation and evidence involves the community dated July 21, 2017, including: education, health, K3, human resources quality and welfare

CH shows the plan of management and monitoring of social impacts of smallholdings. In the plan, it is known that the management and monitoring of social impacts are documented, scheduled and responsible for: monitoring of percentage of local and non-local workforce, livelihoods source questionnaire, monitoring of health service center, household economic change questionnaire, local contracts recap, public perception questionnaire.

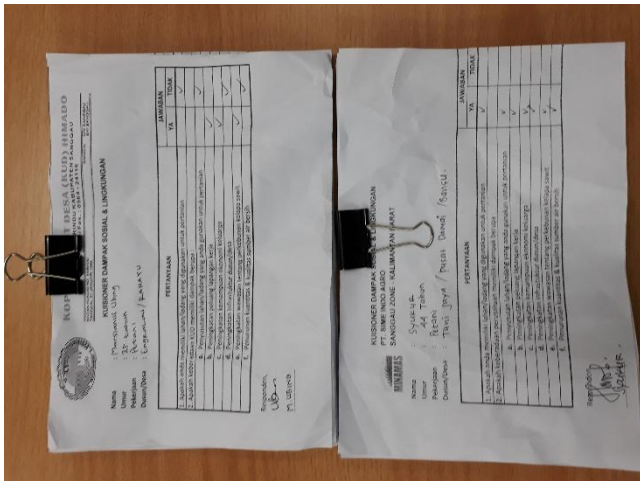
Verification 29 August 2017:

The Company has demonstrated evidence of participatory activities in the formulation of a social impacts management and monitoring plan that is a questionnaire filled by participants representing the villages surrounding the plantation.

- Maringin Jaya Village as many as 6 questionnaires collected
- Dosan Village of 12 questionnaires collected
- Palem Jaya Village as many as 4 questionnaires collected
- Hibun villages 4 questionnaires collected
- Rahayu Village 1 questionnaire collected
- Suka Geerundi 1 questionnaire collected
- Kopar Village 2 questionnaires collected
- Bansu Pusat Damai Village 1 questionnaire collected

Based on the questionnaire results, a social impact management plan has been set for the 2017/2018 period, which identifies issues identified during the SIA assessment (from the SIA report) and issues that emerge based on the questionnaire (corporate participatory activities). Based on the document management plan, there are 4 components of issues that arise based on the questionnaire, namely: land clearing activities (shrinking springs and employment opportunities), company operational activities (village access road damaged and public unrest), information demand stakeholders), replanting activities (employment opportunities and community hardship due to lower plasma revenues). The plan is completed with a schedule of execution, responsibility and specific units.

It can be shown the recording of participatory activities in the form of questionnaires for the preparation of social impact management plan KUD Himado, participants consisted of members of farmers and non members of farmers with a total of 31 people. It can be shown that the social impact management plan for KUD Himado consists of components: employment, new livelihoods, public health, home economics, new employment and community perceptions (positive and negative views on KUD operations and company operations). The plan has been accompanied by a schedule and the implementing PIC for each issue, which is responsible for the overall plasma manager.



Based on the evidences, NC are Closed

Verified by : Leo & Sandra
Diverifikasi oleh

NCR No.	: 2017.36	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: ASA 2
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	6.1.4 The Plans shall be reviewed for at least 2 years. If necessary, the plan should be improved. There should be evidence that the review process involves the participation of all affected parties.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Management review dated 8 May 2017, but the review management has not shown any participatory evidence involving the affected parties.			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			

Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	:	2017.37	Issued by	:	Leonada
Date Issued	:	2 Juni 2017	Time Limit	:	1 August 2017
NC Grade	:	Major	Date of Closing	:	29 August 2017

Standard Ref. & Requirement	:	6.2.1 Communication and consultation procedures should be documented
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Non-Conformance Description & Evidence observed *(filled by auditor):*
 KUD HIMADO has not demonstrated its communication procedures and socialization proof to the affected parties.

Root Cause Analysis *(filled by organization audited):*
 At the time of audit activities carried out SOP has not been prepared and endorsed by Chairman KUD Himado.

Correction *(filled by organization audited):*
 KUD Himado has presented a Complaint Handling SOP approved on 8 February 2017. Socialization has been done by KUD On August 16, 2017 during SIA (Social Impact Assessment) survey activity.

Corrective Action *(filled by organization audited):*
 KUD has implemented Safety Officer as PIC to be responsible for the implementation of the Complaint Handling SOP which has been ratified on 18 February 2017.

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

Verification, 29 August 2017.
 Company shows SOP Complaint handling passed on 8 February 2017 by Chairman of KUD, Vice Chairman and Secretary of KUD. The procedure explains that all letters or complaints / suggestions / aspirations submitted to the operational unit are addressed to the Chairman of KUD Himado; All complaints / suggestions / aspirations that enter the operational unit through Himado KUD secretary collect from incoming letters in the box of suggestions / letters available in every unit once a week are kept confidential and locked. Only the Chairman of KUD, Secretary and Special Officer authorized to open the contents of the box, the box is open every 7 days, the KUD party guarantees the security and confidentiality of the reporter from the parties, either from the employee / community / institution / outside agency regarding reporting general work operational , all complaints / aspirations / suggestions as well as any disputes from the parties will be studied, documented in the public aspiration book (RAM) stored in the Great Office & Division; all responses will be processed and submitted by the Secretary appointed by the Chairman of KUD Himado including holding two meetings and discussions with the reporting party if necessary; incoming complaints / aspirations are studied and answered and followed up by the operational Unit Manager; All responses / aspirations to be sent to the parties must be signed by Chairman of KUD Himado; Management KUD Himado will send an answer letter to the parties as per the content of adequate request; and if there are complaints that can not be answered by the KUD management for instance related to RSPO then the unit management will convey to the RSPO Secretariat through the website www.rspo.org.

KUD Himado shows socialization of communication and handling of complaints conducted on August 16, 2017 located in the meeting room KUD Himado. Participants who attended as many as 60 participants consist of chairman of KUD,

Safety officer, plasma assistant and plasma farmer. Based on the above explanation, then indicator 6.2.1 is stated fulfilled.

Verified by	:	Brigitta
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NCR No.	:	2017.38	Issued by	:	Leonada
Date Issued	:	2 Juni 2017	Time Limit	:	ASA-2
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	6.2.2 A Management official shall have officers responsible for communication and consultation with the parties.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> KUD HIMADO has not been able to show the officer responsible for communication.					
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.	:	2017.39	Issued by	:	Leonada
Date Issued	:	2 Juni 2017	Time Limit	:	ASA-2
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	6.2.3 A list of stakeholders and have a recording of communications, including confirmation of receipts of records of communications and such attempts made to build understanding of affected parties, and the company has a recording of responses / follow up on input from the parties.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> KUD HIMADO has not shown the list of stakeholders (stakeholders)					
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.	:	2017.40	Issued by	:	Sandra Purba
Date Issued	:	2 June 2017	Time Limit	:	1 August 2017
NC Grade	:	Major	Date of Closing	:	
Standard Ref. & Requirement	:	6.3.1 The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle blowers, where requested, as long as that information is supported with adequate initial evidence.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
P KUD HIMADO not yet able to shown the procedure of complain and dispute handling in an effective, timely and appropriate manner and ensuring anonymity of complainants and whistleblowers.					
Root Cause Analysis <i>(filled by organization audited):</i>					
The lack of preparation of documents in KUD HIMADO so that when the audit is done KUD management can not show the document in question.					
Corrective Action <i>(filled by organization audited):</i>					
Shows SOP for handling complaints of KUD HIMADO.					
Preventive Action <i>(filled by organization audited):</i>					
The Chairman of KUD instructed the KUD secretary to better tidy up the documents in KUD HIMADO office and learn more about Control Document SOP for Plasma. So there is no recurrence of such findings.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Verification on 31 July 2017,					
It has been shown that corrective action in the form of SOP for handling complaints for Plasma (KUD Himado) were passed on 8 Feb 2017. It has been explained in connection with the wisthelblower and complaints mechanism through the RSPO website.					
The NC stated closed with observation					
Verified by	:	Sandra Purba			

NCR No.	:	2017.41	Issued by	:	Sandra Purba
Date Issued	:	2 June 2017	Time Limit	:	1 August 2017
NC Grade	:	Major	Date of Closing	:	
Standard Ref. &	:	6.3.2			

Requirement	There shall be records of process and outcome of dispute resolution.
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> KUD HIMADO not yet able to show the records of dispute resolution process and outcome.	
Root Cause Analysis <i>(filled by organization audited):</i> At the audit of KUD HIMADO, a reconciliation document has not been found since the PIC assigned to file archiving at KUD HIMADO is not in place.	
Corrective Action <i>(filled by organization audited):</i> Shows the document of conflict reconciliation to the auditor, as well as conflict resolution documents and evidence that settlement has been agreed by the parties concerned and deliberations have been implemented	
Preventive Action <i>(filled by organization audited):</i> Establishing coordination mechanisms, and implementing such mechanisms and conducting regular meetings on matters relating to RSPO.	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 25 July 2017, KUD Himado can show evidence of corrective action in the form of dispute resolution reports as many as 8 conflicts, but there is no evidence that the settlement has been agreed by the parties concerned, including evidence that the deliberations have been made. Non-compliance has not been met. Verification on 1 August 2017, Conflict resolution documents such as settlement with Jeni, Marsianus and Libertus Sudopo have been presented, with agreement and evidence of compensation to the parties affected. However, there is no evidence of a mechanism ensuring that any audit of conflict-related documents will be available when the audit includes the PIC. Non-conformity is still OPEN. Verification on 29 August 2017, The Company shows a letter stipulating the person in charge of handling the Plasma dispute on behalf of Gusti Darmudin as Plasma Assistant assigned on 29 August 2017 by Plasma Manager. The plasma assistant is responsible for the management, handling, completion and monitoring of disputes that occur in the plasma area (KUD Himado). Based on the above explanation, then indicator 6.3.2 otherwise compliance.	
Verified by	: Sandra Purba, Brigitta

NCR No.	: 2017.42	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 4 August 2017
Standard Ref. & Requirement	: 6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		

<p>Non-Conformance Description & Evidence observed (filled by auditor): The CH has been defined the wages for 2017 by HR No 004/HRM-i3/I/2017 referring to West Kalimantan Governor decree no 783/Disnakertrans/2016, however based on document verification known that East Estate cannot provide the evidence of wage payment of 10 freelance workers for period of April 2017</p>
<p>Root Cause Analysis (filled by organization audited): The remuneration document is administered by the HR officer and when the audit is not in place</p>
<p>Corrective Action (filled by organization audited): Shows documents for wage of freelance employees as many as 10 people</p> <p>Verification on July 29, 2017:</p> <ol style="list-style-type: none"> Shows payslip evidence for contract employees with specific time in ESE in January - June 2017. Submit a list of ESE employees Submit assignment letter to contract employees who have been appointed to permanent employees.
<p>Preventive Action (filled by organization audited): Personnel in charge for remuneration will submit documents to the PSQM staff, so that during the audit, the document is ready</p>
<p>Assessor Evaluation and Conclusion (filled by auditor): Verification on 4 August 2017, Has been sent evidence of improvements include:</p> <ul style="list-style-type: none"> - Evidence of appointment of freelance employees to permanent employees of 7 persons, eg appointment letter on behalf of Vedrianus Miki, NIK 14215, No. 013 / PT.SIA / EE / 07/2017 dated June 1, 2017, explains the position, class, basic salary and allowances. - Freelancer slip for the period of Jan - Jun 2017 as many as 10 people, wages are paid in accordance with the applicable regulations. - Employee freelance slips that have been appointed to permanent employees' period July 2017. <p>Improvements can be accepted and declared fulfilled.</p>
<p>Verified by : Sandra Purba</p>

NCR No.	: 2017.43	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	:
Standard Ref. & Requirement	: 6.5.2 Collective Labour Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labour Union to the workers		
<p>Non-Conformance Description & Evidence observed (filled by auditor):</p> <ul style="list-style-type: none"> - Based on document verification and interview with labor union of PT SIA states that the collective agreement currently uses has expired since 2009. However the CH not yet able to provide the evidence of collective agreement that still valid and recognized by the labor union. - ESE cannot able to shown the agreement of freelance workers as many as 10 workers - The payment explained in the contract workers agreement in BAF (e.g. contract no. 167/PT.SIA-BAF/I/2017) are the 			

minimum wage per month divided by 30 days (as a daily wage), its not in accordance with governor decree which states that the daily wage is the minimum wage divided by 25 days.

Root Cause Analysis (filled by organization audited):

1. Since 2009 there has been no request for CLA changes by trade unions.
2. Freelance Employee contract documents for ESE during the audit are not found, due to document archiving incompetence.
3. Regarding Contractual Agreement Agreement in BAF, the understanding of the labor regulation is still lacking so that there is a mistake.

Corrective Action (filled by organization audited):

1. Associated with CLA employee negotiations:
 - a. In May 2017 the draft 1 CLA has been completed by the management of PT SIA
 - b. Furthermore, PT SIA Management sends Draft 1 to HRM for verification.
 - c. Then in June 2017 the draft 1 that has been verified by HRM submitted to the labor union
 - d. In the period from June to July 2017 unions negotiate among members
 - e. On 27 July 2017 at Hotel Shafira Sanggau held CLA negotiations with trade unions and through discussion, draft approved by union (attached document). Further Management of PT SIA and union to the Office of Social Workers for the endorsement.
2. Sending the Freelance ESE employee agreement according to the employee list list and the latest appointment letter of appointment of permanent employee as of 1 June to several freelance employees.
3. Related contract employee agreement, for example agreement no 167 / PT.SIA-BAF / I / 2017 has been fixed in month of salary of June 2017 according to the prevailing regulation where wage per mandays is monthly minimum wage divided 25 day (Employee's latest salary contract in BAF June 2017).

Preventive Action (filled by organization audited):

1. The management of PT SIA will coordinate with the union to negotiate the making of CLA in a timely manner.
2. So that the document can be controlled and neat. Section administrators will comply with and implement Document Control SOP.
3. Regarding the contract employee agreement, no 167 / PT.SIA-BAF / I / 2017, Management in making the employment agreement, further committed will be more thorough and in accordance with labor regulations.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 31 July 2017.

Has been showed the corrective action evidence, namely:

1. A new copy of the CLA for the period 2017-2020 agreed between the employer and the trade union of PT SIA. The minutes of the talks and the order of which were held on July 27, 2017 at the hotel shafira sanggau were attended by 8 representatives of businessmen and 7 union representatives, attendance list and photo documentation of activities.
2. A copy of the appointment decree of the harvester to permanent employees of 6 persons. A copy of the employment agreement of 20 contract employees.
3. Employee salary slips for 4 people.

Verification, 3 August 2017.

Submitted a proof of corrective action that is the amendment of the employment agreement on behalf of Mira (contract), No. 002 / PT.SIA-BAF / VII / 2017 dated July 1, 2017 which has explained the wage system in accordance with applicable regulations. Non-compliance has been met.

Verified by : **Sandra Purba**

NCR No. : **2017.44** **Issued by** : **Leonada**

Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	SCCS E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Pe CH has not been able to show the realization of CPO and PK products during the license certificate period (18 July 2016 – 17 July 2017).			
Root Cause Analysis <i>(filled by organization audited):</i> During the audit process the data is being prepared and adjusted between RSPO certified products and Non RSPO			
Correction <i>(filled by organization audited):</i> Shows the tonnage calculations of TBS, CPO, and PK that are certified RSPO and Non RSPO			
Corrective Action <i>(filled by organization audited):</i> Production clerk officers will always monitor the tonnage of TBS, CPO, and PK which are certified RSPO and Non RSPO every 3 months.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 19 August 2017 The Company shows a quarterly stock mass balance starting July 2016 - June 2017. However, the data does not specify the production of CPO and PK specifically for the certificate period since July 18, 2016 Verification 29 August 2017 (Major verification) The Company has presented its mass balance report on a quarterly basis from July 18, 2016 to July 17, 2017. Based on the data it is known that the total TBS certified produced amounted to 133,760.66 MT, the total CSPO generated amounted to 28,762.38 MT and the total CSPK generated amounted to 7,261.56 MT The recapitulation and calculation of TBS, CSPO and CSPK generated have been based on IOM SOU Chairman 15 to all managers of BAF, WSE and ESE NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017 on the determination of area blocks for FFS that RSPO category and Non -RSPO. Corrective actions have been accepted and nonconformities are met.			
Verified by	: Leo & Sandra		

NCR No.	: 2017.45	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 16 June 2017

Standard Ref. & Requirement	SCCS E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																										
Non-Conformance Description & Evidence observed (filled by auditor):																											
CH Has not been able to show record of IT Platform transactions (Palm trace) for CPO and PK during the license certification period (18 July 2016 – 17 July 2017).																											
Root Cause Analysis (filled by organization audited):																											
When carried out the process of data audit is being requested related parties ie Marketing Party. The responsible officer in this regard is Mr. Syaifudin with the position of Marketing Manager.																											
Correction (filled by organization audited):																											
Showing the results of the e-trace period of 18 July 2016 - 17 July 2017																											
Corrective Action (filled by organization audited):																											
In the future, we will be requesting this data before any findings are made. The officer responsible for diunit is Mr. Syaifudin with the position of Marketing Manager.																											
Assessor Evaluation and Conclusion (filled by auditor):																											
Verification 16 June 2017																											
The Company shows the IT Platform (Palm trace) transaction for CPO and PK during the license certification period (July 18, 2016 - July 17, 2017):																											
<ul style="list-style-type: none"> ● Certified CPO sold to each buyer 																											
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:25%;">Date</th> <th style="width:50%;">Buyer</th> <th style="width:25%;">Volume</th> </tr> </thead> <tbody> <tr> <td>7/2/2017</td> <td>PT. Golden Hope Nusantara</td> <td>2,490.19</td> </tr> <tr> <td>Total</td> <td></td> <td>2,490.19</td> </tr> </tbody> </table>				Date	Buyer	Volume	7/2/2017	PT. Golden Hope Nusantara	2,490.19	Total		2,490.19															
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Date	Buyer	Volume																									
6/6/2017	PT. Sari Dumai Sejati	696.91																									
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10/2/2017	PT. Sari Dumai Sejati	999.97																									
10/2/2017	PT. Sari Dumai Sejati	32.52																									
11/1/2017	PT. Sari Dumai Sejati	867.61																									
Total		3,701.30																									
NC Closed																											
Verified by	: Leonada																										

NCR No.	: 2017.46	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017

NC Grade :	Major	Date of Closing :	29 August 2017
Standard Ref. & Requirement :	SCCS E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: 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.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the result of visit in weighbridge, it is known that there is a receipt of FFB from Sei Mawang Estate (RSPO uncertified), for example is SPB no. Series 35217 and ticket weighs no. Series 35217 dated 30 May 2017 with certified RSPO Certified stamp. From the visit in weighbridge there is also known that there is FFB acceptance from East Estate that has been certified and not yet certified. However, a mechanism for ensuring the separation of non-certified and certified TBS receipts has yet to be demonstrated			
Root Cause Analysis <i>(filled by organization audited):</i> The company has not set RSPO / Non RSPO areas and blocks in PT SIA despite SCCS training, due to the area and the partially divided blocks being certified and non certified.			
Correction <i>(filled by organization audited):</i> The Company has established RSPO and Non RSPO areas in PT SIA where if there is a block divided into two then the TBS produced from the block is categorized into FFB No Certified and shows SPB samples to auditors who have been labeled RSPO and non RSPO in accordance with the defined area. Conducting training to key personnel involved.			
Corrective Action <i>(filled by organization audited):</i> The company will regularly refresh training and socialization of SCCS every month to all key personnel in the garden and factory, especially related to the use of product sign stamp.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 29 August 2017 (Major Verification): West and East Estate have identified and segregated plant blocks included in HGU and outside HGU, including mapping in 1: 80000 (for East) block maps and 1: 110000 (West) scale. Based on maps and tables of HGU and Non HGU blocks, there are as many as 709.80 Ha ESE planting blocks in HGU and 2462.30 Ha WSE planting blocks within HGU. There is an Inter-Office Mail from SOU 15 Chairman to all managers of BAF, WSE and ESE NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017 on the determination of area blocks for FFB that are RSPO and Non-RSPO categories. In the letter explained that it has been established for TBS that would be categorized as certified is TBS derived from the following blocks: <ul style="list-style-type: none"> - East: block 99S901, 99S902, 99S905, total area 220.65 Ha - West: 97A702, 97A705, 97A707, 97B701, 97B703, 97C701, 98A801, 98A804, 98B802, 98B803, total 1152 Ha - East Plasma all blocks, total area of 1650 Ha - Plasma West all Blocks, total area of 2621 Ha 			

Areal East Estate Luar HGU dan Dalam HGU					
No	Block	Tahun Tanam	Ha	Luar HGU/Non RSPO (Ha)	Dalam HGU/RSPO (Ha)
1	03N101 (G. TIG)	1999	17,29	2,39	15,00
2	03N101 (G. TIG)	2003	68,84	44,84	0,00
3	03N104 (G. TIG)	2003	50,48	34,55	15,93
4	03N105 (EMPRIUK)	2003	69,49	16,65	42,84
5	03N106 (EMPRIUK)	2003	30,47	16,47	0,00
6	03N109 (EMPRIUK)	2003	150,41	100,41	0,00
7	03N110 (EMPRIUK)	2003	99,32	39,32	0,00
8	03N111 (EMPRIUK)	2003	64,66	54,66	0,00
Sub Total			480,96	417,14	63,82
9	03N102 (G. NALA)	1999	81,61	81,61	0,00
10	03N101 (G. NALA)	2003	55,66	55,66	0,00
11	03N102 (G. NALA)	2003	55,71	55,71	0,00
12	03N103 (G. NALA)	2004	77,07	77,07	0,00
13	03N104 (G. NALA)	2004	75,49	75,49	0,00
14	03N105 (EMPRIUK)	2004	84,42	84,42	0,00
15	03N106 (EMPRIUK)	2004	78,58	78,58	0,00
16	03N107 (G. NALA)	2004	52,32	52,32	0,00
Sub total			560,86	560,86	0,00
17	995901 (R. MILL)	1999	63,87	0,00	63,87
18	995902 (R. MILL)	1999	78,46	0,00	78,46
19	995903 (BANSUJ)	1999	59,08	15,27	43,81
20	995904 (BANSUJ)	1999	44,36	2,70	41,66
21	995905 (R. MILL)	1999	78,32	0,00	78,32
22	995912 (SINGGYA)	1999	35,11	21,46	13,65
23	995913 (SINGKAYUK)	1999	138,00	12,30	125,70
24	945401 (SPOKAT)	2004	46,96	46,96	0,00
25	945402 (BANSUJ)	2004	89,25	63,53	25,74
Sub total			611,63	162,20	449,43
26	995906 (SINGKALIT)	1999	116,95	8,84	110,11
27	995907 (SINGKALIT)	1999	93,06	52,53	41,45
28	995908 (SINGKALIT)	1999	109,18	86,19	22,99
29	995909 (SINGKALIT)	1999	96,05	86,05	0,00
30	995910 (SINGKALIT)	1999	110,61	110,61	0,00
31	995911 (SINGKALIT)	1999	124,72	124,72	0,00
32	065801 (SANGUR)	2008	65,52	65,52	0,00
33	095901 (SANGUR)	2009	40,75	40,75	0,00
Sub total			765,76	541,18	174,58
GRAND TOTAL			2.843,19	1.711,30	1.099,89
Persentase			100,00	70,92	29,08

Areal West Estate Luar HGU dan Dalam HGU					
No	FIELD	TAHUN TANAM	LUAS (HA)	Luar HGU/Non RSPO (Ha)	Dalam HGU/RSPO (Ha)
1	97A701	1997	157	121	36
2	97A702	1997	160	0	160
3	97A703	1997	182	45,38	136,72
4	97A704	1997	177	34,23	142,77
5	97A705	1997	140	0	140
6	97A706	1997	110	4,91	105,09
7	97A707	1997	114	0	114
8	97A708	1997	148	24,67	123,33
9	97A709	1997	70	5,38	64,62
Sub Total			1.266	235	1.031,13
10	97B701	1997	49	0	49
11	97B702	1997	134	63,79	70,21
12	97B703	1997	108	0	108
13	97B704	1997	78	47,78	30,22
14	97C701	1997	170	0	170
Sub Total			529	111,57	417,43
15	98A801	1998	141	0	141
16	98A802	1998	102	25,36	76,64
17	98A803	1998	177	9,35	167,65
18	98A804	1998	101	0	101
Sub Total			521	34,71	486,29
19	98B801	1998	118	6,02	111,98
20	98B802	1998	111	0	111
21	98B803	1998	50	0	50
22	98B804	1998	85	5,96	79,04
23	98B805	1998	167	1,37	165,63
24	98B806	1998	119	119	0
Sub Total			650	132,55	517,45
TT 1997			1.805	346	1.459
TT 1998			1.173	147	1.004
TOTAL			3.978	533,7	3.444,3
Persentase (%)			100	17,3	82,7

Plant blocks consisting of HGU and Non-HGU areas, the overall TBS produced will be categorized as non-certified to facilitate separation since the TPH, separate mill transport (SPB) and separation of registration in PKS (weighing and recapitulation ticket reception).

It has been shown the recording of socialization to key personnel related to the implementation of the IOM, followed by 13 people, including harvest cranes, harvesting foremen, mill security, scales operators, mill cassettes, PSQM assistants.

Interviews with the scales operator mentioned that the distribution of the blocks was understood, the list of certified and non certified blocks available in the scales.

The stamp of receipt documents of TBS (SPB and weighing ticket) is divided into 2 ie TBS certified stamped with "RSPO Certified" and non-certified TBS can and / does not use "Non-RSPO Certified" seal, for example SPB can be shown, ticket ticket and report quality inspection for FFB from Sei Mawang dated July 3, 2017 does not use stamp because it comes from non certified area. Corrective action is acceptable and declared fulfilled

Verified by : **Sandra**

NCR No.	: 2017.47	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017

Standard Ref. & Requirement	SCCS E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.		
Non-Conformance Description & Evidence observed (filled by auditor): CH has not been able to show the document of the volume of TBS certified and Non certificate received during the license certificate period (18 July 2016 – 17 July 2017).			
Root Cause Analysis (filled by organization audited): During the audit process the data is being prepared and adjusted between RSPO certified products and Non RSPO			
Correction (filled by organization audited): Shows the tonnage calculations of TBS, CPO, and PK that are certified RSPO and Non RSPO			
Corrective Action (filled by organization audited): Production clerk officers will always monitor the tonnage of TBS, CPO, and PK which are certified RSPO and Non RSPO every 3 months.			
Assessor Evaluation and Conclusion (filled by auditor): Verification 19 August 2017 The company shows a quarterly stock mass balance starting July 2016 - June 2017. However, the data does not specify the production of CPO and PK specifically for the certificate period since July 18, 2016. Verification 29 August 2017 (Major Verification): West and East Estate have identified and segregated plant blocks included in HGU and outside HGU, including mapping in 1: 80000 (for East) block maps and 1: 110000 (West) scale. Based on maps and tables of HGU and Non HGU blocks, there are as many as 709.80 Ha ESE planting blocks in HGU and 2462.30 Ha WSE planting blocks within HGU. There is an Inter-Office Mail from SOU 15 Chairman to all managers of BAF, WSE and ESE NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017 on the determination of area blocks for FFB that are RSPO and Non-RSPO categories. In the letter explained that it has been established for TBS that would be categorized as certified is TBS derived from the following blocks: <ul style="list-style-type: none"> - East: block 99S901, 99S902, 99S905, total area 220.65 Ha - West: 97A702, 97A705, 97A707, 97B701, 97B703, 97C701, 98A801, 98A804, 98B802, 98B803, total 1152 Ha - East Plasma all blocks, total area of 1650 Ha - Plasma West all Blocks, total area of 2621 Ha Plant blocks consisting of HGU and Non-HGU areas, the overall TBS produced will be categorized as non-certified to facilitate separation since the TPH, separate mill transport (SPB) and separation of registration in PKS (weighing and recapitulation ticket reception). Interviews with the scales operator mentioned that the distribution of the blocks was understood, the list of certified and non certified blocks available in the scales. It has been shown data of TBS receipts that have been verified and separated between certified and non certified, as follows:			

Month	FFB Received (Kg)		
	RSPO	NON RSPO	TOTAL
18 - 31 July 2016	7,873,092.90	1,948,397.10	9,821,490.00
August 2016	15,120,103.23	3,842,429.77	18,962,533.00
September 2016	16,512,312.91	4,650,851.09	21,163,164.00
Total	39,505,509.04	10,441,677.96	49,947,187.00
October 2016	16,915,548.33	4,780,245.67	21,695,794.00
November 2016	14,977,210.60	4,142,633.40	19,119,844.00
December 2016	13,851,637.86	3,331,734.14	17,183,372.00
Total	45,744,396.79	12,254,613.21	57,999,010.00
January 2017	16,422,793.50	4,501,049.50	20,923,843.00
February 2017	15,094,570.57	4,032,202.43	19,126,773.00
March 2017	14,606,386.06	3,997,897.94	18,604,284.00
Total	46,123,750.13	12,531,149.87	58,654,900.00
April 2017	12,824,426.01	3,496,216.99	16,320,643.00
May 2017	11,914,449.47	3,150,057.53	15,064,507.00
June 2017	11,548,067.35	3,212,465.65	14,760,533.00
Total	36,286,942.83	9,858,740.17	46,145,683.00
1 - 17 July 2017	5,605,570.90	1,449,813.10	7,055,384.00
Total	5,605,570.90	1,449,813.10	7,055,384.00
Grand total	133,760,660.66	36,094,316.34	169,854,977.00

* recording and verification have been based on IOM SOU15 No NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017

Corrective action has been accepted, nonconformity are closed

Verified by	:	Leo & Sandra
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NCR No.	:	2017.48	Issued by	:	Leonada
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Date Issued :	2 June 2017	Time Limit :	1 August 2017
NC Grade :	Major	Date of Closing :	29 August 2017
Standard Ref. & Requirement :	SCCS E.5.1 a. 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. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)		
Non-Conformance Description & Evidence observed (filled by auditor):			
CH has not been able to display mass balance records of all RSPO certified FFB receipts and CPO, PKO and PK shipments for a quarterly basis during the license certificate period (18 July 2016 – 17 July 2017) To ensure mass balance sales from positive stock.			
Root Cause Analysis (filled by organization audited):			
During the audit process the data is being prepared and adjusted between RSPO certified products and Non RSPO			
Correction (filled by organization audited):			
Shows the tonnage calculations of TBS, CPO, and PK that are certified RSPO and Non RSPO			
Corrective Action (filled by organization audited):			
Production clerk officers will always monitor the tonnage of TBS, CPO, and PK which are certified RSPO and Non RSPO every 3 months.			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification 19 August 2017			
The company shows a quarterly stock mass balance starting July 2016 - June 2017. However, the data does not specify the production of CPO and PK specifically for the certificate period since July 18, 2016.			
Verification 29 August 2017 (Major Verification):			
West and East Estate have identified and segregated plant blocks included in HGU and outside HGU, including mapping in 1: 80000 (for East) block maps and 1: 110000 (West) scale.			
Based on maps and tables of HGU and Non HGU blocks, there are as many as 709.80 Ha ESE planting blocks in HGU and 2462.30 Ha WSE planting blocks within HGU.			
There is an Inter-Office Mail from SOU 15 Chairman to all managers of BAF, WSE and ESE NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017 on the determination of area blocks for FFB that are RSPO and Non-RSPO categories. In the letter explained that it has been established for TBS that would be categorized as certified is TBS derived from the following blocks:			
<ul style="list-style-type: none"> - East: block 99S901, 99S902, 99S905, total area 220.65 Ha - West: 97A702, 97A705, 97A707, 97B701, 97B703, 97C701, 98A801, 98A804, 98B802, 98B803, total 1152 Ha - East Plasma all blocks, total area of 1650 Ha - Plasma West all Blocks, total area of 2621 Ha 			
Plant blocks consisting of HGU and Non-HGU areas, the overall TBS produced will be categorized as non-certified to facilitate separation since the TPH, separate mill transport (SPB) and separation of registration in PKS (weighing and			

recapitulation ticket reception).

Interviews with the scales operator mentioned that the distribution of the blocks was understood, the list of certified and non certified blocks available in the scales.

It can be shown mass balance data in accordance with the certificate period that is dated July 18, 2017 s.d July 17, 2017, the recording and verification has been based on IOM SOU15 No NO letter 041 / PTSIA-BAF / VIII / 2017 dated August 28, 2017, in the following table:

CSPO

Month	FFB Received (Kg)			Processed (Kg)			CPO Prod (Kg)			CPO Selling (Kg)
	RSPO	NON RSPO	TOTAL	RSPO	NON RSPO	TOTAL	RSPO	NON RSPO	TOTAL CPO Prod	
18 - 31 July 2016	7,873,092.90	1,948,397.10	9,821,490.00	6,208,082.16	1,536,347.84	7,744,430.00	1,345,019.67	332,859.33	1,677,879.00	-
August 2016	15,120,103.23	3,842,429.77	18,962,533.00	15,670,362.40	3,982,265.60	19,652,628.00	3,358,272.54	853,428.46	4,211,701.00	2,490,190.00
September 2016	16,512,312.91	4,650,851.09	21,163,164.00	16,104,446.42	4,535,971.58	20,640,418.00	3,535,725.15	995,870.85	4,531,596.00	-
Total	39,505,509.04	10,441,677.96	49,947,187.00	37,982,890.97	10,054,585.03	48,037,476.00	8,239,017.36	2,182,158.64	10,421,176.00	
Oct 2016	16,915,548.33	4,780,245.67	21,695,794.00	17,313,733.32	4,892,770.68	22,206,504.00	3,599,251.19	1,017,129.60	4,808,270.00	-
Nov 2016	14,977,210.60	4,142,633.40	19,119,844.00	15,383,591.39	4,255,036.61	19,638,628.00	3,236,571.98	895,222.18	4,082,560.00	-
Dec 2016	13,851,637.86	3,331,734.14	17,183,372.00	12,411,519.50	2,985,342.50	15,396,862.00	2,588,163.47	622,530.90	3,239,364.00	-
Total	45,744,396.79	12,254,613.21	57,999,010.00	45,108,844.21	12,133,149.79	57,241,994.00	9,423,986.63	2,534,882.68	12,130,194.00	
Jan 2017	16,422,793.50	4,501,049.50	20,923,843.00	17,738,941.46	4,861,770.54	22,600,712.00	3,859,544.99	1,057,798.30	4,712,907.00	-
Feb 2017	15,094,570.57	4,032,202.43	19,126,773.00	14,773,813.26	3,946,518.74	18,720,332.00	3,267,516.52	872,849.48	4,138,108.00	-
Mar 2017	14,606,386.06	3,997,897.94	18,604,284.00	14,843,372.70	4,062,763.30	18,906,136.00	3,142,233.57	860,057.31	4,113,497.00	-
Total	46,123,750.13	12,531,149.87	58,654,900.00	47,356,127.42	12,871,052.58	60,227,180.00	10,269,295.07	2,790,705.09	12,964,512.00	
April 2017	12,824,426.01	3,496,216.99	16,320,643.00	12,863,681.19	3,506,918.81	16,370,600.00	2,845,053.61	775,623.39	3,620,677.00	-
May 2017	11,914,449.47	3,150,057.53	15,064,507.00	12,293,580.22	3,250,295.78	15,543,876.00	2,602,461.13	688,063.87	3,290,525.00	-
Jun 2017	11,548,067.35	3,212,465.65	14,760,533.00	11,538,313.36	3,209,701.64	14,747,833.00	2,444,183.03	679,927.97	3,124,111.00	-
Total	36,286,942.83	9,858,740.17	46,145,683.00	36,695,392.78	9,966,916.22	46,662,309.00	7,891,697.76	2,143,615.24	10,035,313.00	
1 - 17 Jul 2017	5,605,570.90	1,449,813.10	7,055,384.00	5,617,602.96	1,452,925.04	7,070,528.00	1,177,398.99	304,520.01	1,481,919.00	-
Total	5,605,570.90	1,449,813.10	7,055,384.00	5,617,602.96	1,452,925.04	7,070,528.00	1,177,398.99	304,520.01	1,481,919.00	
Grand total	133,760,660.66	36,094,316.34	169,854,977.00	134,777,967.36	36,424,043.64	171,202,011.00	28,762,378.47	7,773,723.01	36,611,938.00	

CSPK

Month	FFB Received (Kg)			Processed (Kg)			PK Prod (Kg)			PK Selling (Kg)
	RSPO	NON RSPO	TOTAL	RSPO	NON RSPO	TOTAL	RSPO	NON RSPO	TOTAL PK Prod	

18 - 31 July 2016	7,873,09 2.90	1,948,397 .10	9,821,490. 00	6,208,082. 16	1,536,347 .84	7,744,430 .00	328,097. 04	81,195. 96	409,293. 00	-
August 2016	15,120,1 03.23	3,842,429 .77	18,962,533 .00	15,670,362 .40	3,982,265 .60	19,652,62 8.00	856,411. 52	217,63 7.48	1,074,04 9.00	-
Septem ber 2016	16,512,3 12.91	4,650,851 .09	21,163,164 .00	16,104,446 .42	4,535,971 .58	20,640,41 8.00	919,607. 69	259,01 6.31	1,178,62 4.00	-
Total	39,505,5 09.04	10,441,67 7.96	49,947,187 .00	37,982,890 .97	10,054,58 5.03	48,037,47 6.00	2,104,11 6.25	557,84 9.75	2,661,96 6.00	
Oct 2016	16,915,5 48.33	4,780,245 .67	21,695,794 .00	17,313,733 .32	4,892,770 .68	22,206,50 4.00	905,530. 74	255,89 8.26	1,161,42 9.00	-
Nov 2016	14,977,2 10.60	4,142,633 .40	19,119,844 .00	15,383,591 .39	4,255,036 .61	19,638,62 8.00	865,183. 02	239,30 5.98	1,104,48 9.00	-
Dec 2016	13,851,6 37.86	3,331,734 .14	17,183,372 .00	12,411,519 .50	2,985,342 .50	15,396,86 2.00	778,194. 82	187,17 9.18	965,374. 00	867,610.0 0
Total	45,744,3 96.79	12,254,61 3.21	57,999,010 .00	45,108,844 .21	12,133,14 9.79	57,241,99 4.00	2,548,90 8.58	682,38 3.42	3,231,29 2.00	
Jan 2017	16,422,7 93.50	4,501,049 .50	20,923,843 .00	17,738,941 .46	4,861,770 .54	22,600,71 2.00	925,553. 49	253,66 9.51	1,179,22 3.00	-
Feb 2017	15,094,5 70.57	4,032,202 .43	19,126,773 .00	14,773,813 .26	3,946,518 .74	18,720,33 2.00	802,307. 22	214,31 9.78	1,016,62 7.00	1,032,490. 00
Mar 2017	14,606,3 86.06	3,997,897 .94	18,604,284 .00	14,843,372 .70	4,062,763 .30	18,906,13 6.00	862,602. 12	236,10 1.88	1,098,70 4.00	500,450.0 0
Total	46,123,7 50.13	12,531,14 9.87	58,654,900 .00	47,356,127 .42	12,871,05 2.58	60,227,18 0.00	2,590,46 2.82	704,09 1.18	3,294,55 4.00	
April 2017	12,824,4 26.01	3,496,216 .99	16,320,643 .00	12,863,681 .19	3,506,918 .81	16,370,60 0.00	665,951. 23	181,55 2.77	847,504. 00	603,840.0 0
May 2017	11,914,4 49.47	3,150,057 .53	15,064,507 .00	12,293,580 .22	3,250,295 .78	15,543,87 6.00	641,665. 31	169,64 9.69	811,315. 00	-
Jun 2017	11,548,0 67.35	3,212,465 .65	14,760,533 .00	11,538,131 .36	3,209,701 .64	14,747,83 3.00	570,558. 76	158,71 9.24	729,278. 00	-
Total	36,286,9 42.83	9,858,740 .17	46,145,683 .00	36,695,392 .78	9,966,916 .22	46,662,30 9.00	1,878,17 5.31	509,92 1.69	2,388,09 7.00	
1 - 17 Jul 2017	5,605,57 0.90	1,449,813 .10	7,055,384. 00	5,617,602. 96	1,452,925 .04	7,070,528 .00	244,012. 20	63,110. 80	307,123. 00	-
Total	5,605,57 0.90	1,449,813 .10	7,055,384. 00	5,617,602. 96	1,452,925 .04	7,070,528 .00	244,012. 20	63,110. 80	307,123. 00	
Grand total	133,760, 660.66	36,094,31 6.34	169,854,97 7.00	134,777,96 7.36	36,424,04 3.64	171,202,0 11.00	7,261,55 8.90	1,959,5 07.10	9,221,06 6.00	

Corrective action has been accepted, nonconformity are closed

Verified by : **Leo & Sandra**

NCR No.	: 2017.49	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 28 September 2017
Standard Ref. & Requirement	: RSPO Certification system 2011 clausul 4.2.4 Time Bound Plan		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> It is known that the East Estate area still has an area that has not been certified ± 1,652 Ha. However, the company has not been able to show the time bound plan for that management area.			
Root Cause Analysis <i>(filled by organization audited):</i> When the audit is conducted the document is not available diunit and is being requested from the Center PSQM.			
Correction <i>(filled by organization audited):</i> Showing Time Bound Plan Minamas Plantation document and this is the most updated Time Bound plan.			
Corrective Action <i>(filled by organization audited):</i> The constraint of the implementation of the Time boundary Plan is due to the HGU management certification which is still in the process stage, so it can not be certified and this is the latest time bound plan.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 11 June 2017. The company shows the time bond plan signed by PSQM Head on June 16, 2016. In time bond plan shows that PT. Sime Indo Agro - Bukit Ajong Factory with supply base from East Estate and West Estate certification plan of 2016. Sei Mawang planned 2017 and KKPA in 2010. Verification 14 September 2017 The company shows the time bond plan signed by PSQM Head on 31 August 2017. In the time bond plan shows that PT. Sime Indo Agro - Bukit Ajong Factory was certified in 2010. For East plasma and west plasma supply base was certified in 2010. Meanwhile, West Estate, East Estate and Sei Mawang Estate will be certified in 2019 with the justification of legally dealing with land legality. Verification 28 September 2017 The company showed a timebond revision plan for Sime Darby Indonesia which endorsed the head of PSQM dated September 27, 2017. In the timebond plan showed that PT. Sime Indo Agro to suply Base East Estate and West Estate (7223 Ha), East plasma and West Plasma have been certified in 2010. Then there are East Estate 1652 Ha and Sei Mawang Estate unit which will be certified in 2019 because it is still in the process of legality. Based on the above matters then the discrepancy can be declared fulfilled.			
Verified by	: Leonada		

NCR No.	: 2017.50	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017

NC Grade :	Major	Date of Closing :	14 September 2017
Standard Ref. & Requirement :	8.1.1 A monitoring action plan based on consideration of environmental and social impact assessments, and regular evaluations for plantation and palm oil plant activities is available. This minimum must include, but is not limited to: <ul style="list-style-type: none"> • Reduction in the use of certain chemicals (Criterion 4.6). • Environmental impact (Criterion 4.3, 5.1 and 5.2). • Waste reduction (Criterion 5.3). • Pollution and GHG emissions (Criterion 5.6 and 7.8). • Social impact (criterion 6.1). • FFB harvest optimization (Criterion 4.2) 		
Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of the audit since ST.2 up to the Resertification and compared with the audit results of ASA 1.1 there is an increasing number of non-conformities that arise. For example, during resertification there were 15 NC on nucleus company and and 24 NC on smallholders scheme. Then at ASA 1.1 there were 50 NC. In this regard, the company can not show evidence of consistent, monitored and evaluated implementation of RSPO systems and standards.			
Analisa Akar Masalah(dilengkapi oleh organisasi yang diaudit): At the time of the audit process ST.2 up to the Resertification for the KUD HIMADO as the certification group has not received the audit criteria as stated in the RSPO Management System Requirements and Guidance for Group Certification of FFB Certification in 2016. But by the time ASA 1.1 has already begun to be implemented so that there is a discrepancy more. This is because also when the audit of KUD HIMADO does not know the audit criteria as stated in the RSPO Management System Requirements and Guidance for Group Certification of FFB Certification in 2016. The absence of document retention by Safety Officer of each garden and plasma unit, since the PIC for this matter is Safety Officer (garden core), Plasma Assistant (plasma plantation), and KUD secretary (KUD). This is because the designated PIC does not execute the SOP of the control document poorly.			
Koreksi (dilengkapi oleh organisasi yang diaudit): The Company has provided assistance and training to KUD HIMADO related to the RSPO Management System Requirements and Guidance for Group Certification of FFB Certification in 2016 on July 20, 2017 In addition, the company and KUD HIMADO have shown evidence of improvements to 43 Major Non-Conformities that have been verified recently by auditor on 30 August 2017. The PIC storage document of each unit has understood the SOP of Document Control so that the documents required to close the nonconformity can be shown.			
Tindakan Korekif (dilengkapi oleh organisasi yang diaudit): The Company and KUD HIMADO will routinely conduct training related to RSPO principles and criteria and conduct internal audit of RSPO. The Company has demonstrated training programs in which there are also training related to RSPO scheduled to be routinely performed before the external audit is in April. For internal audit activities are also conducted in April after the training. Evaluation and follow-up of management will be archived and prepared according to the control documents by the PIC of each unit			
Evaluasi Penilai dan Kesimpulan(dilengkapi oleh auditor): Verification 14 September 2017 - The company shows training programs related to RSPO understanding for the period 2017/2018.			

- Company showing record of coordination meeting of PT. SIA with KUD Himado on July 20, 2017. The meeting was filled with the socialization of the RSPO Management System Requirements and Guidance for Group Certification of FFB Certification in 2016 and Coordination of ASA 1.1 Nonconform Settlement.

Based on the root problem analysis, preventive and corrective actions in the form of training plan and internal audit conducted routinely then this discrepancy can be stated fulfilled and will be observed again at the next audit activity. (Closed with observation)

Diverifikasi oleh : Leonada

3.5.2 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.2.1	Completion of certificate ownership of plasma farmer.
2	5.3.3	Waste water treatment at the Mill.

3.5.3 Positive Component

No	Descriptions
1	The company's commitment to implement sustainable palm oil management principles.
2	Cooperation smallholder with the surrounding community.

3.6 Summary of Arising Issues from Public, Management and Auditor Response.

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Social, Labor and Transmigration Sanggau District (Section Head of Industrial Relations and Labor Inspector) Interview with the Section Head of Industrial Relations</p> <ul style="list-style-type: none"> • The company sent a report Industrial Relations is still considered to be less like reporting on Trade Union activities, Endorsement of Collective Labor Agreement. • No reporting of industrial relations cases such as dismissal because there is no reporting information. • Labour agency indicate a letter that has been sent to all oil palm plantation companies in Sanggau District. The letter is a request for the submission of the Company's HI Report to the head district on January 19, 2017. The letter number 560/34 / Nakertrans-A to the heads of companies in Sanggau District/Regency. In the letter informed that the company is required to submit an Industrial Relations report every month. The data is submitted to Sanggau District cq.Labour Agency Sanggau District, at the latest it has been received by the agency in the second week of February 2017. • With the aforementioned letter, the agency shows the response letter from the company in the form of PT SIA (West Estate) Industrial Relations Report of March 2017 (Report dated March 31, 2017). But the company has not provided complete information on Industrial Relations such as work agreements, trade unions activities, Collective Labour Agreement layoffs etc. • The Company has applied the minimum wage in 2017 (District Minimum Wage 2017). <p>Interview with the Labor Inspector</p> <ul style="list-style-type: none"> • The Company has routinely submitted reports on the Labor Compulsory Report of the estate and mill units in 2017. 	<p>This matters are verified at criteria 6.1</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> • Companies have routinely submitted regularly Guiding Committee OHS (P2K3) reports such as the first quarter report of 2017. • Workplace accident reporting is included in the GCOSH report. • No employment issues have been reported. • Labour Agency shows letter of application for approval of GCOSH team from Bukit Ajong on May 26, 2017 (secretary of GCOSH: M. Fathany Abdullah). • Licensing of factory machinery has been finalized in 2016, while by January 2017 licenses will be issued from the provincial level. • The company has regularly conducted periodic factory inspections 	
<p>Department of Environment Sanggau District Interview with Head of Environmental Management Division</p> <ul style="list-style-type: none"> • The Company has submitted reports related to environmental management such as regular Environmental Management Plan-Environmental Monitoring Plan, hazardous waste reports every 6 months and reports of liquid waste every 3 months. • Hazardous Waste Temporary Warehouse Permissions and Application Land Permissions still apply. • Environmental Impact Assessment (AMDAL) handling has been settled in 2016 (AMDAL maintenance outside the Location Permit has been completed in 2016, so the company has 2 AMDALs). • AMDAL process has been consulted to DLH. • There has been no reporting from the public regarding the issue of environmental pollution. <p>Data requests from the service are always responded to by the company well.</p>	<p>This matter are verified in criteria 5.1</p>
<p>Land Agency of Sanggau Regency <i>Interviews with the Section Head of IP (at the time of the visit of the office receiving the letter disposition are not in place so the information obtained is very limited).</i></p> <ul style="list-style-type: none"> • There is a record of land dispute on behalf of Bu Hiung who bought formerly used PTPN 13 landfill SHM. But it turns out some of the area is included in the HGU PT SIA and has been planted with palm. The agency 	<p>This matters are verified in criteria 2.1</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>shows a shaded map of approximately 803 square meters. The location of the dispute is in Dusun Bodok Desa Pusat Damai.</p> <ul style="list-style-type: none"> • There is a letter from the official (BPN Sanggau District) to mediate in December 2015 but there has been no response from the company until the audit activities are carried out. • Regarding the boundary map, the information obtained is very limited. The first measurements are still using conventional methods (so it is still less accurate point coordinates), now it should be able to use geodetic techniques via satellite that produce more accurate data. So in this case the company must apply for a refund limit. 	
<p>Plantation Agency</p> <ul style="list-style-type: none"> • Report on Plantation Business Activity has been reported routinely, but full information on personal in the field of Business Development is not available. • Plantation Class Assessment unable to provide clear information. • There is a final IUP handling in 2016, but can not provide more information. • The area of IUP recorded in the agency is 26000 ha on 10th October 1996 and 5th November 2001. • CSR programs already have reporting to the agency (the nature of this report submission only when there is a request from the agency). The agency show a written letter sent on January 19, 2017 (the date received by the company will be verified by the relevant auditor). And there is a response from the company by sending a letter of realization and CSR program 2016/2017 on March 8, 2017. • Indigenous people around the company are Dayak tribes. • Indigenous peoples empowerment program, included in one CSR program. • Agency assessment of the adequacy of fire extinguishers is not yet fully informed. • This is because the staff in the field of Business Development (Binus) is 	<p>This matters are verified at criteria 2.1</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>not in place.</p> <ul style="list-style-type: none"> • In the last year, there have no reports of fire incidents in the company's operational areas. • FFB price agreement is based on price fixing from Disbun which is attached between representative of farmer, KUD, Plantation Company, related agency, etc. every two weeks (14 days). • The company's response to information requests is considered good. • There is no socialization to the agencies, as stakeholders on the type of information that is open. 	
<p>Heads of Villages (Maringin Jaya, Palem Jaya, Dosan, Hibun, Suka Grundi and Rahayu)</p> <p>several issues of Social:</p> <ul style="list-style-type: none"> - Hesitations of the village government to the company against responses from communication/requests for information and assistance. - Lack of company attention in the improvement of village roads and access roads in plasma estates - Inhibited the entry of power plant network of Maringin Jaya Village and Hibun due to land acquisition factor of the company's area. - Public perception related to the understanding of replanting activity must be made a new MOU or re-compensation process - Completion of an agreement regarding the issue of cash village land - Public perception that with the existence of company operations that resulted in the absence of fish in the River Sengoret - Hampered of plasma members in the arrangement of land legal certificate - Not involving the community in preparing the CSR (Community Social Responsibility) program. - information related to job vacancy to surrounding community - Concerns over plasma land replanting then people's income will decrease 	<p>This matters are verified at criteria 6.1</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Local contractor</p> <ul style="list-style-type: none"> - EFB Transporter (PT Berkat Cahaya Baru) Bridge construction Contractor (PT Bumi Indah Persada). <ul style="list-style-type: none"> - The relationship and communication was good, has been partnered since 2013 - All project was based on agreement which is valid in one year period, in the agreement has describes rights and obligation of each parties including OHS aspect, payment mechanism and validity and signature. The copies are available for each. - There is a complaint in regard of agreement which is issued from Jakarta Office, mentioned that the job has been ordered to be done before the agreement but for the payment is still waiting for the agreement (PT Bumi Indah Persada). - Preparation of agreement has been based on deliberation, before drafting the agreement, the form (for fulfilled) has given to the contractor <p>All contractor are based on tender, the company was prioritized the local contractor, there is annual assessment for contractor</p>	<p>It has been verified during the audit, has been explained in C6.10.</p>
<p>Gender Committee of PT SIA</p> <ul style="list-style-type: none"> - Has been socialized regularly to the employees during morning muster involving the gender committee. - The company has been facilitated the gender committee such as transport, room and others. - Mechanism of specific grievance has been provide, until now there is no case reported. 	<p>It has been verified during the audit, has been explained in C6.9.</p>
<p>Labor Union of PT SIA</p> <ul style="list-style-type: none"> - Labor union is not functioning properly, until this year there is no more activity in labor union. - Collective Labor Agreement is no longer valid, the process of new agreement is in the phase of HRM review 	<p>Has been verified, related to the Collective Labor Agreement has been raised as NC in the report. The explanation are on C6.7.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none">- Mentioned that labor union is not involved in the drafting of the new collective agreement.- Wages have been adjusted to regional minimum wages for 2017.- Currently there are no issued related to employment and there is no found any complaint reported/submitted from employee.	


5.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT Sime Indo Agro
Head of PSQM



Mohamad Pirabaharan
28 September 2017

Mutuagung Lestari
Lead Auditor



Leonada
28 September 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	Lands Office	Sanggau, Kalimantan Barat Province	-	Direct Consultation	May, 30 2017	√	
2	Labour and Transmigration Agency	Sanggau, Kalimantan Barat Province	-	Direct Consultation	May, 30 2017	√	
3	Plantation Agency	Sanggau, Kalimantan Barat Province	-	Direct Consultation	May, 30 2017	√	
4	Environmental Bodies	Sanggau, Kalimantan Barat Province	-	Direct Consultation	May, 30 2017	√	
5	Chief of Palem Jaya Village	Palem Jaya Village, Sanggau District, Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
6	Chief of Maringin Jaya Village	Maringin Jaya Village, Sanggau District, Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
7	Chief of Dozan Village	Dozan Village, Sanggau District, Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
8	Chief of Hibun Village	Hibun Village, Sanggau District, Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
9	Chief of Suka Grundi Village	Suka Grundi Village, Sanggau District, Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
10	Chief of Rahayu Village	Rahayu Village, Sanggau District, Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
11	Palm Kernel Transport Contractor.	Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
12	CPO Transport Contractor	Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
13	KUD Himado	Parindu Sub-district, Sanggau District, Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
14	Harvest Contractor	Sanggau District	-	Direct Consultation	31 th May 2017	√	
15	Workers Union	Sanggau District	-	Direct Consultation	30 th May 2017.	√	

16	Gender Committee	Sanggau District	-	Direct Consultation	30 th May 2017.	√	
17	<p>Workers:</p> <p>West Estate :</p> <ul style="list-style-type: none"> - 2 female and 1 male nursery workers Block A-705 Division I - 7 female and 6 male spraying workers Block A-703 West Estate. - 2 male harvester Block C-701 division II West Estate - 4 female fertilization workers Block B-805 Division IV West Estate <p>East Estate:</p> <ul style="list-style-type: none"> - 2 harvester block 904 division 5 - 2 sprayer block 908 division 6 - 9 fertilization workers block 308 division 1 <p>Mill:</p> <ul style="list-style-type: none"> - 2 security - 1 electrician - 1 boiler operator - 1 WTP operator - 2 weighbridge operators 	Sanggau District		Direct Consultation	30 – 31 May 2017.	√	
18	<p>KUD Himado Farmers</p> <ul style="list-style-type: none"> - 11 member of KT17 Amang. - 10 member of KT 17 Goknala. - 10 member of KT 13 Musan. - 7 Member of KT 10 Engkalet. 	Parindu Sub-district, Sanggau District, Kalimantan Barat Province	-	Direct Consultation	31 th May 2017	√	
19	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	email	23 th May 2017		√
20	Sawit Watch	Jakarta, Indonesia	info@sawitwatch.or.id	email	23 th May 2017		√
21	WWF	Jakarta, Indonesia	wwf-indonesia@wwf.or.id	email	23 th May 2017		√

Appendix 2. Assessment Program

DATE / TANGGAL	29 May – 3 June 2017	
PLANNED TIME RENCANA WAKTU	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
Monday, 29 May 2017		
05.40 – 07.00	JAKARTA → PONTIANAK	<ul style="list-style-type: none"> • LEO/ ARD/ SDP/ BGA/ DHR
07.30 – 14.30	PONTIANAK → SITE	<ul style="list-style-type: none"> • LEO/ ARD/ SDP/ BGA/ DHR
15.00 – 16.00	OPENING MEETING	<ul style="list-style-type: none"> • LEO/ ARD/ SDP/ BGA/ DHR
16.00 – 17.00	Verification of the previous visit non-conformance, evaluation of re-occurrence NC during ST-2 up to ASA-4 (cycle-1 certification) and, basic information, TBP and partial certification and preparation of stakeholder consultation.	<ul style="list-style-type: none"> • LEO/ ARD/ SDP/ BGA/ DHR
Tuesday, 30 May 2017		
08.00 – 12.00	<ul style="list-style-type: none"> • Stakeholders consultation to Related Government Institution (Sanggau District Government and local NGO) <p>Field Observation East Estate:</p> <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, IPM, OHS and Worker Welfare (payments, complaint mechanism). • HCV area, legal boundaries and dispute area (if any) • Interview with Labour union (SPSI), Gender Committee and local contractor 	<ul style="list-style-type: none"> • DHR
12.00 – 14.00	BREAK	<ul style="list-style-type: none"> • LEO/ARD • SP/BGA • BGA
14.00 – 17.00	<p>Field Observation Bukit Ajong POM:</p> <ul style="list-style-type: none"> • WWTP, WTP, Hazardous storage, waste management and Workshop, Supply Chain, FFB receive and process, OHS and Worker Welfare (payments, complaint mechanism). 	<ul style="list-style-type: none"> • LEO/ ARD/ SDP/ BGA/ DHR • LEO/ARD
14.00 – 17.00	<ul style="list-style-type: none"> • Hazardous Waste Storage (LB3), Hazardous storage, OHS, Workshop, Worker Welfare (payments, complaint mechanism) and Land Fire facilities, Emplacement and Worker Welfare (payments, complaint mechanism). 	<ul style="list-style-type: none"> • SP/BGA
Wednesday, 31 May 2017		
08.00 – 12.00	<p>Field Observation West Estate</p> <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, IPM, OHS, land fill and Emplacement, Worker Welfare (payments, complaint mechanism) • Hazardous Waste Storage (LB3), Hazardous storage, Workshop, and Land Fire facilities, HCV area • Stakeholders consultation to Nearest village and community leader • Legal boundaries, HCV area • Observation to dispute area (if any) 	<ul style="list-style-type: none"> • DWI • SDP • LEO • ARD/BGA
12.00 – 14.00	BREAK	<ul style="list-style-type: none"> • LEO/ ARD/ SDP/ BGA/ DHR

DATE / TANGGAL	29 May – 3 June 2017	
PLANNED TIME RENCANA WAKTU	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
14.00 – 17.00	<ul style="list-style-type: none"> Continuing the field observation Clarification of Public Consultation and field observation Document verification and updating 	<ul style="list-style-type: none"> LEO/ ARD/ SDP/ BGA/ DHR
Thursday, 1 June 2017		
	Completion of checklist, clarification / consolidation / internal discuss for outstanding audit issues (No audit activities)	<ul style="list-style-type: none"> LEO/ ARD/ SDP/ BGA/ DHR
Friday, 2 June 2017		
08.00 – 11.30	Field Observation to Smallholder Scheme (Plasma) – sample (KUD, farmers group and farmers) will be determined on site: <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, IPM, Hazardous waste management, Worker Welfare (payments, complaint mechanism). Hazardous Waste Management, Hazardous Material (B3) management and Land Fire facilities. 	LEO/ ARD/ SDP/ BGA/ DHR
13.00 – 15.00	BREAK	
15.00 – 17.00	Closing preparation (internal discussion)	LEO/ ARD/ SDP/ BGA/ DHR
17.00 – 22.00	CLOSING MEETING SITE → PONTIANAK	
Saturday, 3 June 2017		
10.50 – 11.50	PONTIANAK → JAKARTA	<ul style="list-style-type: none"> LEO/ ARD/ SDP/ BGA/ DHR