

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

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management : Lembiru Palm Oil Mill – PT Sandika Natapalma subsidiary of  
Organisation : Sime Darby Plantation Sdn Bhd  
Plantation Name : Lembiru Estates and Awatan Estate

Location : Village of Awatan Sub District of Marau, District of Ketapang Province of  
Kalimantan Barat, Indonesia

Certificate Code : **MUTU-RSPO/044**

Date of Certificate Issue : 03 July 2014                      Date of License Issue : 03 July 2017  
Date of Certificate Expiry : 02 July 2019                      Date of License Expiry : 02 July 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	17 – 22 April 2017	Oktovianus Rusmin (Lead Auditor), Andi Pratama Pasaribu, Yohanes Hardian, Rizliani Aprianita, Radityo Puspanjana, Haikal Ramadhan Kharismansyah	Octo HPN Nainggolan	Tony Ariafiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	16 August 2017

**TABLE OF CONTENT**

**FIGURE**

Figure 1. Location Map of PT. Sandika Natapalma	1
Figure 2. Operational Map of PT. Sandika Natapalma	2

Abbreviations Used	3
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**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used	4
1.2 Organisation Information	4
1.3 Type of Assessment	4
1.4 Location of Mill and Plantations	4
1.5 Description of Area Statement	5
1.6 Planting Year and Cycles	5
1.7 Description of Mill and Supply Base	5
1.8 Estimate Tonnage of Certified Product	6
1.9 Other Certifications	7
1.10 Time-Bound Plan	7

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team	13
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	14
2.3 Stakeholder Consultation and Stakeholders Contacted	16
2.4 Determining Next Assessment	17

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	18
3.2 Summary of Assessment Report of Supply Chain Requirement	50
3.3 Conformity Checklist of Certificate and Logo Use	54
3.4 Summary of RSPO Partial Certification	55
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	58
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	155

**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

4.1 Formal Sign-off of Assessment Findings	159
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**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process	160
2. Assessment Program	162
3. Peer Review	176
4. P&C RSPO Checklist	176

Figure 1. Location Map of PT Sandika Natapalma

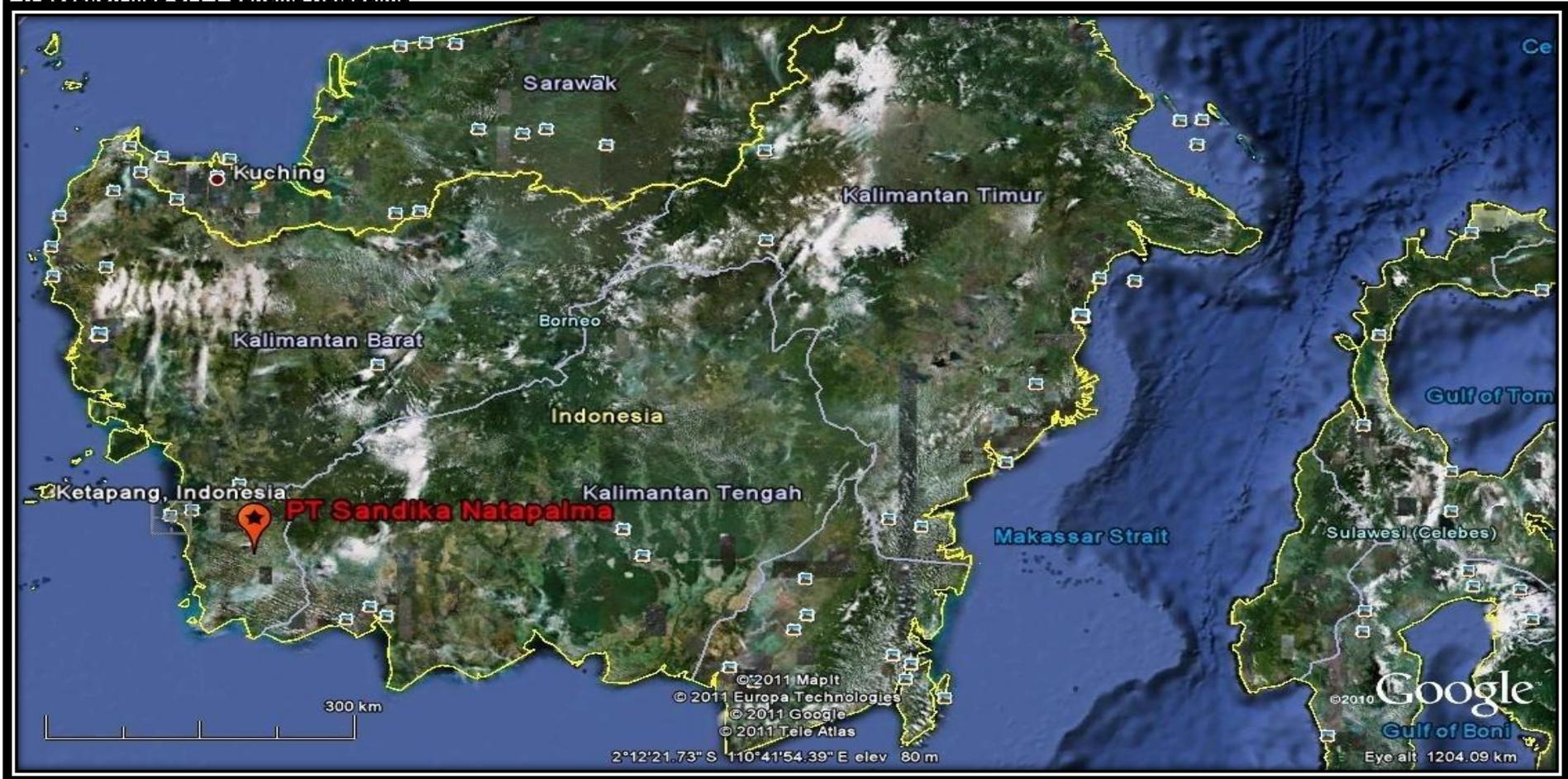
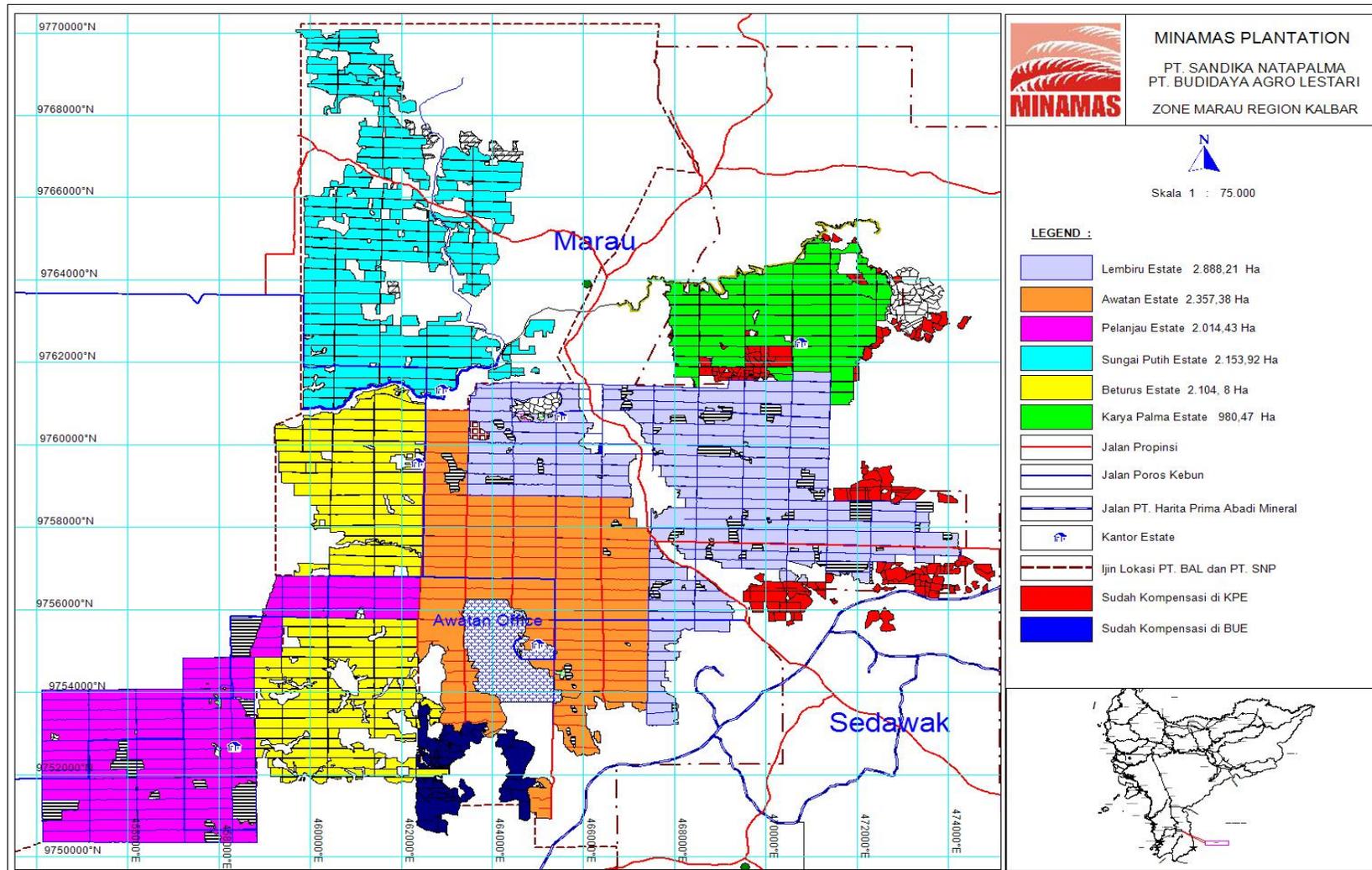


Figure 2. Operational Map of PT Sandika Natapalma



**Glossary**

ASA	:	Annual Surveillance Assessment
AWE	:	Awatan Estate
BPJS	:	Badan Penyelenggara Jaminan Sosial ( <i>Government Social Insurance Body</i> )
BMS	:	Block Manuring System
BOD	:	Biological Oxygen Demand
COD	:	Chemical Oxygen Demand
CH	:	Certificate Holder
CITES	:	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DPLH	:	Dokumen Pengelolaan Lingkungan Hidup ( <i>Environmental Management Document</i> )
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FGD	:	Focus Group Discussion
FPIC	:	Free Prior and Informed Consent
GHG	:	Green House Gas
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha. ( <i>Land Use Title</i> )
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IUCN	:	International Union for Conservation of Nature
LBE	:	Lembiru Estate
LBF	:	Lembiru Factory
LC	:	Land Clearing
LCC	:	Legume Cover Crop
MA	:	Mill Advisory
MRC	:	Minamas Research Center
MSDS	:	Material Safety Data Sheet
NC	:	Non Conformance
OHS	:	Occupational Health and Safety
OHSA	:	Occupational Health and Safety Assessment
IPM	:	Integrated Pest Management
PA	:	Plantation Advisory
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSD	:	Plantation Services Department
PSQM	:	Plantation Services Quality Management
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan. ( <i>Environmental Management Plan/ Environment Monitoring Plan</i> )
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification System
SOP	:	Standard Operating Procedure
SOU	:	Strategic Operating Unit
SEIA	:	Social Environmental Impact Assessment
SIO	:	Surat Izin Operator ( <i>Operator License</i> )
SNP	:	PT Sandika Natapalma
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>Principle and Criteria for Sustainable Palm Oil Production. Indonesia National Interpretation P&amp;C RSPO (2016)</li> <li>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)</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	<b>PT SANDIKA NATAPALMA subsidiary of SIME DARBY Plantation Sdn Bhd</b>	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>RSPO registered company: No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301</li> <li>Liaison Office: The Plaza Lt. 36 JI MH Thamrin Kav. 28-30 Jakarta 10350.</li> </ul>	
1.2.4	Telephone	(+62) 21- 29926000	
1.2.5	Fax	(+62) 21- 29922686	
1.2.6	E-mail	<a href="mailto:mohamad.pirabaharan@simedarby.com">mohamad.pirabaharan@simedarby.com</a>	
1.2.7	Web page address	<a href="http://www.simedarby.com">www.simedarby.com</a>	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Plantation)	
1.2.9	Registered as RSPO member	1-0008-04-000-00, 7 September 2004	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> <li>Lembiru Mill, Lembiru Estate, Awatan Estate</li> </ul>	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Lembiru	Village of Awatan Sub District Marau, District Ketapang, Province West Kalimantan	<b>S 2° 10' 12"</b> <b>E 110° 40' 4"</b>
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Lembiru Estate	Village of Awatan Sub District Marau, District Ketapang, Province West Kalimantan	<b>S 02° 09' 53.28"</b> <b>E 110° 41' 16.35"</b>

	Awatan Estate	Village of Awatan Sub District Marau, District Ketapang, Province West Kalimantan	S 02° 12' 55.02"	E 110° 40' 55.00"			
<b>1.5</b>	<b>Description of Area Statement</b>						
1.5.1	Tenure						
	• State		8,406.28	Ha			
	• Community		-	Ha			
1.5.2	<b>Area Statement</b>						
	• Total area		8,406.28	Ha			
	• Mature area		5,078.82	Ha			
	• Immature area		166.77	Ha			
	• Mill		14.29	Ha			
	• Emplishment		16.38	Ha			
	• Infrastructure (roads and bridges)		201.44	Ha			
	• Reserve area		225.32	Ha			
	• Occupation		1,173.23	Ha			
	• Others area		1,039.13	Ha			
	• HCV		490.90	Ha			
<b>1.6</b>	<b>Planting Year and Cycles</b>						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Lembiru	Awatan	Total			
	1997	614.35	374.07	988.42			
	1998	143.85	1,816.54	1,960.39			
	1999	954.54	-	954.54			
	2000	-	-	-			
	2001	1,175.47	-	1,175.47			
	2016	-	87.36	87.36			
	2017	-	79.41	79.41			
	<b>TOTAL</b>	<b>2,888.21</b>	<b>2,357.38</b>	<b>5,245.59</b>			
1.6.2	New Planting area after January 2010		-	Ha			
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle				
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
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 (%)
	Lembiru	45	148,874.53	32,916.93	21.06	6,293.147	4.73
	<i>*Production data source from April 2016 to March 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)	%

Lembiru Estate	4,929.29	2,888.21	35,537.23	12.3	35,537.23	100
Awatan Estate	3,476.99	2,357.38	28,930.79	12.6	28,526.66	98,60
<b>Total</b>	<b>8,406.28</b>	<b>5,245.59</b>	<b>64,468.02</b>	<b>12.24</b>	<b>64,063.89</b>	<b>99.37</b>

*\*Production data source from April 2016 to March 2017*

1.7.3 FFB description from other non certified source

Name of sources	Organisation	Location	Supplied to Mill
			FFB (tonnes/year)
Pelanjau Estate	PT Budidaya Agro Lestari (Sime Darby Plantation) • RSPO Non Certified	Sub District of Marau (2,014.43 Ha)	35,814.78
Sungai Putih Plasma (1,375 Smallholders)		Sub District of Marau (2,157.89 Ha)	23,326.37
Beturus Estate		Sub District of Marau (1,921.58 Ha)	14,869.86
Karya Palma Estate	PT Sandika Natapalma (outside scope of certification) RSPO Non Certified)	Sub District of Marau (1,115 Ha)	7,480.01
KelompokTani Gereja Pantekosta Indonesia Barat	Independent Suppliers	Sub District of Marau	273.55
Koperasi SUMS	Independent Suppliers	Sub District of Marau	2,591.54
Sungai Kyai	Independent Suppliers	Sub District of Marau	454.52
<b>TOTAL</b>			<b>84,810.63</b>

*\*Production data source from April 2016 to March 2017*

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 3 July 2015 to 2 July 2016 (tonnes/year)	Actual certified product 3 July 2016 to 6 April 2017 (tonnes/year)
	• FFB Production	90,885	64,468.02
	• CPO Production	19,131	12,205
	• Palm Kernel (PK) Production	4,544	3,359

1.8.2 Estimate of Certified FFB Claim

Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
Lembiru Estate	4,929.29	2,888.21	37,314	12.92
Awatan Estate	3,476.99	2,379.75	30,377	13.87
<b>TOTAL</b>	<b>8,406.28</b>	<b>5,267.96</b>	<b>67,691</b>	<b>13.33</b>

*\*Projected FFB production from 3 July 2016 to 2 July 2017*

1.8.3 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 (%)

Lembiru POM	45	67,691	14,215	21	3,385	5																																																																																																																														
<i>*Projected CSPO and CSPK production from 3 July 2016 to 2 July 2017</i>																																																																																																																																				
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	Lembiru POM and supply base does not obtain other certifications.																																																																																																																																			
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PT Ladangrumpun Suburabadi		Gunung Sari	2011	Kalimantan	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 Kemasan	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 Sejahtera	2020	MAS 1	2018	Sanggau District – West Kalimantan	-
		MAS 1	2018		-
		MAS 1	2018		-
		Plasma MAS	2020		-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
		Awatan	2014		Certified
		Karya Palma	2018		-
		KKPA SNP	2020		-
		Pelanjau (PT BAL)	2018		-
		Sungai Putih (PT BAL)	2018		-
		Baturus (PT BAL)	2018		-
		KKPA BAL	2020		-
<b>MALAYSIA</b>					
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
		Kalumpong	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 Sebaling	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	2014	Pagoh	2014	Muar, Johor	Certified

SOU 19		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	Tingayu	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	2011	Rajawali	2011	Bintulu, Serawak	Certified

	SOU 32		Samudera	2011		Certified
			Semarak	2011		Certified
			Bayu	2011		Certified
	Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
			Damai	2011		Certified
			Derawan	2011		Certified
			Sahua	2011		Certified
	Pekaka SOU 34	2011	Chartquest	2011	Bintulu, Serawak	Certified
			Dulang	2011		Certified
			Peroh	2011		Certified
			Pekaka	2011		Certified
			Ruai	2011		Certified
	<p>Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia.</p> <p>A new mill will be set up in Liberia and planned for commissioning in Feb 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani KelapaSawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTUAGUNG has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					
1.10.2	<p><b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b></p> <p>The revision of certification Time Bound Plan showed by the CH consider not challenging due to: Certification plan for Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari including Sungai Putih Estate (full manage scheme smallholders - <b>Sejahtera Palma Sejati &amp; Mitra Usahatani Sejahtera Plantation Cooperatives</b>) planned on 2018 (it should have 2017). Based on the explanation above it was not met with <b>RSPO Certification System 4.2.3</b> All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.</p>					

**2.0 ASSESSMENT PROCESS**

**2.1 Assessment Team**

<p><b>ASA-3</b></p>	<ol style="list-style-type: none"> <li>1. <b>Oktovianus Rusmin (Lead Auditor).</b> Bachelor's Degree in Social &amp; Political Sciences Department of Anthropology. The working experience, consist of: Coastal Project-Department of Anthropology in Indonesian University (Pilot Project of Mangrove Rehabilitation in coastal area of South Sulawesi) as Social Supervisor (1999-2001), Center of Anhtropology-Indonesian University (Research and Publication) as Researcher (2002 – 2014), The Forest Trust-Indonesia (Consultant of Sustainable Forest Management) as Social Advisor (2004 – 2010) and eForest Consultant (HCV Identification and Social Impact Assessment) as staff (2010 – 2011). Already participated in several training, consist of: Forest Management Auditor (FSC Standard), Environmental Management System ISO 14001, ISO 9001:2008, Conflict Resolution, Human Right, Verification System of Wood Legality, Training Lead Auditor of ISPO &amp; RSPO Scheme. Had participate in Sustainable Forest Certification (Eco Labelling Indonesia Standard), Gap Analysis of FSC Standard. He was numerously involved in audit of sustainable palm oil certification since 2011 for Indonesian Sustainable Palm Oil (ISPO) and RSPO Scheme in Indonesia &amp; Malaysia as Auditor and Lead Auditor. The aspect of audited consist of : Social/Conflict Resolution, Land Use Legality and Supply Chain Certification System (SCCS).</li>   <li>2. <b>Andi Pratama Pasaribu (Auditor).</b> Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005 etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he verify land legality, best management practices aspect &amp; Planning</li>   <li>3. <b>Yohanes Hardian (Auditor).</b> Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitattion project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA bu Remakr Asia 2016, Training Lead Auditor RSPO by Proforest- Daemeter 2016. Experience audit RPO And ISPO Since 2014. During this audit, he verify environment and conservation.</li>   <li>4. <b>Rizliani Aprianita (Auditor Trainee).</b> Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as lead Auditor ISO 9001;2008, ISO 14001;2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During this audit, he verify Social, workers right &amp; transparency .</li>   <li>5. <b>Radityo Puspanjana (Auditor Trainee).</b> Indonesian Citizen. Bachelor of agriculture, majoring in Soil Sience. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospacial Information System, IHT Hight Conservation Value, IHT Environmental Impact Assesment, IHTGreen House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. During this audit, he verify environment and agrochemical/hazardous waste management.</li>   <li>6. <b>Haikal Ramadhan Kharismansyah (Observer).</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Auditor ISPO, RSPO awareness, ISO 22000 awareness, IHT ISO 14001 and IHT OHSAS. Did some audit ISPO scheme with aspects Best management practices.</li> </ol>
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<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-3</b>	<p>Number of auditors : 5 auditors and 1 observer          Number of days for <b>ASA-3</b> at site : 5 days          Number of working days for <b>ASA-3</b> at site : 25 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-3</b>	<p>This particularly assessment was also witnessed by the Accreditation Services International as RSPO accreditation body. The witness assessment in order to monitor and evaluate the continued effectiveness of the CAB's audit program management and fulfillment of the accreditation requirements. The third surveillance assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Sandika Natapalma to the requirements of Principle and Criteria for Sustainable Palm Oil Production. Indonesia National Interpretation P&amp;C RSPO (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)</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. Some opportunities for improvement of the results <b>ASA-3</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-4</b>). Improvement of findings from main assesment findings were observed by auditors at this <b>ASA-3</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-4</b>.</p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-3</b>	<p>Number of units in this certification activity is 2 (two) estates, which supply the raw material (FFB) to 1 (one) mill-Lembiru Palm Oil Mill. In conducting the assessment, the auditors team was verify all the management unit of estate and mill.</p> <p><b>Lembiru Palm Oil Mill</b></p> <ul style="list-style-type: none"> <li>• <b>Chemicals storage:</b> in generally the storage managed well, however there is a record in the in the form of: there is no Hazardous Symbol, MSDS is not specific to chemicals NALCO, there are spills of chemicals powder on the floor were not immediately made, there are chemicals expired that hasn't been evacuated to schedule waste storage.</li> <li>• <b>Schedule Waste storage:</b> in generally schedule waste has accordance with the regulations, but there are some records that's: first aid tools inadequate.</li> <li>• <b>Water Treatment Plant (WTP):</b> WTP is works fine, flow meter to measure the flow of water entering and water diverted was worked.</li> <li>• <b>Waste Water Treatment Plant (WWTP):</b> Water Waste level in some less than ideal are less than 40 cm. Dimensions WWTP in some pools are inadequate , because of a barrier between the pool was broken. There are indications of surface water contamination because the water from the sedimentation ponds are polluted from discharged to the outside.</li> <li>• <b>Mill office.</b> Supply Chain Certification System (SCCS) verification and interview related personnel in charge to supply chain system</li> <li>• <b>FFB Weight bridge.</b> Observation and interview of personnel related to FFB received mechanism and documented system</li> <li>• <b>Grading Area.</b> Observation and interview the staff related to grading mechanism</li> <li>• <b>Mill drainage.</b> Observation the management of waste water from mill operation and rain water.</li> </ul>

- **Hazardous waste warehouse.** Observations and interview towards technical application, OHS, symbol and label hazardous waste, implementation as well as manpower laws and regulations pursuance.
- **EFB Stacking Place.** Observation on OHS condition and it management.
- **WWTP.** Observation of the condition of wastewater management.
- **Fire extinguisher storage.** Simulation the function of fire extinguishers and equipment.
- **Block E2A and E2C on Land Application.** observation on block **E2A and E2C** of Lembiru Estate, there is no overflow nor leak effluent to trench nor river including the block of application that has been permitted by the government.

### Kumpai Bulking

Observation and interview the bulking staff related to CPO & PK shipment

### Awatan Estate

- **Central Workshop AWE.** Interview with sample workers (mechanic) related to procedure of transparency, communication, complaint/grievance, welfare, workers benefit, worker agreement, workers status, salary payment system, medical surveillance, reproductive and human rights. Implementation of waste management, storage, workshop management.
- **Fertilizer store AWE.** Observe the implementation of chemical storage procedure, MSDS, Safety and Health and Storage condition.
- **Chemical and general store AWE.** Observe the implementation of procedure, MSDS, Safety and Health, Storage condition and interview with representative officer.
- **Fuel station, Fire Fighting Equipment Storage and Agrochemical containers Temporary storage AWE.** Found that oil spillage on the ground, agrochemical used containers kept over the permitted period and inappropriate of containers volume records. Fuel as a flammable material was kept in Fire Fighting Equipment Storage.
- **HCV Area Sungai Dua:** it was found that for areas designated as river borders (HCV) no land clearing was done.
- **HCV Area Sungai Awatan:** there are five boundary marks of palm trees and there are signs for the boundary of the river.
- **Housing complex.** Observations and interviews related to the facilities provided to workers such as employee housing, clean water, daycares, sports facility, school, and interview related complaint mechanism.
- **Genset room in Housing Complex.** Interview related to wages and overtime, Occupational health and safety, complaint mechanism. Based on interview with operator that known:.. There are no issues related to minimum wage, work accident and human right during last year.
- **Workshop.** Observations and interviews related to wages and overtime, waste management activities, OHS implementations and health inspections (general medical check up and spirometry test's).
- **Daycare.** Observations and interviews related to the facilities provided to workers such as employee housing, clean water, daycares, school, and interview related complaint mechanism.
- **Chemical Warehouse.** Interview related to wages and overtime, Occupational health and safety, complaint mechanism. According to field observation there are ventilation, exhaust fan and good lighting in chemical warehouse. Chemical warehouse equipped with MSDS, PPE's stocks, Interviewed related minimum wage, work accident and human right during last year.
- **BSS house.** Auditor was observe related to safety aspect in this place, all water faucet and emergency shower on good conditions.
- **Landfill (Block G5-A).** Observations and interviews related to domestic waste management
- **Boundary Poles Inspection:** Boundary poles sampling checks consist of: Pole 1(block K2D), 02 (block E1H), 33 (block N3C), 35 (block J1A). The poles was installed in good condition and the poles numbers can be read clearly.
- **Fire Fighting Equipment Storage.** Simulation the function of fire extinguishers and equipment.
- **Block J 4A. Erosion stick.** Observation measurement of erosion rate.
- **Block J 1A.** Observations related to the management of HCV area in form of Sungai Dua riparian and observations related to the management of HCV area in form of area with natural vegetation.
- **Block J 3A.** Observations related to the management of HCV area in form of Sungai Awatan riparian and observations related to the management of HCV area in form of area with natural vegetation.
- **Awatan Estate landfill.** Observation on landfill condition.

- **Fuel station and Agrochemical containers Temporary storage.** Observation the management fuel and contaminant container. Agrochemical used containers stock and record.
- **Chemical and general store.** Observe the implementation of procedure, MSDS, Safety and Health Storage condition, agrochemical stock, and interview with representative officer
- **Block G4CD. Block Spraying System & Block Manuring System team.** Interview with the spraying and manuring worker related health and safety implementation during the work, sustainability policy, and working procedure
- **Block F7AB. Harvesting.** Observation and interview with worker and supervisor in harvesting activity

**Lembiru estate**

- **Housing complex (division 3&4).** Observations and interviews related to the facilities provided to workers such as employee housing, domestic waste management, clean water, daycares, sports facility, school, and interview related complaint mechanism.
- **Genset room in Housing Complex.** Interview related to wages and overtime, Occupational health and safety, complaint mechanism. Based on interview with operator that known:. There are no issues related to minimum wage, work accident and human right during last year.
- **Workshop.** Observations and interviews related to wages and overtime, waste management activities, OHS implementations and health inspections (general medical check up and spirometry test's).
- **Daycare.** Observations and interviews related to the facilities provided to workers such as employee housing, clean water, daycares, school, and interview related complaint mechanism.
- **Chemical Warehouse.** Interview related to wages and overtime, Occupational health and safety, complaint mechanism. According to field observation there are ventilation, exhaust fan and good lighting in chemical warehouse. Chemical warehouse equipped with MSDS, PPE's stocks, Interviewed related minimum wage, work accident and human right during last year.
- **Boundary Poles Inspection:** Boundary poles sampling checks consist of: Pole 1 (block S003), 14 (block M001), 15 (block M001), 21 (block M3), 22 (block Y7) & 23 (block Y 10). The poles was installed in good condition and the poles numbers can be read clearly.
- **Block G 6D (Conservation Area).** Observations related to the management of HCV area in form of Sekakai riparian and observations related to the management of HCV area in form of area with natural vegetation.
- **Block D4D HCV area of Seleming Hill.** Observation the management to protect water spring.
- **Block B 16.** Observation on landfill condition.
- **Fertilizer store.** Observation the implementation of chemical storage procedure, MSDS, Safety and Health and Storage condition.
- **Block D20. Erosion stick.** Observation measurement of erosion rate.
- **Block E5. Barn Owl Box.** Overview the condition of nest and occupation of Barn Owl.
- **Block D5. Block Spraying System & Block Manuring System team.** Interview with the spraying and manuring worker related health and safety implementation during the work, sustainability policy, and working procedure
- **Block F7AB. Harvesting.** Observation and interview with worker and supervisor in harvesting activity

**Stakeholder Consultation to Village surround:**

- **Pelanjau Jaya Village:** interview with the village leader and local leader to gathering information regarding to land conflict, social and environmental issues.
- **Suka Karya Village:** interview with the village leader and local leader to gathering information regarding to land conflict, social and environmental issues.
- **Karya Baru Village:** interview with the village leader and local leader to gathering information regarding to land conflict, social and environmental issues.

<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-3</b>	Summary of stakeholder consultation process Consultation of stakeholders for PT Sandika Natapalma was held by:

	<ol style="list-style-type: none"> <li>1. Public Notification on Mutuagung Lestari Website on 3 April 2017.</li> <li>2. Public consultation with NGO (WALHI, AMAN, WWF Indonesia, Sawit Watch) by Questioner via email on 13 April 2017</li> <li>3. Cosultation with related agencies (district government) in Ketapang District on 17 April 2017 by interviews the government agency (Department of Housing, Settlement and Environment, Manpower Agency, Environmental Agency, National Land Agency and Plantation Agency)</li> <li>4. Public consultation meeting with internal stakeholders (Gender Committee, Contractor supervisor replanting, FFB transport, Labour Union and local stakeholders conducted by visit to villages (Sukakarya, Karya Baru, and Pelanjau) and interviews with local peoples on 18 – 19 April 2016.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Sandika Natapalma</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-4</b> ) will be determined April 2018.

**3.0 ASSESSMENT FINDINGS**

**3.1 Summary of Assessment Report of the RSPO Certification**

MUTUAGUNG LESTARI has conducted an assessment of Lembiru POM – PT Sandika Natapalma, SIME DARBY Plantation Sdn Bhd operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there are one (1) previous minor non-conformances upgrade into major due to not closed until ASA-3, seven (7) nonconformances were assigned against major compliance Indicators, eight (8) nonconformances were assigned against minor compliance indicators, one (1) nonconformances against supply chain requirement for CPO mill and one (1) nonconformances against the RSPO Certification System.

In the current condition after the ASA-3 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.

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 auditor team in form of documentation evidences e.g. (document record/photographic/etc.). The implementation of fulfillment for the non conformities has been verified by the team of auditor by doing the Major verification to the unit of certification in August 8<sup>th</sup> – 10<sup>th</sup>, 2017 and also in form of documentation evidences. Those corrective actions taken that consist of eight (8) Major nonconformances, one (1) supply chain nonconformances, 1 (one) certification system non-conformances had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Lembiru POM – PT Sandika Natapalma, SIME DARBY Plantation Sdn Bhd complied with the requirements of Principle and Criteria for Sustainable Palm Oil Production. Indonesia National Interpretation P&C RSPO (2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>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.</b>	
<b>Minor 1.1.1 &amp; Major 1.1.2</b>	
<p>The company has the procedure of information request in document No.Policy 301/SNP-KOM-08/11 dated September 27th 2011. The information request shall be responded within 14 days. There is a list of stakeholder which was composed on August, 2016. In that list company identified 50 name whom listed as a stakeholder. Stakeholder list renew every 6 month.</p> <p>The company has determined the publicly-accessed documents such as Environment OHS policy, social and gender of company, Environment OHS program and RSPO of company, progress of the Environment OHS program and RSPO of company, things that have to do with Environment OHS and RSPO, EIA analysis, HCV document, reduction and prevention for pollution, negotiation, sustainable corective action plan, public summary of certification assessment report and human</p>	

right policy (HAM).

Based on document review known the company has given a response for information request from stake holder as Letter from Faculty of Agriculture Tanjungpura University related information for the research proposal.

However,

1. The company has not been able to show evidence of registration of contract worker to the Manpower Agency of Ketapang Regency, and
2. Company already has a list of updated stakeholders every 6 months. However, based on the verification of incoming mails, Stakeholders are not updated in the Stakeholder List.

**NCR .2017.01**

1.1.1

**Non-Conformity No.2017.01 with Minor Category**

**Open**

**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.**

**Major 1.2.1**

Company has consistently provides data and information that can be accessed by public audience as well the confidential data based on RSPO's requirements.

List of information that can be obtained by stakeholder, such as :

1. Legal documents
2. Environment: environment and social impact analysis document (AMDAL/UKL-UPL), Environment management and monitoring reports (environment management report and environment monitoring report).
3. SIA Documentations
4. Documentation over occupational health and safety.
5. Documentation over Human Rights Policy.
6. HCV Documentation.
7. Documentation of negotiation procedures.
8. Etc

All above document is available for public, based on document verification and interview with management that known: all of document was kept on each office (factory office and estate office's).

The confidential documents, which cannot be accessed by public, such as: financial data related to costumers and or vendors as well as individual/ private data.

**Status: Comply**

**1.3**

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

**1.3.1**

Certificate Holder is able to shows company policy related Business Ethics with No Policy 440/HRM-COC/07, signed 24<sup>th</sup> May 2007. The policy mentioned commitment to uphold code of ethical conduct. Furthermore, based on interview with sampled workers, they have received communication/dissemination of such policy.

Based on interviews with workers in unit, explained that the management / staff has socialized the policy. For example, interviews with staff and managers of Awatan Estate, Lembiru Estate and Oil Mill Oil have been known about the company's business ethics.

Based on interviews workers related to the company's Code of Conduct / worker cheating practices:

- There 9 workers Lembiru Estate of the BSS team and 3 harvester is known not allowed to utilize company material for personal use (e.g. fertilizers, pesticides, etc.).

- There 14 workers Awatan Estate of the BSS team, 2 harvester and 1 person collectors known understanding of the prohibition of fraud in Report on crops.

The company showed a recording of the socialization the code of conduct concerning human rights and ethics code of conduct May 2, 2015 followed by 30 employees.

Base on interview with Local Contractor's workers (FFB Transport) is known Local contractors have understood the code of conduct of the company.

**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.**

**Major 2.1.1**

Certificate holder obtain the legal requirement for operating the plantation in form of:

- Location Permit document No.367 Year 2008 dated 7 October 2008 for 11,300 ha
- Plantation bussines permit number 196/Mentanhut/VII/2000 dated 3 November 2000 for 8,406.21 ha and 60 Tonnes FFB/Hour for mill capacity.
- Land Use Title (Hak Guna Usaha/HGU) number 4 Year 2000 coverage area 8,406.21 ha based on Indonesian National Land Agency Decree dated 22 February 2000 number 8/HGU/BPN/2000 and valid until 28 February 2030.

**Occupational Safety and Health**

The company has comply with the OHS regulation as follows:

1. Regulation of labor ministry no. 1 year 1976 regarding to company hygiene & occupational health.
2. Regulation of labor ministry no. 9 year 2010 regarding to transporting and forklift operator.
3. Regulation of labor ministry no. 4 year 1985 regarding to power plant and production operator.

However, based on document verification there was some operator that not attending transporting/forklift operator and power plant/production operator training. The company has set the program to provide it training in next six year.

The company has a chance to evaluate transporting/forklift operator and power plant/production operator training. **OFI**

**Minimum Wage**

The company has paid wage increases on February 2017. Based on document verification and interview with staff, nowadays is still adjust to Kalimantan Barat Governor Decree No. 573/2016 regarding to the plantation sector minimum wage for Ketapang regency in 2016 is IDR 2,480,000 per month. Inter-Office Mail No. 004/RSP-i2/I/2017 on 13<sup>th</sup> January 2017 concerning wage PT SNP amount IDR. 2,480.000/month.

**Collaborative Labor Agreement with labor Union**

Collective Labor Agreement between company and Labor Union period of 2016-2018 has been approved by Head of Manpower Agency No. 129 year 2016.

**2.1.2**

Personnel who have responsibility for managing the legal documentation is Plantation Services Department Manager and helped by the SPO officer on site. This department also identified the law and regulation which related to the plantation operational.

The list of legal requirement available in the unit covering of 109 regulations and those were inclosing the new regulation for example:

- Agriculture Ministry Regulation Number 11 Year 2015 regarding Indonesian Sustainable Palm Oil
- Forestry Ministry Decree Number 936 Year 2013 regarding the appointing of forest area in West Kalimantan Province.

- Forestry Ministry Decree Number 733 Year 2015 regarding the change of appointing of forest area in West Kalimantan Province.

The auditors have sighted the list of laws and regulations were available in each unit's office (estate and Mill).

**2.1.3**

Fulfillment of the regulations and laws evaluation were identified and observed by the auditor team during the ASA-3 through document which update on 2 January explaining kind of regulation, description, evidence of fulfillment (document/program reference), fulfillment status (yes/no) of 109 regulations related to plantation operational.

**2.1.4**

Available documents Legal Procedure No. Policy: 301 / SNP-HKM-05/11. This procedure regulates the sections responsible for compliance with the rules, identification and inventory of all legal requirements, evaluates compliance, updates the results of relevant regulatory evaluations, and monitors the performance of the Company's operating units against rules and guidelines established as a basis for determining compliance and Ensuring performance improvements are updated every year.

There is update regulations which have been identified by the certificate holder for example West Kalimantan Governor Decree Number no. 789/Disnakertrans/2016 regarding the minimum wage. Based on the decree, it is known that the Ketapang District Minimum Wage is Rp. 2,172,500 and sectorial Minimum Wage palm oil plantations including palm oil processing industry (CPO) of Rp. 2.48 million. The decision is valid on January 1, 2017.

During the ASA-3 the auditor team interview with the PSD manager and known every year the certificate holder always update the regulation especially regarding the minimum wage.

**Status: OFI**

**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.**

**Major 2.2.1**

The PT Sandika Natapalma has the land use legalities HGU Certificate Number 4, valid until February 28, 2030, land area 8,406,21 Ha.

Registration of Plantation Business Permit No. 196 / Mentanhut / VII / 2000, dated 3 November 2000, Land Area 8,406,21 Ha, Oil Palm Plantation and Palm Oil Mill with License Capacity 60 Ton of FFB / Hour. Location Marau Sub District, Ketapang District West Kalimantan Province.

PT Sandika Natapalma also has Plantation Business Permit based on Ketapang Regent's Decree No. 523 / DISBUN-D / 2014, dated 14 October 2014, land area 13,936.21 Ha (addition of 8.406,21 Ha) and Palm Oil Mill with Capacity 45 Ton FFB / Hour, located in Balaban Village, Marau Sub District, Ketapang District, West Kalimantan Province.

The Procurement Progress of HGU Certificate for the area of 1,121 Ha in the Pelanjau Estate is currently in the process of completing the requirements file of the HGU Certificate holder, it has been shown recording evidence:

- Letters of Village Head Support, Chairman of Village Representative Board and Chairman of Dayak Customary Council, Pelanjau Village, Marau Sub-district, Ketapang District, 8 October 2015.

**Minor 2.2.2**

The company has SOP of Boundary Maintenance (Document Number: 301 / SNP / 01 / PDKK, effective from June 21, 2016, Revised 1). Boundary monitoring and maintenance is done monthly. Based on the Boundary List document, it is known that the number of HGU boundaries in PT Sandika Natapalma is 44 poles. Field visit checks on estate sampling, consist of:

Lembiru Estate, Sampling Poles: 1 (S003 block), 14 (block M001), 15 (block M001), 21 Block (M3), 22 (block Y7), 23 (block Y 10); Awatan Estate, Sampling Poles 1 (block E14), 2 (Block J1A), 33 (K2D Block), 35 (Block N3C). All the poles sampling in a good condition and the number can read clearly.

**Minor 2.2.3, Major 2.2.4 & Minor 2.2.5**

The Certificate Holder has the procedure of Conflict Resolution SOP (RSPO / 2.2 / PK) and Occupational Land Acquisition Procedure (Policy No. 344 / PSD-OKUP / 10). Based on document verification (Map & Area Statements) and consulting in the surrounding villages, during 2016 indicated no land dispute between the company and another party. Stakeholder consultation with local stakeholder in Karya Baru Village, Pagu Jaya Village and Suka Karya Village was knew that there is no significant issues of land conflict among the management unit and another party in surround of plantation area.

**Major 2.2.6**

The company had Memorandum of the Chairman of SOU 13 Lembiru (Lifton Sitindaon) on March 16, 2016 PM / 025 / SPO / IV / 16 Number on Prohibition Policy on the Use of Paramilitary in Company Operations. There was also any policy by Sime Darby Responsible Agriculture Charter, 2016. These Policy related to Prohibition of Contractually Army using, The main point was explained in these policy, consist of point that the company will not using of Contractually Army in conflict resolution and will not tolerance of anarchism in conflict resolution process. Based on field visit observation during the audit process, interview with the workers, stakeholder consultation in Karya Baru Village, Pagu Jaya Village and Suka Karya Village, also consultation with related agencies in Ketapang District was knew there is no indication of Contractually Army using plantation area of PT Sandika Natapalma.

**Status: Comply**

**2.3**

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

**Major 2.3.1**

Based on document verification of High Conservation Value Identification and Social Impact Assessment in PT Sandika Natapalma, and also stakeholder consultation in Karya Baru Village, Pagu Jaya Village and Suka Karya Village, also consultation with related agencies in Ketapang District that known there is no land of the company was under of customary right. Since ASA-2 period till ASA-3, there is no land compensation process, the compensation process has been done in the early period of plantation development. The land acquisition or compensation documentation process was filed in each estate.

**Major 2.3.2 & Minor 2.3.3**

Based on document verification and information from management representative in PT Sandika Natapalma that known since period of ASA -2 2016 till ASA-3 on April 2017 no more compensation process in PT Sandika Natapalma. The documentation of land compensation process in early period was filled in each estate and format in Indonesian language. There document consist of Land Location Map, Statement of Land Right Release by the owner, Receive of payment , Official Letter of land compensation process was signed by related party. The related party was consist of the Company Representation, Land Owner and witnessed by Head of Village.

**Major 2.3.4**

The process of land compensation was begun from identification and inventory of land, mapping of land location, negotiation of compensation amount, Letter of Land Right Release, Official Report Land Compensation, Payment of Compensation was witnessed by Village and Sub District Head. There was shown Official Report of Land Compensation process has been signed by related party both of land owner and the company representation and witnessed by Village and Sub District Head. For example, documentation of land compensation to community member in Batu Menang Village, Suka Karya Village, Marau Sub-district on May 24, 2013. The document was completed with Minutes of Meeting which

and agreement between two parties after the consultation process facilitated by Suka Karya Village Head and also completed with Land location map.

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.**

**Major 3.1.1 and Minor 3.1.2**

The company has showed long-term planning covering projection of production, capital expenditure, replanting plan, high quality seed, extraction rate, CPO/PK production, throughput and production cost. However, they did not show the financial indicator (price estimation and profit), expansion (area, mill capacity, infrastructure and social facility) yet. **Non Conformity No. 2017.02.**

**Tax payment**

The company has showed the tax payment as follow:

- Property tax of 2016 has been paid on December 14<sup>th</sup> 2016.
- Water surface tax has been paid on May 20<sup>th</sup> 2016
- Heavy equipment tax has been paid on September 26<sup>th</sup> 2016.

The company also showed replanting plan as follows

Estate	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Awatan	166.77 Ha	185.26 Ha	265.79 Ha	381.21 Ha	374.07 Ha	-
Lembiru	-	315.89 Ha	298.46 Ha	298.18 Ha	292.03 Ha	264.17 Ha

This long term replanting plan always evaluated annually to ensuring the achievement according to the plan.

3.1.1 Status: Non-Conformity No.2017.02 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.**

**Major 4.1.1**

The company has procedures of Estate operational start from Land Clearing until Harvesting in Agricultural Reference Manual of Oil Palm Planting No. 110/EST-ARM/13 dated September 1, 2013 signed by Head, Plantation Upstream of Indonesia Minamas. SOP document has been distributed on September 16, 2013 to all unit head of estates and mills. The company also has a reception process procedure of FFB until to the *dispatch* of CPO and kernel, in a palm oil mill engineering guidelines Parts I and II, Minamas Plantation on April 30, 2007.

The company has had the procedure of product identification and traceability at POM number RSPO/66/SCCS/15-SNP dated April 26<sup>th</sup> 2015. The procedure has adjusted from the SCCS standard on November 2014. The person in charge of the POM operationals are the Factory Manager, Assistant of PSQM, Laboratory Foreman/Assistant and Assistant /Sr. Assistant /Manager of Bulking.

**Minor 4.1.2 and Minor 4.1.3.**

The company has internal procedure of operationals monitoring and assessment in place to monitor consistent of the implementation. The verifications have been implemented through *Plantation Advisory (PA)* program for estate and *Mill Advisory (MA)* for mill. The personnel conducted the PA and MA were trained and competent. It is conducted at least once a year. For example, the PA and the MA visited on August and November 2016. In addition to regular visits from PA and MA, the company have a person (PSQM Assistant) who responsible to make sure that all SOP in Estate and Mill has done.

All comment from PA and MA has followed up by each management unit. The operational monitoring can be seen on the report of Monthly Meeting Committee Management (MMCM) 2016/2017.

Each SOP revision shall recorded in 'Document Revision' formulary which is contains number, date and part that change/revised. Agricultural Reference Manual of Oil Palm Planting and Palm Oil Mill Engineering SOP only change by document control in head office.

**Major 4.1.4**

The Lembiru POM has the list of outsider FFB supplier, consist of:

- Mandiri Sejahtera Cooperation (Number of Contract: 01/FFB/KSUMS/SNP/2017, valid since 01 January till 31 July 2017)
- Sungai Kyai Peasant Group (Number of Contract: 02/FFB/SGKYA/SNP/2017, valid since 01 January since 31 July 2017)
- GPIB Bethesda Peasant Group (Number of Contract: 03/FFB/GPIB/SNP/2017, valid since 01 January till 31 July 2017)

**Status: Comply**

**4.2**

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

**Major 4.2.1**

The Company shows the procedures for managing soil fertility in the Minamas Plantation Agricultural Reference Manual document in the manuring section. The company also conducted soil and leaf analysis as one way to monitor soil fertility and as a basis for preparing manuring recommendations. Records of the implementation of soil fertility management include empty bunch application on block J1D Awatan Estate, POME Application in Lembiru Estate, and application of anorganic fertilizer. Implementations of SOP are verified by BMS foreman, Assistants, to Senior Assistants and PSQM staff to monitor the quality of employment results.

**Minor 4.2.2 & Minor 4.2.3**

The Company has a recording of fertilization listed in the monthly report manager (MMCM) of the realization of fertilization. Recording fertilization period July 2016 s / d March 2017 of them is :

- Fertilization of CCM-44 on block H4B and H4C division Beranyan Awatan Estate with total 5,580 Kg and application area 12,37 Ha
- Fertilization of CCM-44 in block H4A and H4B division of Sungai Dua Awatan Estate with total 17.000 Kg and application area 35,87 Ha

MRC team prepared fertilizer recommendations based on leaf analysis and soil analysis. In accordance with Policy No. I-04 / MRC-SOP / 10 dated 1 April 2010 concerning the Formulation of Fertilization Recommendation is known that soil sampling is done every five years while leaf sampling is done every one year. Leaf analysis examined the dry weight of ASH, P, K, Mg, N and PPM dry weight B. While the soil test stated that PT SNP has dominant land suitability classes S1 to S3. MRC team prepared LSU and SSU on October 18, 2016 and March 2016. Based on the procedure LSU is do once a year while SSU do once every five year.

Manuring program and realization is based on the recommendation given by MRC. For example in April 17, 2017 manuring CCM4 in block H4B and H4C with dosage 3,5 Kg/palm tree and total application 5.850 Kg. Workers say to be sure fertilization given to the palm tree according to dose using a calibrate bowl.

**Minor 4.2.4**

The Company has a nutrition recycling strategy contained in the Estate Annual Work Plan. The work plan states that the recycling strategy adopted is the utilization of the Empty Bunch and Palm Oil Mill Effluent (POME) including the remaining replanting palm trees. Recording the implementation of the nutrient recycling as :

- Empty Bunch: Marshall Spreader monitoring for Empty Bunch applications can be seen empty bunch Lembiru Estate application for October 2016 to April 2017 has been applied empty bunch 1,588 tons.
- Application recording of Palm Oil Mill Effluent from Lembiru POM for Lembiru Estate is known in February 2017 has applied 10,737 m<sup>3</sup> of POME and in March it applied 15,344 m<sup>3</sup>

Field observation to the Awatan Estate replanting block (16D001) known that the remaining replanted plants become nutrients for new plants. The remaining stems and fond that have been chipping are left in the replanting block in the hope of becoming a natural nutrient for new plants. The empty bunch application is performed on the block F3B of 1<sup>st</sup> Division Lembiru Estate and Large block 16 D001 Awatan Estate. Empty Bunch applications on flat areas use a Marshall spreader while in hilly and bumpy areas are manually scattered. The dose for the mature plant 200 kg/tree while for immature plant is 300 kg/tree.

**Status: Comply**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

**Major 4.3.1 & Minor 4.3.2**

Critical land management strategies and other soil issues are contained in the SOP on land preparation and manuring in the Minamas Agricultural References. Company has documents of Soil Survey Semi Detailed and Land Suitability for Oil Palm Plantation PT Sandika Natapalma period 2017 - 2022. Documents mapped the distribution of soil type in scale of 1 : 45.000. The geographical reference is the map of Kalimantan Island as well as the map of West Kalimantan Province.

Management policies for planting on the slopes are indicated by Soil and river protection policy MINAMAS issued by the Executive Vice President declaring that land with a slope of > 20° on new planting or replanting activities should not be planted. Planting on sloped land that only has a slope of 0 – 20° while the land slope of more than 20° (40%) is not planted and allowed to maintain biodiversity. For flat and slope areas <20° pretreatment using LCC to reduce the impact of erosion and run-off.

Records of field inspections on SOP implementation include The 2017 erosion monitoring observation made by the HCV Mandor and verified by the division's asset states that on the Awatan Estate land No. 02 and 03 in blocks J3c and K4b it changes -1mm. Based on field observations known the company has implemented the policies for planting in slope area as :

- Terrace making, LCC Planting and empty bunch Applications on replanting area block16D001 AWE.
- The preparation of terraces on the slopes of the Awatan Estate block J1D.

**Minor 4.3.3**

The company has a road maintenance program supported by budget and resources. Based on information from Estate Manager Awatan and Estate Manager Lembiru, for road maintenance PT SNP in cover by 1 unit Road grader and 1 unit Vibro compactor. Manual road maintenance is also done among others by hoarding the road with holes with stone and water rope making so there is no water pooled in the street. Realization of road maintenance in Awatan Estate on March 2017 is 5,162 m. Based on field observations, road conditions are still in good condition.

**Major 4.3.4 & Minor 4.3.5**

Based on information obtained from the Estate Manager of Awatan and Lembiru Estate it is known that there is no peatland on PT Sandika Natapalma. This is reinforced by the result of semi-detailed soil survey and land suitability period 2017 – 2022 issued by Minamas Research Center In March 2017 stating that peatlands are not identified in PT Sandika Natapalma.

**Minor 4.3.6**

The land management strategy owned by the company is contained in the Land Survey Semi Detail and Land Suitability documents of PT Sandika Natapalma of land management group. In that section, the type of land and its management methods are identified into 4 groups :

- Soil class group A: Clay sandy, management with fertilization; Making of terraces, cover crops, utilization of residual palm stem.
- Soil class group B: Clay sandy until clay, management of erosion monitoring and mitigation on land with slope > 60; Plant cover crops, and utilization of palm oil residues.
- Soil class group C: Type Endoaquept and Aquic Peleudut. Management by ensuring proper drainage and fertilization.
- Soil class group D: Soil moisture depends on rainfall. Management by giving empty bunch mulch and conducting water conservation, as well as appropriate fertilizing application. Land that has a depth of <50 cm should be used as a conservation area.

Status: Comply

**4.4**

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

**Minor 4.4.1**

CH has been conducted the election for the officer in supervising the source of water, especially that used by society. The election has been conducted to every unit of estate which is suitable with these documents:

- a) Letter of appointment for the officer at Awatan Estate (Reference Number 01/AWE-HCV/VII/2015 on 1<sup>st</sup> of July 2015, on behalf of Bambang).
- b) Letter of appointment for the auditor at Lembiru Estate (Reference Number 01/SP-PT.SNP/HCV-LBE/01/16 on 1<sup>st</sup> of July 2015, on behalf of Liyono).

The letter of appointment informed that the officer should do the monitoring of water management (water sampling and buffer zone management) and do the the coordination with Marau Certification Staff and cooperated with stakeholders.

The location of water source has been established by CH, consist of:

- a) The upstream of Awatan river (appropriation for clean water and plant activity)
- b) The downstream of Awatan river (appropriation for plant activity)
- c) Reservoir of Awatan Estate (appropriation for clean water)
- d) The upstream and downstream of Sekakai River (appropriation for clean water)
- e) Reservoir at the first shed of Lembiru Estate (appropriation for clean water)
- f) Water springs of Seleming Hill (appropriation for clean water)

Representing the document of water management programme which is including the information regarding to water management and buffer zone, such as:

- a) Creating the schedule for planning and procedure.
- b) Identifying for water source area.
- c) Rehabilitation for plant/enrichment with type of wood plant.
- d) Marking area of river demarcation.
- e) Monitoring the quality of water table which is in-out from the estate and evaluating the result of analysis.
- f) Socializing to all employee and society.

**Major 4.4.2**

Document review showed that PT. SNP has identified all streams and wetlands inside concession area, as seen in the following document:

- Identification of HCV in PT. Sandika Natapalma prepared in 2010 (see indicator 5.2.1)
- EIA PT SNP Study in year 2004
- DPLH study in year 2014
- Report on Soil Survey year 2014 by Minamas Research Center.

Those abovementioned survey identified surface water sources and wetlands inside PT. SNP are:

- Spring in Awatan hill, springs in Beturus hills, springs in Seleming Hill, and Serapen hill. These are used by the plantation workers and villager (Marau and Batu Manang villager).
- Kendawangan River upstream, Awatan River, Sungai Dua, Sungai Sekakai, and Sungai Bata.

Based on river and surface water identification, CH has defined buffer zone in accordance SOP:

- Policy on slope protection and buffer zones number 724 / TQEM-SPMS / 09) dated April 1, 2010. In order to prevent erosion and run off then planted LCC. Protection of river banks for large rivers (100 meter) and small river (50 meter).
- Work Instructions on Designation and management of conservation areas in the region which have already been planted (Policy No. 301 / SNP-ENV-05/11) dated July 8, 2011. Marking using red paint on a subject that should not be sprayed and fertilized. And allowing the forest trees, shrubs, soft grass and the other located in the area / conservation grows naturally.

Based on the results of visits in J 1a 3rd division of Awatan estate it was found that for areas designated as river borders (HCV) no land clearing was done. The river border is left natural and no replanting activities are conducted in the river border. In addition the company also has terracing and planting cover crops along the 25 980 meter is intended to prevent erosion. Based on the results of visits in Sekakai River in block J6 D division 4 Lembiru Estate (PT SNP), there are five boundary marks of palm trees and there are signs for the boundary of the river.

**Minor 4.4.3**

Auditor observed that facility for POME treatment available in form of Wastewater Management Installation (WWTP) that consist of the following components: Cooling pond, anaerobic pond with dimension of 83 x 43 x 6 meter (3 units), facultative pond with dimensions of 82 x 42 x 6 meter (3 units), 1 sedimentation pond, Buffer / backup pool.

All POME from WWTP goes to estate for nutrient recycle and applied in accordance with Permit of Land Application from Local Government (Decree number 673 / KLH-B / 2015 of Wastewater Utilization for Land Application ) covering an area of 153.18 hectares. Effluent quality (POME) has been monitored by regular monthly testing by Sucofindo laboratory – Pontianak (accredited). Sample of POME quality monitoring available for the period october-december 2016 are as follow:.

Parameter	Standard	Volume	October	November	December
pH	6 - 9	-	7.03	7.94	8,41
BOD	5000	Mg/L	87,47	133,87	158,40

Based on measurement result, quality of POME still meet required standard from Minister of Environment through Decree No. 29 of 2003 (Licensing of Industrial Wastewater Utilization for Application In Oil Palm Plantation). Volume of POME application maesured using digital flowmeter.

**Minor 4.4.4**

To ensure optimal use of water resources, there is SOP on monitoring of water consumption in Operating Manual of Water Treatment Plant (WTP) station. Monitoring has been done both for processing water and domestic water (residential and office).

Use of water in mill has been monitoring periodically using flowmeter installed in Water Treatment Plant both on pipe leading to processing and to domestic use. Records of water usage available in Lembiru mill. Example for the period January to December 2016 is as follows:

Month	Actual ratio (m3/ton FFB)	Budget
Apr	1.71	1.6
May	1.67	1.6
Jun	1.71	1.6
Jul	1.62	1.6

Aug	1.44	1.6
Sept	1.35	1.6
Oct	1.6	1.6
Nov	1.64	1.6
Dec	1.64	1.6
Jan	1.7	1.6
Feb	1.54	1.6
Average	1.6	1.6

The table shows that in general ratio of Actual Use of Water compared to FFB processed is 1.6 M3 / Ton FFB which means same with the internal standard of PT. SNP (<1.6 M3 / Ton FFB).

Status: Comply

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

**Major 4.5.1 & Minor 4.5.2**

The Company has an Integrated Pest Management plan contained in the Annual Working Plan and Agricultural Reference Manual. Identification of potential pests in PT Sandika Natapalma are from rat. Control method is a combination of biological control, mechanical, chemical, and physical. The original species used in biological control were *Tyto Alba* (Barn Owl) as a natural predator of rat and beneficial plant application (Turnera, Antigonon, Cassia, etc.) as hosts for natural predators and parasitoids from Palm Leaf Eating Caterpillar

Implementation of biological control is expected to reduce the use of chemicals. Based on the information from management representatives, it is known that the biological control of rats is still experiencing difficulties because the surrounding communities are still hunting for owls. So the company has not been able to ensure the reduction of chemical use. The use of pesticides is only done when the pest attack rate has exceeded the threshold. For example, rat attack threshold is 5%. If there is any rat attack above 5 % then chemical control applied.

In the Agricultural Reference Manual (ARM) has been mentioned potentially pests, among others: bag worm, nettle caterpillar, rat and oryctes. The procedure describes the frequency for Palm Leaf Eating Caterpillar observation under normal conditions ie every one month, while for mice is every 3 months. Awatan Estate have not been able to show sufficient evidence regarding regular pest monitoring in accordance with the Agricultural Reference Manual. It becomes a non-conformity **NCR.NO.2017.03**.

Training has been given to the worker as Socialization Of safety procedure on Pesticide handling and Integrated Pest Management training on Febuary, 2017 and December 2016.

4.5.1 Status: Non-Conformity No.2017.03 with Minor Category

Open

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

**Major 4.6.1**

In control of pests the application of pesticides should be selective (on target) and based on the given recommendations. The identification of pests and pesticides used for its control program is contained in the Minamas Plantation Agricultural References Manual. In sections 15 and 16 on crop protection and weed control, there are explanations such as recommendations on the use of chemicals to control pests, application dosage, and application methods so that the treatment can be appropriately targeted.

The steps included to avoid the development of resistance include:

1. Using census and monitoring methods to determine the type of control to be performed. The use of pesticides is the last alternative if the results of the study proved that the intensity of pest attack has exceeded the threshold and the threshold control
2. Pesticides are applied on target, right dose, and on time
3. Combine physical, chemical, biological, and mechanical control methods (IPM)

Interviews with Block Spraying System Officials Lembiru Estate and Awatan Estate show spray workers have understood good spraying techniques and can explain that sprayed weeds must be precise. For example, if the target weed triklpoir is a wooden weed, whereas if it works using glyphosate and methyl metsulfuron target weeds are on the palm circle and non woody weed.

#### **Major 4.6.2**

The company shows the pesticide application program listed on Reference Manual of Agronomy on Palm Oil Planting. The pesticide application program is also included in the annual budget document of PT SNP (Annual Working Plan) which furthermore from Annual Work Plan will be made a Monthly Work Plan for example:

- Chemical circle maintenance plan in March block E1A Awatan Estate area of 23.86 Ha
- Chemical circle maintenance plan in April block 14A Lembiru Estate area of 23.76 Ha

Records of the use of pesticides listed in the document The use of pesticides in July 2016 to March 2017 for example The use of glyphosate herbicide at Awatan Estate is 1350 liters with an application area of 4,294.2 ha so that the use of active ingredients per Ha is 0.314 L / Ha. Glyphosate has LD 50 of 0.01 mg / kg bb / day.

#### **Major 4.6.3**

Integrated Pest Management Plan is contained in the Minamas Plantation Agricultural References Manual. Implementation of the SOP as :

- The integrated rat control program is conducted by conducting census and monitoring every 3 months. If the census results indicate an attack rate exceeding 5% is controlled by rodenticide. Besides conducting census and monitoring, the company also implements biological control by using natural rat predators that are barn owl.
- The integrated control of Palm Leaf Eating Caterpillar is done by a combination of biological and chemical controls. The census results determine what control measures will be taken. The Company also undertakes the planting of beneficial plants as part of biological control.

The effectiveness of the control program is monitored from the level of the Mandor, Assistant, to the Manager whose evaluation report is contained in the Manager's monthly report. The use of pesticides especially for rat control can not be minimized because the biological control program by using owls is constrained by the habits of the local villagers who still like to hunt owls. The level of Palm Leaf Eating Caterpillar attack period 2016 to March 2017 below the threshold so that chemical treatment is not applied (managed to suppress the use of chemicals). Chemical control (using pesticides) is the last alternative if the presence of the pest has exceeded the threshold of control. The use of pesticides is based on census and monitoring results.

#### **Minor 4.6.4**

The Company has a complete list of WHO 1A and 1B pesticides as indicated by the OHS expert of PT SNP. The list of pesticides includes PT SNP. The Sime Darby Responsible Agriculture Charter (September 2016) document outlines that it will implement an integrated pest management program by not using paraquat or chemicals belonging to WHO 1A group. Group 1B WHO will be gradually reduced in accordance with the conventions of Rotterdam and Stockholm.

Based on data of pesticide usage of PT Sandika Natapalma 2014, 2015 and 2016 it is known that there is still record of rodenticide use with active ingredient of Warfarin (class 1B) and not enough evidence of the reduction of rodenticide use in accordance with **Sime Darby Responsible Agriculture Charter. This is a Non-Conformity No.2017.04**

Physical verification on chemical warehouse amount in accordance with warehouse card. Like the results of audits Awatan Estate a total of 222 liters and Becano Lembiru Estate is 440 liters.

#### **Major 4.6.5**

The Company has SOP on Management of Hazardous Waste which describes the chemical classification, responsible person, person in charge, supply of MSDS through suppliers, chemical storage, chemical handling, action against leaks and spills, first aid to training programs.

Handling of pesticide listed in the SOP hazardous waste management parts : chemical storage and chemical handling during use. Among them include :

- Storage is separated by group (Insecticide, Herbicide, Rodenticide, etc)
- Stored in a safe place separate from fertilizers, foodstuffs, and water sources.
- Stored in tightly sealed containers and not leaking.

Other than that also listed in Work Instruction 701/IK-TQEM-ESH-10 for chemicals/pesticides handling.

Training to manage the impact of pesticide application that has been done for example:

- Socialization of Pesticide Handling and Management February 6, 2017. The given materials include Pesticide Introduction, Pesticide Handling, Piktogram, and PPE in pesticide application.
- IPM Training in Division IV New A Lembiru Estate Block H9A on December 09, 2016. Materials provided include Type of disease and pest groups, attack symptoms, census, and control.

Based on interviews with BSS officers in division 1 Lembiru block D5, G4CB block 2<sup>nd</sup> division of Awatan Estate got information from BSS officers is a special team that has received training related to safety use of pesticide, application technique, and Personal Protective Equipment (PPE) that must be worn. Workers understand the dangers and risks associated with the chemicals used.

Field observations in chemical storage warehouses Lembiru known chemicals have been equipped with the corresponding MSDS. However, at the time of observation to Awatan Estate (AWE) found Pesticide trademark Kencepat not yet equipped with MSDS. **This is a Non-Conformity No.2017.05**

Although the use of PPE has been complete and according to risk analysis made by OHS Expert PT SNP, but there is one spraying officer in Awatan estate who wear short sleeves so contamination of chemicals is vulnerable. This becomes Non-Conformity and has been incorporated into indicator 4.7.3

#### **Major 4.6.6**

The Company has procedures for handling pesticide waste contained in SOP Management of Hazardous Waste (Hazardous and Non Hazardous Waste Management) under No.Dokumen.SPO-01-17-PLB3 & NonB3-SNPBAL April 02, 2011. The procedure describes:

1. Hazardous Waste Warehouse
2. Ways to reduce Hazardous Waste
  - Use 3 principle (Reduce, Reuse, and Recycle)
3. Administrative means : monitoring Hazardous Waste Packaging

In the procedure, pesticide waste management is in part on ways to reduce Hazardous Waste and Materials on chemical packaging. The principle used is only Reduce and Recycle while Reuse is not implemented. Management in operating units include:

1. Wash and rinse three packs of chemicals.
2. Make hole on the bottom of chemicals packing.
3. Collect at specified storage location.
4. Coordinator with the collector to be recycled.

The field observations to the Awatan and Lembiru Estate chemicals warehouses show that pesticides are well preserved and not mixed with other chemicals. Pesticides Warehouse according to the type and equipped with MSDS. However, at the time of observation to Awatan Estate (AWE) found Pesticide trademark Kencepat not yet equipped with MSDS. Non conformity has been added in 4.6.5. In accordance with the remaining SOP of pesticide packaging should be stored at hazardous waste warehouse. In the residential area of PT Sandika Natapalma not found any packaging of pesticide used for other purposes.

**Minor 4.6.7 ; Minor 4.6.8 dan Minor 4.6.9**

The Company has a SOP Block Spraying System on explaining how to apply mixing pesticides, spraying the field, washing and storage equipment as well PPE. In addition, the Company has SOP on Management of Hazardous Waste

To minimize the risk of work the company has identified risk for pesticide application in Risk Assessment document as well conducted training related to management and technique of pesticide application such as Socialization of Pesticide Handling and Management February 6, 2017. The materials given include Pesticide Introduction, Pesticide Handling, Piktogram, PPE In pesticide applications. Followed by 14 people from Lembiru Estate including the Mandor and Clerk. Training on Plant Pest and Disease in Division IV New A Lembiru Estate Block H9A on December 09, 2016. The materials provided cover the types of disease and pest groups, attack symptoms, census, and control.

Based on interviews with management and document review the company has never made the planning and apply pesticides by air.

Interviews with BSS workers in both Awatan Estate and Lembiru Estate workers have been familiar with application techniques such as knowing to wooden weed spraying in interrow using triklopir and to spray the palm circle using glyphosate. The use of pesticides should be in accordance with the type of weeds to be sprayed. Pesticide mixed in BSS house. Workers also said to minimize contamination with chemicals, must use PPE. PPE is stored in BSS house. The work tool is washed in the BSS house then kept in a clean state.

**Minor 4.6.10 & Major 4.6.11.**

The Company has a Hazardous Waste Management SOP (No Policy 301 / SNP-LB3 / 11, dated 8/4/2011). The procedure has explained types of waste and its management procedures. Section 6.4 describes the delivery of hazardous waste from the hazardous waste warehouse to the licensed hazardous waste warehouse in Mill. In the procedure, it is explained that the ex-packaging of pesticides gives the treatment as defaced, washed 3 times and placed on licensed Temporary hazardous storage. Afterwards, ex-packaging of pesticides will be transported transporter licensed appropriate cooperation agreement management hazardous waste with PT Sinar Bintang Albar (No. 002/SBA-SNP/MOU.LB3/VI/16).

Training provided to workers and managers regarding proper waste disposal:

- The company conducted training related to the socialization of spraying and placement techniques of used pesticide January 23 2017 in division II Balumenang Lembiru estate.
- Training conducted at Lembiru Estate on December 3, 2016 on pesticide handling, PPE appropriate to its function and function, analysis of potential hazards of pesticides from pesticides & reading MSDS information and waste pesticide waste followed by 28 people consisting of workers, And assistant.

Chemical containers / containers are stored at the temporary hazardous waste for subsequent transport by licensed third party / collector. All chemical waste packaging products have been recorded in the hazardous waste warehouse logbook. Each month a hazardous waste balance sheet is prepared for each hazardous waste item, subsequently reported to Environmental agency Ketapang District. Described in the hazardous waste management report quarter 2016 (LB3 -4.16 / 070 / SPO-SNP / III / 17) reported to the Environmental Agency 10 March, 2017.

The company has been conducted a medical surveillance including pesticide operators (physical, visus, spirometry and illage e) for LOF workers on 15 – 17 June 2017. Based on medical test result, all workers were in good condition.

The company also conducts routine employee health checks of pesticide applicators to ensure that they meet health standards to carry out the work.

**Major 4.6.12.**

Based on document verification in agreement work year 2016-2018 explained about rest day for woman like menstruation leave and maternity leave. Based on the results of interviews with the genders, bookkeeping cranes and spray workers it is known that the company gives the break permits (H1 and H2) for all female workers. In addition, female workers who are pregnant or breastfeeding are forbidden to spray and divert for other work.

Based on field interviews with sprayers in Lembiru estate and Awatan estate, it is known that there are no female employees who are pregnant or nursing to apply pesticides or fertilizers, Additionally obtained information that the employees have known if pregnant or nursing are not allowed to work related to the chemicals because they are harmful to their babies or their fetuses. The policy is written on the work instruction of BMS team and the use of BMS station number 301/SNP-EST-02/11.

Based on document listing pesticide operators in each estate it is known that no pregnant and lactating women are working where exposed to chemicals. This is reinforced by field observation results and interviews with each BSS team in AWE and LBE, during the last year to date no pesticide operators are pregnant / lactating.

**4.6.4 Status: Non-Conformity No.2017.04 with Minor Category**

**4.6.5 Status: Non-Conformity No.2017.05 with Minor Category**

**Open**

**4.7**

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

**Major 4.7.1**

The policy related to OHS unchanged from previous assessments listed on OHS policy approved by the Head Plantation Upstream Indonesia December 2011. They also had Occupational Health and Safety policies are listed in the SOP document Occupational Health and Safety (K3) No. Policy: 711 / TQEMS-P2K3 / 07 that Minamas Plantation is committed to being a responsible company in implementing K3 (OHS) in all activities in the estate and plant operations.

The management unit is consistently documenting the applied OHS, the procedure of OHS and OHS program. There is no changes on the policy and procedure of OHS. Meanwhile the OHS work program for period of 2016 – 2017 are the OHS issue identification, danger sources identification and control, OHS statute compliance, OHS consultation/socialization, installation of slogan, poster and signboards of OHS, research over the OHS goods purchase and document analysis. OHS document maintenance, research and analysis of work accident case, OHS performance assessment/OHSMS assessment, evaluation/reporting.

- a. According to document verification that known the medical check up has been conducted on each estates:
  - 1. The medical check up to 27 pesticide applicators on 15 – 17 June 2017 in LBE such as: a physical examination, cholinesterase, spymetry test and Visus Test. Based on medical test result, all workers were in good condition.
  - 2. The medical check up to 15 pesticide applicators on 15 – 17 June 2017 in AWE such as: a physical examination, cholinesterase, spymetry test and Visus Test. Based on medical test result, all workers were in good condition.
- b. The company has been conducted a medical surveillance (physical, visus, spirometry and Audiometry) for Lembiru Oil Factory workers on 15 – 17 June 2017. Based on medical test result, all workers were in good condition.

**Major 4.7.2.**

The management unit has composed Hazard Identification Risk Assessment and Risk Control (HIRAC) for the estate and POM operational. It has been updated on 2016. The HIRAC compilation refers the SOP of OHS identification guidance. The HIRAC (Policy Number 7301/PSQM-ESH/11) was legalized on July 7th 2011.

According to document verification and field observation known that the company has made the identification and assessment of risks to operational activities in the estates and mills. Records of the assessment results are set forth in the document of Hazard Identification Risk Assessment and Control (HIRAC) which was reviewed regularly once a year or as

needed. The HIRAC document is informing about the type of activity, type of work (routine, non-routine and emergency), source / occurrence, impact, existing controls, the level of probability, severity and risk level. The results of the assessment has been socialized to all employees through a briefing in the morning before work and installed at the work site, for example in the warehouse, BSS home or at the mill. According to interview results with pesticide applicator that using isopropyl amina glifosat and metil metsulfuron in LBE, they were using PPE according to MSDS and HIRARC. For example, they has been using carbon mask as listed as HIRARC and MSDS. The last reviewed has been held on January 2017.

#### **Major 4.7.3**

The company has had several procedure regarding to OHS implementation. They also showed record of OHS training and PPE used that held on April 20<sup>th</sup> 2017. However, based on field observation known that several risk control that not implemented yet:

- Based on field observation in herbicide application in block D5 Division 1 Lembiru Estate (LBE) found a pesticide applicator using unsafe wear that potential to skin contaminated.
- Lembiru factory:
  1. Welding activity in height not equipped with maintenance sign in that area. Moreover, the welder not using adequate PPE (body harness, welding glasses and hand gloves).
  2. One of power plant operator did not using ear muff.
  3. Based on document observation, Awatan Estate not shown PPE distribution and first aid kit monitoring in each unit yet.

Based on the data above, it raised **Non Compliance Record No. 2017.06**.

#### **Major 4.7.4**

The responsible person in the OHS program has also been identified. The management unit has had the organization container in Guiding Committee of Occupational Safety & Health which is responsible for OHS program. Results of the verification document known that the management unit has submitted the Guiding Committee of Occupational Safety & Health reports regularly every three months. The Guiding Committee of Occupational Safety & Health report covers all activities of OHS, among others: Guiding Committee of Occupational Safety & Health recommendations, the results of the investigation of workplace accidents, work accidents recapitulation, Guiding Committee of Occupational Safety & Health activity reports, employee health inspection reports, minutes of meetings held every months.

#### **Minor 4.7.5**

The management unit shows the SOP of emergency response (501/SNP-KRD-13/11) and the procedure of accident and investigation reporting dan (310/SNP-SFT-08/11). The procedure is described on the understood language by the workers. It discuss the emergency response and accident reporting procedure. The reporting of work accident has been documented and monitored by PSQM unit regularly.

The company has implemented SOP of accident. For example, OHS general expert has been investigated 5 minor cases in AWE. Through the investigation data, he was conducted safety briefing to all harvester and first aid kit handling to all foreman on 20 April 2017.

Based on field observation and interview with several worker found that:

1. BSS supervisor in Awatan Estate still not quite understood and demonstrated of first aid kit used.
2. First aid kit box did not comply labor ministry decree no. 15 year 2008.
3. The company has not provided monitoring and note of first aid kit of BSS in LBE, AWE yet.

Through the data above, it raised **Non Compliance Record No. 2017.07**.

#### **Minor 4.7.6**

Based on field observation, the company has provide medical facility in Beturus Estate (Beturus Clinic) including paramedic (doctor and nurses) in cooperation with social health insurance. However, company has not been able to show evidence that contract workers have been registered with social health insurance. **Nonconformity no. 2017.08 with Minor**

category.

**Minor 4.7.7**

The management unit shows the record of Accident Statistic for period of July 2016 to March 2017 for each POM and estate work unit. The data of Safety Performance Indicators *Incident Rate, Frequent Rate, Lost Time Incident-Frequent Rate dan Severity Rate* are described on the statistic.

4.7.3	Status: NonConformity No.2017.06 with Major Category	Open
4.7.5	Status: NonConformity No.2017.07 with Minor Category	
4.7.6	Status: NonConformity No.2017.08 with Minor Category	

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

**Major 4.8.1 and Minor 4.8.2**

The company has been composed 33 type of internal training program such as emergency response training, BSS & BMS training, OHS for contractor, safety town hall, hazardous waste management, general OHS expert training etc

The company could not show proof of training records related to aspects of the RSPO principles and criteria for all levels of employees (staff, workers, smallholders and contract workers). **NonConformity No. 2017.09.**

However, the record of operator regarding to OHS training has been documented by head clerk. For example:

1. Training of regulation of labor ministry no. 1 year 1976 regarding to company hygiene & occupational health.
2. Training of regulation of labor ministry no. 9 year 2010 regarding to transporting and forklift operator.
3. Training of regulation of labor ministry no. 4 year 1985 regarding to power plant and production operator.

4.8.1	Status: NonConformity No.2017.09 with Major Category	Open
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**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

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

**Major 5.1.1**

PT Sandika Natapalma has prepared appropriate environmental impact assessment both for mill and estate as seen in the following:

- Environmental Impact Assessment (EIA) carried out in 2004, had been approved by Local Environmental Office of Kalimantan Province on May 24, 2004. The study covers area of 24,000 hectares and a capacity of mill 60 Tons FFB / Hour) ,
- Additional Environmental Impact Assessment (namely DPLH) for plantation area that are not included in the EIA, which covers an area of 2,517 hectares in the village of Suka Karya, Village Riam Batu Gading, Karya Baru and Village Sukaria. Has been approved Local Environmental Office of Ketapang on March 10, 2014. Regent of Ketapang District has issued Environmental License through Decree No. 452 / KLH-B / 2014 dated on September 1, 2014.

From document review, auditor observed that those two environment documents have been prepared through consultation process with local community and parties concerned.

**Minor 5.1.2**

Field verification showed that there are no changes in plantation and mill practices according to the EIA and DPLH documents. Therefore, no revisions needed against the previously environmental document (EIA & DPLH).

As part of EIA study, CH has developed an Environmental Management Plan and Environmental Monitoring Plan, which cover the following component of impact: Increasing the rate of soil erosion, Changes in Water Quality, Potential Land Fire,

Disruption of protected vegetation and wildlife, Social Unrest, Community Health.

In accordance to DPLH document, CH has also developed an Environmental Management Plan and Environmental Monitoring Plan, which cover: Management of Air Quality and Noise, Changes in Surface Water Quality, The potential for Land Fire, Roads and Bridges damage, Decrease in Aquatic Species Diversity, emergence of Pests and Diseases, Changes on Public Perception, Employment, Income Improvement of villager, Social Conflict, emergence of new disease.

Management and monitoring protocol for each impact has been determined including detail of management actions, location, time and the responsible units.

Field observations show that environmental management activities that have been running are:

- Sloping land management to prevent erosion
- Monitoring of forest fires and provision of fire extinguishers
- Employment from surrounding communities to reduce negative perceptions
- Installation of WWTP and Land Application

**Minor 5.1.3**

Document review shows that CH has compiled report on implementation of Environment Management and Monitoring (RKL-RPL) of second half of year 2016, which contain the following management:

- Air quality and noise,
- Surface water quality monitoring in the Kendawangan River (upstream and downstream), Gemagak River, Tulus River, Padang River and the Putih River (upstream and downstream).
- Potential land fires
- Damage to roads and bridges
- Decrease in biodiversity
- Pests and plant diseases
- Employment and income improvement opportunities of surrounding village
- increase in community's income
- The occurrence of social conflict
- The emergence of new diseases caused by mill and estate activities

Based on results of environmental monitoring, it is known that there are no negative impact cause by operation. Based on interview with communities around the company, it is known that there were not information related environmental issues.

Unit of Certification has signified several evidences regarding to the water's biota test that has been done by accredited laboratory. The test result has reported with the monitoring report of environmental impact on the first and second semester of 2016. Emphasize to all PIC which is involved from the beginning until verification's process to do several studies and evaluations regarding to the implementation. Release an instruction's memo for sampling and sampling's officer. The report had been submitted to Local Environmental Office of Ketapang District periodically. The Company has presented proof of document submission on 10 March 2017 to Environmental Office of Ketapang District

- IEA report second semester for year 2016 PT Sandika Natapalma
- Additional Environmental Impact Assessment (DPLH) second semester for year 2016 PT Sandika Natapalma

**Status: Comply**

**5.2**

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

**Major 5.2.1**

PT. SNP has carried out Identification of HCV area in cooperation with third party assessor (Aksenta) in year 2010. Assessment conducted by a competent team and proper methodology. The study recommended 2,636.63 ha areas as HCV and HCV Potential. The actual declared (designated) area of HCV is 490.9 hectares, consisting of:

Lembiru Estate

- Bawas Tua enclave forest covering an area of 5.32 hectares
- Bukit Seleming covering an area of 22.5 hectare
- Riparian area of Sekakai River covering an area of area of 7.1 hectares
- Riparian area of Sekakai River covering an area of area of 7.2 hectares
- Riparian area of Sekakai River covering an area of area of 13 hectares
- Riparian area of Sekakai River covering an area of area of 16 hectares
- Riparian area of Sekakai River covering an area of area of 9 hectares

Awatan Estate

- Bukit awatan that covering an area of 380.6 hectares
- Riparian area of Sungai Dua covers area of 1.5 hectare
- Riparian area of Bata River that covers area of 20.8 hectares
- Riparian area of Awatan River covering an area of 13.2 hectares

In general, there is no fragile and threatened habitat found (HCV 3), but there are several important sites for protected species (HCV-1), area that has ecosystem services (HCV 4) which are riparian area, and area that has cultural identity value (HCV 6).

Protected flora and fauna found during HCV survey are as follow:

- protected flora including vulnerable ones according to IUCN and Cites Appendix II, namely; Agarwood (*Aqualaria malaccensis*), Ulin (*Eusideroxylon zwageri*), Tree of honey (Pulai, jelutung, sindur, kempas, ketanggung, the details of wood and stone),
- protected fauna (26 species) including those with endangered status according to IUCN and Appendix II of CITES, namely: *Hylobates agilis* / Kelempiau, *Nyctiebus coucang* / Slow lorises, *tarsiers bancanus* / Kemeninga, *Helarctos malayanus* / Bear, *Presbytis rubicund* / Sailors, *Macaca nemestrina* / monkey, *Aonyx cinerea* / Kembarang, *Neofelis nebulosa* / Remau, *Sus barbatus* / Pig, *Cervus unicolor* / Deer.
- 7 species of birds including thos from Appendix II of CITES and 10 species protected by the Act
- Reptile species (turtles / *Amyda cartilaginea*, leaves turtle / *Cyclemys dentate*, Tortoise mud / *Siebenrockiella*).

During HCV study, CH had been directly socialized to employees and external sakeholder. Public consultation was held on June 4, 2013 attended by 43 representatives of the local government, village head, community leaders, customary leaders. Map of those HCV are available, including in the report management and monitoring of HCV for Each unit of PT SNP.

Map of those HCV are available, including in the report management and monitoring of HCV for Each unit of PT SNP.

Base on field visit Lembiru Estate block G 6D observations related to the management of HCV area in form of Sekakai riparian and observations related to the management of HCV area in form of area with natural vegetation. Observation the management to protect water spring in Block D4D HCV area of Seleming Hill.

**Major 5.2.2.**

The HCV report recommended several HCV management measures such as: signboard installment (identity and prohibition boards), dissemination of HCV area to the public, prevention of illegal logging, riparian area protection, and some others.

Based on observation in Block G 6D related to the management of HCV area in the form of riparian Sekakai and Block D4D Seleming Hill, known there is Information on HVC and RTE signboard, for RTE for example kelempiau (*Hylobotes agilis*), Bear (*Helarctos malayanus*), deer (*carvus unicolor*), Inside the signboard be found prohibition for off-limit, prohibition hunt and illegal logging.

**Minor 5.2.3**

PT SNP and has Work Instructions; Inventory Method (No. Policy, 700 / IK-PSQM-HCV / 12) 10 February, 2012 which describes in detail the activities of inventory of flora and fauna located in the work area of PT. SNP In the IK is explained related to the protection of RTE species.

Be found sign boards and poster in each HCV area clarified the relevant regulations for the protection of RTE in accordance with Government Regulation No. 7 of 1999. Base on interview with HCV officers, pesticide operators, harvesters and housing community they have understood the prohibition and penalty for Catching and hunting RTE Species.

The Company shows the HCV management report program, the period of July 2016 / June 2017 HCV monitoring conducted every month, within the monitoring program. Described HCV officer determination, HCV monitoring program setup, detailed schedule and identification of HCV / HCV and enclave area, periodic monitoring of posters, drawings and writing of prohibitions, plant and fauna warning, rehabilitating natural plants such as woody plants, bamboo and monitoring the buffer zone area. However, the evidence of the realization record of the program has not been shown. **Non conformity 2017.10 with minor category.**

**Minor 5.2.4****Awatan Estate**

The Company has HCV identification report which also contains the results of RTE identification, based on the report there is protected species such as *Hylobates agilis* (Kelampiau), *Helarctos malayanus* (Beruang Madu), *Cervus unicolor* (Rusa Sambar), *Nycticebus coucang* (Kukang) and some other RTE monitoring. The company conducts monitoring every month, there are monitoring reports for the period January to March 2017 found capung, burung madu, kelempiau and pijantung.

**Lembiru Estate**

The Company has HCV identification report which also contains the results of RTE identification, based on the report there is protected species such as *Hylobates agilis* (Kelampiau), *Helarctos malayanus* (Beruang Madu), *Cervus unicolor* (Rusa Sambar), *Nycticebus coucang* (Kukang) and some other RTE monitoring. The company conducts monitoring every month, there are monitoring reports for the period January to March 2017 such as

- Flora: *Penaga, jebakan, bambu, gelagah, laban and kumpang*
- Fauna: *Tupai, Punai, pipit, truwok, tekukur, elang, kucing and hutan*

The Company has conducted monthly RTE monitoring conducted by HCV officers.

**Minor 5.2.5.**

The Company conducted training related to the socialization of spraying and placement techniques of pesticide packaging on 23 January 2017 in division II Balumenang Lembiru estate with division research section, the material presented were:

- Personal protective equipment (PPE)
- Agrochemical spraying technique
- Placement of pesticide packaging
- Socialization of HVC and
- Free area of application of chemicals (pesticides and inorganic fertilizers) and waste from such activities.
- Training followed by all spray employees, foreman spray, estate staff, and assistant.

According to declaration of HCV area, enclave areas which were identified as potential HCV are excluded from HCV because PT. SNP does not have any legitimacy to manage it. PT. SNP agreed not to take any coercive steps in acquiring the enclave areas.

5.2.3	Status: Non-Conformity No.2017.10 with Minor Category	Open
<p><b>5.3</b>  <b>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b></p>		
<p><b>Major 5.3.1.</b></p> <p>Based on verification documents shows that CH has identified sources – sources of waste and pollution from plantations and mills activities, as seen in the following documents:</p> <ul style="list-style-type: none"> <li>- EIA and DPLH which identifying the sources of contamination in plantations and factories, especially solid waste and liquid waste.</li> <li>- Documents of “Identification of sources of waste / pollution and management plan”. The document includes the identification of the source of the waste, waste types, classification (hazardous and nonhazardous), frequency (routine or non-routine), re-use / re-cycle / disposal, temporary storage, disposal course (rivers, atmosphere, boiler, or sold to third party).</li> </ul> <p>The Company has a hazardous waste Management SOP (No Policy 301 / SNP-LB3-03 / 11, dated April 8, 2011). In SOP is described as follows:</p> <ul style="list-style-type: none"> <li>- Criteria for hazardous waste packaging.</li> <li>- The required packaging storage.</li> <li>- Delivery of hazardous waste to Temporary hazardous waste storage waste and handling and management of hazardous waste at temporary hazardous waste storage.</li> </ul> <p>PT SNP has SOP on waste and pollution management. SOP describes identification, monitoring and measurement with number 301 / SNP-MON-06/2011. The SOP describes the pollution caused by Mill operations.</p> <p><b>Major 5.3.2.</b></p> <p>For ex-chemicals containers handling, the company has constructed hazardous waste storage at Lembiru Mill. Permission has been obtained from Regent of Ketapang District through letter No. 424 / KLH-B / 2013. Before sent to mill, there is transit storage for chemical container in each estate.</p> <p>From storage, chemical containers transported to licensed third party for disposal. All chemical waste generation and disposal have been recorded in the log book of hazardous waste.</p> <p>Chemical containers / containers are stored at the Hazardous Waste for subsequent transport by licensed third party / collector. The entire production of raw material packaging waste has been recorded in the Temporary hazardous waste storage logbook. Every month balance of Hazardous waste for each item Hazardous Waste, Environmental Agency Ketapang District. Described in the Hazardous Waste management report quarter 2016 (LB3 -4.16 / 070 / SPO-SNP / III / 17) referring to the Environment Office 10 March, 2017. The Hazardous Waste reporting submitted such as:</p> <ul style="list-style-type: none"> <li>- Hazardous Waste logbook for the period of October to December 2016 covering the date of entry, exit date of Hazardous Waste for each Hazardous Waste consist oil filter, used oil, used batteries, used lamp, and contaminated rag.</li> <li>- Balance sheet of hazardous waste period October to December 2016</li> <li>- Manifest delivery Hazardous waste period October to December 2016</li> </ul> <p>Based on field visits is known there are Hazardous waste located in unlicensed places:</p> <ul style="list-style-type: none"> <li>• Oil filter and used oil packaging behind the Lembiru POM</li> <li>• Expired chemicals in Lembiru POM chemical warehouse</li> </ul>		

It is not in accordance with Government Regulation No.101 of 2014 on the Management of Hazardous Waste and SOP of Hazardous Waste and Non-Hazardous Waste Management (SPO-01-17- PLB3 & NON B3-SNPBAL). **NCR 2017.11 with Major category**

**Minor 5.3.3.**

Waste disposal plans documented in the following SOP:

- SOP of hazardous waste management Number 301 / SNP-LB3-03 / 11 year 2011
- SOP of POME treatment number 110 / EST-ARM / 08
- SOP on monitoring and measurement of hazardous waste, liquid and solid wastes number 301 / SNP-MON-06/2011
- SOP on waste and pollution management. SOP describes identification, monitoring and measurement with number 301 / SNP-MON-06/2011. The SOP describes the pollution caused by Mill operations.

Waste management measures that have been done, among others are:

- Periodic monitoring (monthly) on the quality of POME (BOD, COD, etc.).
- Renewable energy, shells and fiber from FFB processing is used as a fuel in Boiler.
- Nutrient recycling through EFB application in estate, as organic fertilizer.
- Used lubricant from workshop and mill are stored in licensed hazardous waste storage licensed.
- Domestic waste from Housing disposed through landfill facility in each estate.

The company has implemented the waste management disposal plan. Implementation can be described as oil Mill Oil, is known that the sediment pond disposal has been well managed and in accordance with the procedures that is streamed to WWTP pond. Base on observation be found domestic waste disposal to landfill and there is no burnt waste.

<b>5.3.2</b>	<b>Status : Non-Conformity No.2017.11 with Major Category</b>	<b>Open</b>
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**5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.**

**Minor 5.4.1**

In accordance with SOP of waste management, CH has utilized shell and fiber as renewable energy for boiler. Based on the report of the use of fiber shell for the period July 2016 – March 2017 renewable energy efficiency reach 8. 30 Kwh / Ton FFB and non-renewable energy reach 0. 99 Kwh / Ton FFB.

The consumption of fossil fuels in the estate and mill has been well monitored, as shown by the form of monitoring of the diesel fuel consumption period July 2016 – March 2017. Based on the monitoring data, annual consumption of diesel fuel was around 108,000 liters and was lower than budget.

	<b>Status: Comply</b>	
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**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.**

**Major 5.5.1**

The management unit shows the document of Agronomy Manual Reference Number 110/EST-ARM/08, Part 4. Land Preparation. It describe the technical guideline for clearing the land mechanically based on the decree of Director General of Plantation number KB.110/SK/DJ BUN/05.95. According to the result of field and document observation, there is no land clearing for replanting activities.

**Minor 5.5.2**

Base on Field visit and interview in Awatan estate and Lembiru Estate including inspection along estate boundary showed

that there was no indication of fire use in land clearing activities.

Status: Comply

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

**Major 5.6.1.**

Based on the verification of documents, it is known that CH has assessed the sources of greenhouse gas emissions from mill and estate activities, as seen in the following document:

- a. Identification of sources of waste and pollution in the EIA and DPLH (see indicator 5.1.1)
- b. Documents of identification of sources of waste and pollution (see indicator 5.3.1)
- c. Calculation of greenhouse gas emissions from the mill and estate activities with reference to greenhouse gas accounting guidelines of the RSPO standard calculation using palm GHG calculator.

Summary of greenhouse gas emissions and management general management plan:

Source	Emission	Management	Remarks
Land clearing	CO <sub>2</sub>	Zero Burning policy	Land clearing document.
Fertilizing	CO <sub>2</sub> & NO <sub>2</sub>	<ul style="list-style-type: none"> <li>• Chemicial fertilizer reduction</li> <li>• EFB application)</li> </ul>	<ul style="list-style-type: none"> <li>• Nutient recyclig document.</li> <li>• EFB appliction Monitoring.</li> <li>• Fertilizing recommendation.</li> </ul>
Diesel consumption	CO <sub>2</sub>	Reduction of diesel fuel consumption	Diesel usage consumption.
FFB processing	CO <sub>2</sub>	<ul style="list-style-type: none"> <li>• Periodic emission test</li> <li>• Diesel fuel reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic emission test</li> <li>• Diesel fuel reduction and organic fertilizer</li> </ul>
POME	CH <sub>2</sub>	<ul style="list-style-type: none"> <li>• Methane Trapping/biogas</li> </ul>	Not yet done

**Major 5.6.2**

Documents shows that all documents required in counting and handling of greenhouse gas emissions has been identified like: Recap of fossil fuel use, recap the use of fertilizers and pesticides, recaps of POME monitoring, recap of EFB use, recap the use of fiber and shells for boiler fuel, and others.

Plans to minimize greenhouse gas emissions have been compiled in the SOP of waste handling. Further more, CH is encouraged to make a more specific of planning in greenhouse gas emissions reduction including quantitative data that show the target of greenhouse gas emissions reduction. To increase the greenhouse gas absorption, CH is encouraged to undertake enrichment and planting tree species in river banks and open spaces. Some measures to reduce greenhouse gas emissions that have been implemented are as follows:

- The use of fiber and shell to reduce the use of diesel fuel in the mill.
- implementation of zero burning policy
- Preventive maintenance of the generator, boiler, and dust collector cleaning
- Implementation POME as fertilizer, for period october – december 2016 the application POME was 78,288 m<sup>3</sup>

**Minor 5.6.3**

In addition to monitoring of greenhouse gas emission, CH cannot show calculating the greenhouse gas balance from mill anf estates refers to the applicable with RSPO standards through the use Palm GHG calculator vers 3.1. **Nonconformity no. 2017.12**

5.6.3 Status: Non-Conformity No. 2017.12 with Minor Category

**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.**

**Major 6.1.1**

The SIA (Social Impact Assessment) for PT SNP conducted in March 2010 through cooperation with third parties (Aksenta). SIA document (2010) contains evidence of communities / villagers participation in study. Participation was conducted by interviews and focus group involving the village and community leaders, traditional leaders, youth leaders, and sub-district officials, including the police.

Results of the consultation meeting had been summarized in the SIA report. As part of social impact management, CH has channelled Corporate Social Responsibility (CSR) by considering the results of the EIA study and Social Impact Assessment.

Identified impacts in SIA (2010) document are:

- Direct positive impacts, e.g. Workforce, new sources of livelihoods, increased income of surrounding villager, the increased accessibility and mobility of people, goods and services, and the positive perception of the public.
- The indirect positive impact, for example: the higher growth of local businesses, the increased flow of money and the circulation of money in the surrounding villages as well as the rising purchasing power of the local community.
- Direct negative impacts, such as shrinking of the local people's lands, negative perception on the company, and disputes.
- Indirect negative impacts and accumulated impacts, for example, water scarcity, waning of traditional value system of mutual cooperation, changing of lifestyle of rural communities.
- Impacts on employee: loyalty and productivity, if employees feel cared for and treated properly it will impact on high productivity and employee loyalty.

**Major 6.1.2.**

SIA report provided document of community participation in social and environmental impact assessment (as seen in documentation of respondents in FGD and attendance list of consultation, dated March 2010). 40 community representatives consist of: Head of Villages, head of sub villages, Community Leaders, Village secretary, Chairman of villager board, Teacher, Principal of Junior School, Medical, police chief, etc. While in FGD, internal stakeholders involved were: foreman, supervisor, driver, Contractors, Harvesters, boilers staff, and staff.

**Minor 6.1.3 & Minor 6.1.4**

CH has been shown the document of management planning and monitoring for social impact based on the identification impact which has been arranged by PSQM and PSD Staff and also known by the Head of SOU 13 and the Manager of PSD. The last review SIA has been conducted 12<sup>th</sup> of July 2016, and it will be review every two year. This plan has been informed the positive and negative impact including the time management planning for July 2016 until June 2017 and the person in charge for the activity, such as:

- a. Establishment of Panel Committee.
- b. Visiting the society and the village which were related by.
- c. Give the solution for land of dispute.
- d. Estate for society management
- e. Evaluation of implementation programme

**Minor 6.1.5**

Unit of certification has shown the completeness document of Social Impact Assessment (SIA) which had been distributed on 12<sup>th</sup> of July 2016 to all around stakeholders i.e Suka Karya Village, Karya Baru Village, cooperate plantation Sejahtera Palma Sejati (SPS) and Mitra Usaha Tani Sejahtera (MUTS) with using the representative sampling for 16 respondents.

**Status: Comply**

**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.**

**Major 6.2.1**

Company has the SOP communication and consultation to conduct communication/consultation with stakeholders, which contained in Communication Procedures no policy. 301/SNP-KOM-08/11. Based on flowchart consultation in Communication procedures, known that the response period is not longer than 15 days. Based on interview with stakeholders (Sukakarya Village, Pelanjau Village, and Karya baru Village), it is known that they already known mechanism of communication. Base on interview with public figure in Karya Baru Village Complaints from cooperatives are in the production LPKP report for plasma plantations is always minus and based on the results of confirmation with the management is known that the payment of plasma plantation is still little due to credit payments by banks

**Minor 6.2.2**

PT SNP has appointed officers responsible to carried out communication and consultation with local communities is Plantation Service Department (PSD). Based on interview with stakeholders in Pelanjau Jaya Village, Karya baru Village and Sukakarya Village, it is known that villagers have already know, PIC which is appointed to communicate with them.

**Minor 6.2.3**

Companies have list of stakeholders which consist of government district, head of village, customary leader, etc. Management unit keeps all communication/consultation or meeting record with stakeholders in mail folder. All records of communication with stakeholders is kept in incoming and outgoing mail folder. Based on document verification, it is known that all incoming mail have been responded by companies.

**Status: Comply**

**6.3**

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

**Major 6.3.1**

Company has mechanism to handle complain from communities. The mechanism was refer to complaint mechanisms for all parties and communities dated 15 October 2015. The mechanism describes that management will ensure the security and confidentiality of the complainants from the parties. There was also available of procedure of Complaints Handling of Employee (SOP-006/SNP/III/11). Procedure of communities complaint resolution only up to the enterprise level. Based on interviews with management, there has never been a complaint that can not be resolved at the unit management level.

**Major 6.3.2**

Based on verification on complaint document and information by management unit, known that in period of one year until ASA-3, there was no dispute among the companies and the other parties. Based on stakeholder consultation with external stakeholders consisting related agency in ketapang Regency, village of Pelanjau jaya, Karya Baru and Sukakarya, and interview with internal stakeholder (Gender Committee and Labor Union), there was no significant complaint from related parties. While complaints from workers are only a complaint of improvements in housing facilities, and has been responded by the company.

**Status: Comply**

**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.**

**Major 6.4.1 & Minor 6.4.2**

The Certificate Holder has Procedure of Land Occupation Compensation (Policy No. 343/PSD-OKUP/11). These procedure contained explanation that in the processes of compensation or restitution of land, the company guided by the Social Policy document Minamas Plantation outlined in Sustainable Plantation Management Guideline No. Policy: 724 / TQEM-SPMS / 09, Rev.00, dated August 27, 2010 page 13 point 3: Plantation Upstream Indonesia ensure that any negotiations relating to compensation for the loss of the rights of a person authorized under the Act has been made with a documented system that enables local communities and other stakeholders to express their opinion through their own representative institutions. Likewise in land acquisition procedures Occupational (Policy No. 343/PSD-OKUP/11), explained that the land acquisition occupational Negotiations with land owners (based on legal documents) carried by the Manager of Plantation Services-Region and Manager Estate and witnessed by officials village or related parties. The procedure of Land Occupation Compensation as guidance for land compensation process. The documents requirement in land compensation shall signed by land owner, management unit representative, Head of sub District, Notary and Head of Village. These documents shall included of photograph, Map, Letter of land release by the owner, Official Report was signed by related parties consist of land owner and management unit representative, witnessed by Head of Village and Sub District. The process of payment for land or land compensation shall completed with receive and photograph as documentation evidence.

**Major 6.4.3**

The company was documented all of land compensation process. The documentation comprise of Map, Negotiation result (minutes of meeting), Land Release Letter, Payment Receive was filled in estate office based on land location. Based on Information Request Procedure (RSPO/1.1/PI), the documentation of land compensation process are categorized as limited access and should approved by Plantation Service Department and Manager of Estate if any related parties will access this document. Theses document can access with letter of Information Request from another parties to the company. There was shown the documentation of Compensation process has been signed by related party both of land owner and the company representation and witnessed by Village and Sub District Head. For example, documentation of land compensation to community member in Batu Menang Village, Suka Karya Village, Marau Sub-district on 24 May 2013. The document was completed with Minutes of Meeting which and agreement between two parties after the consultation process facilitated by Suka Karya Village Head and also completed with Land location map.

**Status: Comply**

**6.5**

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

**Major 6.5.1**

The company has paid wage increases on February 2017. Based on document verification and interview with staff, nowadays is still adjust to Kalimantan Barat Governor Decree No. 573/2016 regarding to the plantation sector minimum wage for Ketapang regency in 2016 is IDR 2,480,000 per month. Inter-Office Mail No. 004/RSP-i2/1/2017 on 13<sup>th</sup> January 2017 concerning wage PT SNP amount IDR. 2,480.000/month.

1. Based on the result of verification of Worker Agreement, it is known that:
  - Premi are non-permanent income based on work or achievement achieved by workers within a certain period of time stipulated by growers' requirements.
  - Overtime is a worker's non-permanent income in which work performed by an employee exceeds normal working hours with reference to prevailing laws and regulations.

Based on the document of changing the schedule of picket and Overtime (security), it is known that:

- Overtime is only given on working days and on holidays is given a premi system (Rp 125.000)

Verification results of incentive documents (security) on Sundays and holidays (March 2017), attendance document, and interview with security, it is known that there are security who work on day off. However, the non-permanent income (overtime) provided is not in accordance with Provisions contained within Collective labor Agreement and Manpower minister regulation no. 102 of 2004. **Nonconformity no. 2017.13**

2. PT SNP has not been able to show payment documents for contract labor for Lembiru estate (Repeat NCR of 2016). **Nonconformity no. 2017.13**

**Major 6.5.2.**

Collective Labor Agreement between companies and Federation of Labor Unions of sub District of Marau period of 2016-2018 has been approved by "Head of Manpower Agency of Ketapang regency No. 129 year 2016. The document was written in Bahasa, it has been also socializing to all level workers through labor union. These document was explained of Rights and Obligations, Employment Relations, Working System and Overtime, holidays and rest (annual leave, menstruation leave, maternity leave), work discipline and acts of infringement, wages, protection and security Welfare, settlement of disputes and termination of employment

Worker agreement between company and workers defined in 2 types:

- a) Contract worker using Worker Agreement with Timeline Condition in mill and estates i.e.: No. 01/AE/SPK-IHAT/II/2017 dated 2 january 2017 till 31 December 2017;
- b) Permanent Workers using Collective Labor Agreement between company and Federation of Labor Unions of sub District of Marau period of 2016-2018 has been approved by "Head of Manpower Agency of Ketapang regency No. 129 year 2016. The document was written in Bahasa, it has been also socializing to all level workers through labor union

**Minor 6.5.3.**

Based on visits to the employee housing, it is known that housing conditions are still habitable and based on interviews with workers, explained that the house is given to each workers and their family. Housing complex have been provided electricity, clean water, daycare, sports field. However, management unit has provided clinic which is located in Beturus (Under group) etc. Company also provides transports (bus) to take children to their school in Marau sub district.

**Minor 6.5.4.**

Company gives permission to open a shop selling daily necessities in the housing complex and there is a market in Marau Sub district. There are also cooperative employees that selling daily necessities. Every 2 days there is a peddler who came from the surrounding villages who sell their daily consumption needs. It became the company's efforts to monitor and improve workers access to food was decent, fairly and with reasonable price.

<b>6.5.1</b>	<b>Status: Non-Conformity No.2017.13 with Major Category</b>	<b>Open</b>
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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.**

**Major 6.6.1**

Company has a policy that respects the rights of all employees to form and join a community of Labor Unions which is contained in the Guidelines for Sustainable Plantation Management SOP number : Policy 724/TQEM-SPMS/09 dated on August 27, 2010. The result of the policy is formation of Labor Unions in PT SNP which is recorded in manpower agency since 2013 and still active until the assessment of ASA-3. The policy is available in bahasa.

**Minor 6.6.2**

There are meeting record between Labor Union and Management unit and also meeting record between Labour union and its member, such as:

- Minutes of meeting between member of Labor Union on February 17, 2015
- Minutes of the meeting negotiation of Collective Labor Agreement on June, 3 2016 that was attended by 9 participants.

Based on document verification and interview with internal stakeholders, auditor conclude that the company has implemented policy that respects the rights of all employees to form and join a community of Labor Unions.

Status: Comply

**6.7**

**Children are not employed or exploited.**

**Major 6.7.1.**

There is a policy related to personnel's age requirement regulated in the Guidelines for Sustainable Plantation Management SOP number : Policy 724/TQEM-SPMS/09 dated on August 27, 2010.

Based on interview with labor union and gender committee, there is no personnel under 18 years old during the hiring. Based on interview, personnel should attached their national identiy card in order to endure that candidate was more than 18 years old. Furthermore, company will verify candidate's national identity card. Based on fiel visit in block G4 CB division 2 LBE and block G4 CB division 2 AWE, it is known that there is no indication of use of child labor.

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.**

**Major 6.8.1**

Company has a policy on equal opportunity that is stated in social policy point 1: the entire personel should be treated equally related to recruitment, promotion, limitation and work condition with no discrimination againts race, social position, ethnicity, gender, skin colour, disability, organization's membership, political view, religion and/or age. Head of Plantation Upstream Indonesia signed this policy in December 2011.

**Major 6.8.2**

Based on interview with internal and external stakeholders, there is no discrimination againts gender, ethnicity or certain groups. Some stakeholders, who been interviewed, are part of local communities, and some come from area such as North Sumatera, Kalimantan, lombok and Jawa.

**Minor 6.8.3.**

The company keeps and maintain a record of their employees work credentials and medical history. Provided medical check-up records before the appointment became employees into consideration hiring. Company gives promotion chances to all workers, for example: Promotion and letter of appointment 026/AWE/V/2015 to permanent workers.

Status: Comply

**6.9**

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

**Major 6.9.1; Major 6.9.2 and Minor 6.9.3**

Policies on sexual harassment and violence contained in the Policy number 301/SNP-ENV-03/11 which is approved by manager unit of PT SNP.

The PT SNP has gender committee in order to solve sexual harassment or issues related to woman. Based on interview with workers and housing residents of PT SNP, they have already known personnel of gender committee and Protection against the whistleblower if there any reports related to women's issues. (Mechanism of spesific grievance through gender committe)

The Company has demonstrated the socialization policy to prevent all forms of abuse and sexual harassment on July, 16 2016, which was attended by 8 participants, and on April 13, 2017 which was attended by 7 participants.

**Status: Comply**

**6.10**

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

**6.10.1**

The Company makes payments for FFB from outside, the company refers to the pricing issued by the Plantation Office of Kalimantan Timur Province, on surveillance 03 payment of outside FFB refers to the price stipulation of in accordance with the Minutes of Price Determination Plantation agency period II March 2017.

**6.10.2**

Based on interview with Head of Koperasi SPS (smallholders organisation scheme), the company is report regularly by monthly basis to all smallholders members, including the latest price of FFB.

**6.10.3**

The letter of agreement made by the company and the 3<sup>rd</sup> parties and the original letter of agreement held by both parties. The company has an agreement:

- Small holder GPIB Bethesda agreement number 03/FFB/GPI/SNP/2017 period 01 January 2017 to July 2017.
- KSU Mandiri Sejahtera Agreement number 01/FFB/KSUMS/SNP/2017 period 01 January 2017 to July 2017.
- Small holder Sungai Kyai agreement number 02/FFB/SGKYA/SNP/2017 period 01 January 2017 to July 2017.

Cooperation Mitra Usaha Tani Sejahtera legal entity number: 197/BH/XVII-3/2007 and Cooperation Sejahtera Palma Sejati legal entity number: 248/BH/XVII-3/2009.

**6.10.4**

Company shows proof of payment for FFB suppliers from third party, such as:

- KSU Mandiri Sejahtera, 2 January 2017 Non Trade (2585)-(AP20)-PLN-ID-16-PK00385.
- Small holder GPIB Marau, 2 January 2017 Non trade (2585)-(AP20)-PLN-ID-16-PK00384.
- Small holder Sungai Kyai Marau, 2 January 2017 Non trade (2585)-(AP20)-PLN-ID-16-PK00386.

Payment system is paid directly from company to the Cooperative and the Chief will distribute to the farmer group and farmers. During the interview, payment regularly made in monthly basis at first week.

**Status: Comply**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

**Minor 6.11.1**

The company has contributed to local development troughout CSR program. The contribution as follows traditional events, donation, etc. In addition, the company also cooperate with local contractors such as for FFB transport.

PT SNP has not yet been able to show evidence of community involvement in the identification process of local development. **Nonconformity no. 2016.19. Minor upgrade to Major.**

**Minor 6.11.2**

Meanwhile, PT SNP has partnership program with Village of Karya Baru (Managed by PT SNP) through smallholder's scheme with fully managed system. This partnership program is between PT. SNP and Smallholders Cooperative (Koperasi Perkebunan Sejahtera Palma Sejati). Based on document verification and stakeholder consultation in several village surround known that the company was give several aid and assistance to the smallholder, consisting of mechanism of harvest (criterion of mature FFB) and the smallholder can proposed to the company for giving the EFB for fertilize in their plantation area.

**6.11.1 Status: Nonconformity no. 2016.19. Minor upgrade to Major.**

**Open**

<b>6.12</b>		
<b>No forms of forced or trafficked labour are used.</b>		
<b>Major 6.12.1; Minor 6.12.2 &amp; Major 6.12.3</b>		
<p>Based on Interview with labor union revealed that there is no force or illegal labor who work in companies. The entire personnel had read their work contract and they have signed their work contract continuously. Moreover, company does not hire illegal or force labor. Based on interview with several workers on each estates and factory that known: there are no contract substitution. Based on field visit, such as block G4 CB division 2 LBE and block G4 CB division 2 AWE, no labor or illegal labor was found.</p>		
	<b>Status: Comply</b>	
<b>6.13</b>		
<b>Growers and millers respect human rights</b>		
<b>Major 6.13.1</b>		
<p>Company have Human Rights Policy signed by Chairman of SOU 13 on April 2015. Based on interview with labor union, workers, and management, it is known that there is no violation of human rights.</p> <p>PT SNP has not been able to show evidence of socialization of human rights policy to all levels of workers and operations.</p>		
<b>Nonconformity no. 2017.14</b>		
<b>6.13</b>	<b>Status: Nonconformity No.2017.14 with Major Category</b>	<b>Open</b>
<b>PRINCIPLE #7 Responsible development of new plantings</b>		
<b>7.1</b>		
<b>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.</b>		
<b>Major 7.1.1 ; Minor 7.1.2 &amp; Minor 7.1.3</b>		
<p>Until the ASA-3, PT Sandika Natapalma does not extend of new plantation area. There are only a replanting activities that have been conducted since 2016 in Awatan Estate.</p>		
	<b>Status: Comply</b>	
<b>7.2</b>		
<b>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.</b>		
<b>Major 7.2.1 &amp; Minor 7.2.2</b>		
<p>The company has documents of Soil Survey Semi Detailed and Land Suitability for Oil Palm Plantation PT Sandika Natapalma period 2017 – 2022 compiled by Global Navigation Satellite System team, Geographic Information System, and Soil Survey Minamas Research Center. The maps included in the document including a land grade slope map, soil type map, topographic map, Annual planting map, replanting plan map and land suitability distribution map.</p> <p>Until the ASA-3, PT Sandika Natapalma does not extend of new plantation area. There are only a replanting activities that have been conducted since 2016 in Awatan Estate.</p>		
	<b>Status: Comply</b>	
<b>7.3</b>		
<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>		
<b>Major 7.3.1 ; Major 7.3.2 ; Major 7.3.4 &amp; Minor 7.3.5</b>		
<p>Until the ASA-3, PT Sandika Natapalma does not extend of new plantation area since 2005. There are only a replanting activities that have been conducted since 2016 in Awatan Estate.</p>		

	<b>Status: Comply</b>	
<b>7.4</b>		
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
<b>Minor 7.4.1 &amp; Major 7.4.2</b>		
Until the ASA-3, PT Sandika Natapalma does not extend of new plantation area since 2005. There are only a replanting activities that have been conducted since 2016 in Awatan Estate.		
	<b>Status: Comply</b>	
<b>7.5</b>		
<b>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.</b>		
<b>Major 7.5.1</b>		
Until the ASA-3, PT Sandika Natapalma does not extend of new plantation area. There are only a replanting activities that have been conducted since 2016 in Awatan Estate.		
	<b>Status: Comply</b>	
<b>7.6</b>		
<b>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.</b>		
<b>Major 7.6.1, Major 7.6.2, Major 7.6.3, Minor 7.6.4, Minor 7.6.5 &amp; Minor 7.6.6</b>		
Until the ASA-3, PT Sandika Natapalma does not extend of new plantation area. There are only a replanting activities that have been conducted since 2016 in Awatan Estate.		
	<b>Status: Comply</b>	
<b>7.7</b>		
<b>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.</b>		
Until the ASA-3, PT Sandika Natapalma does not extend of new plantation area. There are only a replanting activities that have been conducted since 2016 in Awatan Estate.		
	<b>Status: Comply</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
<b>Major 7.8.1 &amp; Minor 7.82</b>		
Until the ASA-3, PT Sandika Natapalma does not extend of new plantation area. There are only a replanting activities that have been conducted since 2016 in Awatan Estate.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
There was repetition nonconformity related to:		
<ul style="list-style-type: none"> <li>• Indicator 4.7.3 : OHS program and use of PPE</li> <li>• Indicator 4.7.5 : Implementation of First Aid box</li> <li>• Indicator 4.7.6 : BPJS health for contract worker</li> <li>• Indicator 5.3.2 : Hazardous waste management.</li> </ul>		

- Indicator 6.5.1 : payment document for contract worker
- CCS (Modul E) E.3.1:
  - The management unit of Lembiru has a procedure however did not yet cover all the element in the SCCS implementation requirement
  - The responsible personnel not understanding of separate documentation record for volume of Certified product (CPO & PK) and Non Certified Product in Bulking area
- Supply Chain System  
 Management of Lembiru POM has made improvements in the form of RSPO Certified stamps on all FFB Containment Note originating from the outsider supplier which has obtained the RSPO Certificate and also training or refreshes to all personal in charge related with the implementation of SCCS.

<b>8.1.1</b>	<b>Status: Non-Conformity No.2017.16 with Major Category</b>
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills – Mass Balance Requirements									
E.1	Definition									
<p><b>E.1.1</b>  <b>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.</b></p> <p>Lembiru POM received FFB from RSPO certified and noncertified sources. The RSPO certified sources are from Lembiru Estate and Awatan Estate with certificate number MUTU-RSPO/ 044. Meanwhile non certified sources from Beturus Estate, Pelanjau Estate, Sungai Putih Estate (Full Manage Plasma Cooperative) and Karya Palma Estate. There are also from independent smallholders FFB sources, consist of Sungai Kyai smallholders group, GPIB smallholders group and Sumber Usaha Mandiri Sejahtera Cooperative. The model used by the company is the Mass Balance. Based on field visit in Lembiru POM shown that the Security in front gate of mill will stamp the all FFB Consignment Letter before enter to weight bridge area. It was aim to identified that the FFB loading process included the driver and the vehicle has been check first. In process of FFB received at the area of weight bridge, the person in charge will separated the FFB code with used RSPO Certified Stamp in FFB consignment letter for FFB from the own plantation (Lembiru Estate and Awatan Estate) and input separately in system namely Sime Weight System. All the FFB consignment letter from the outsider is did not stamp with RSPO Certified Stamp. There has been observed FFB consignment letter from certified source (RSPO Certified) and non certified and also the Weight Bridge Tickets on 18 April 2017.</p>										
<p><b>Status: Comply</b></p>										
E.2	Explanation									
<p><b>E.2.1</b>  <b>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&amp;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.</b></p> <p>CPO and PK data produced by Lembiru POM in the period of 03 July 2016 until the ASA 03 (18 April 2017) and estimated claims of Palm Products to be certified described in the table below:</p> <table border="1"> <thead> <tr> <th>Products</th> <th>Actual of Certified Product Period 03 July 2016 to 18 April 2017 (ton/year)</th> <th>Estimate Certified Product Period 03 July 2017 to 02 July 2018 (ton/year)</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>12,206</td> <td>14,255</td> </tr> <tr> <td>PK</td> <td>2,369</td> <td>3,201</td> </tr> </tbody> </table> <p>The twelve month projection of FFB, CPO and Palm Kernel also inform in the basic information of this summary report.</p>		Products	Actual of Certified Product Period 03 July 2016 to 18 April 2017 (ton/year)	Estimate Certified Product Period 03 July 2017 to 02 July 2018 (ton/year)	CPO	12,206	14,255	PK	2,369	3,201
Products	Actual of Certified Product Period 03 July 2016 to 18 April 2017 (ton/year)	Estimate Certified Product Period 03 July 2017 to 02 July 2018 (ton/year)								
CPO	12,206	14,255								
PK	2,369	3,201								
<p><b>Status: Comply</b></p>										
<p><b>E.2.2</b>  <b>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).</b></p>										

The Lembiru POM – PT Sandika Nata Palma (Minamas Plantation) has registered for RSPO-certified products which are CSPO and CSPK through RSPO IT Platform, member registration number **RSPO\_PO1000001867**. Based on RSPO Certificate number MUTU-RSPO/ 044, valid from 03 July 2016 till 02 July 2017, the annual volume (ton) of CPO and PK can claimed as certified product was amount of **CPO (19,131 ton)** and **PK (4,544 ton)**

From the RSPO eTrace data was known that during the period of 03 July 2016 until the ASA 03 (April 2017) there was any sold of RSPO Certified products for CPO and PK. The eTrace data was shown that remaining volume for CPO is 16,738.4 (any transaction 2,392.6 ton) and PK is 2,138.59 (any transaction 2,405.4 ton). The data of certified product of CPO was transaction describe in table below

Data of CPO sold out period of July 2016 till April 2017

Date	Buyer	Volume (MT)
08 February 2017	PT Golden Hope Nusantara	2,392.6
<i>Total</i>		<b>2,392.6</b>

Data of PK sold out period of July 2016 till April 2017

Date	Buyer	Volume (MT)
04 Februari 2017	PT Sari Dumai Sejati	701.81
01 Maret 2017	PT Sari Dumai Sejati	1,001.19
07 Maret 2017	PT Smart.Tbk	1,300.67
27 Maret 2017	PT Sari Dumai Sejati	702.41
<i>Total</i>		<b>3,706.08</b>

**Status: Comply**

**E.3 Documented procedures**

**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.**

The Certificate Holder has had the procedure of product identification and traceability at POM number RSPO/66/SCCS/15-SNP dated 26 April 2015. The procedure has adjusted from the SCCS standard on November 2014. The person in charge of the POM operationals are the Oil Mill Manager, Assistant of PSQM, Laboratory Foreman/Assistant.

Based on the observations and interviews during the field visit at Lembiru POM, it was found that the relevant officers, Security Officers in the Postal area will stamp all the FFBs by entering a stamp on the FFB Consignment Letter during the FFB truck has entered the front area of the Palm Oil Mill before heading to the weighbridge area. Thus the next officer on FFB weigh bridge area will put the stamp according to the origin of FFB. If it comes from a certified own plantation (Lembiru and Awatan Estate) then it will be stamped **RSPO Certified**, and if FFB was from a third party non-certified FFB supplier will be stamped **Non RSPO Certified**.

The auditor has been observed the several samples of the FFB Consignment Letter (before weighing) and FFB Weight Bridge Ticket (after weighing) on April 18, 2017 from each source, ie Lembiru Estate and Awatan Estate, as well as from outsiders. Each of these forms has been stamped as described above.

There was also shown the Internal Office Memo from Manager of Palm Oil Mill has been presented to the Administration sub section Head, Security Team, Weigh Bridge Officer, Regarding the RSPO / non-RSPO Stamp Code using on FFB Consignment Letter and FFB Weight Bridge Ticket.

There is also evidence of a SCSS-Mass Balance Training (refresh) to the relevant staff at the Lembiru POM office on 7 April 2017, the training was conducted by PSQM Assistant (M. Huda Mustawa). The documentation was consists of: Training materials, Attendance List and Photographs. Based on the results of interviews with officers in the weighbridge area at Lembiru POM that known if they had been given an understanding of SCCS system.

Based on the verification of daily report and related officer interview during field visit at Kelampai Bulking it is known that the officers have not understood the separation of documentation of volume when sending Certified Product (CPO and PK) and Non Certified Product. The result of training document verification (refresh) of SCCS 07 April 2017 indicates that relevant

officers in Bulking Kelampai have not been involved. From the verification of SOP document RSPO / 66 / SCCS / 15-NP, 7 December 2016 it is known that the procedure has not entirely covered the person responsible for the implementation of SCCS requirements, ie officers at weight bridge of Kelampai Bulking office. **NCR 2017.15**

**E.3.1** Status: **Non-Conformity No.2017.15 with Major Category**

**E.3.2**

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

The Lembiru POM has documented procedures for the receipt and processing of certified and non-certified FFB (RSPO/66/SCCS/15-SNP dated 26 April 2015). The procedure has adjusted from the SCCS standard on November 2014. The person in charge of the POM operationals are the Factory Manager, Assistant of PSQM, Laboratory Foreman/Assistant. Based on field visit in Lembiru POM shown that the Security in front gate of mill will stamp the all FFB consignment before enter to weight bridge area. It was aim to identified that the FFB loading process included the driver and the vehicle has been check first. In process of FFB received at the area of weight bridge, the person in charge will separated the FFB code with used RSPO Certified Stamp in FFB consignment letter for FFB from the own plantation (Lembiru Estate and Awatan Estate) and input separately in system namely Sime Weight System

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.**

The Lembiru POM has done documenting the volume of certified and non-certified FFB. The mechanism is as follows:

- Every FFB received are equipped with FFB Consignment Letter detailing about the estate name, received date, Phase, Block Number, the amount of bunches, estimated tonnage, estate scales. The minutes of fruit sorting to know the quality of the FFB that comes.
- Weigh bridge ticket as a result of incoming FFB weight verification. Weigh bridge ticket contains information about the reference number; date: DO Number: Phase 1; Relation Code: Goods Code; Status: Purchases; Vehicle Number; Delivery Order Letter Number; Name of the driver; Information; admission hour and clocks out; Mill Gross; Tarra; Mill Netto; Dura; bunches amount; FFB Average rate; and fruit type.
- Daily reports of mill activities including incoming FFB recapitulation from each estate. The reports are containing the information of received FFB (FFB balance), the production of CPO and PK, Extraction rate, Quality, and dispatch (Sime Weight System)
- The monthly report of mill activities including a recapitulation of received and processed FFB, extraction rates, dispatch, quality, losses, and mills performance
- Mass Balance report made specifically for SCCS. The report contains the description of the recapitulations in every month and every three months for certified and non-certified fruits.

For the verification purposes of certified FFB incoming, the company has compiled a list of certified suppliers formally issued by the management of Lembiru POM

The volume of Certified and Non Certified FFB received in period of July 2016 till April 2017 is describe in table below

Month	Certified (ton)	Non Certified (ton)
Jul-16	3,065,430	4,029,323
Aug-16	4,553,970	5,081,977
Sep-16	7,623,390	8,239,819
Oct-16	10,258,030	10,916,558
Nov-16	9,455,920	9,806,889
Dec-16	7,479,120	7,369,854
Jan-17	4,320,770	7,362,518
Feb-17	2,843,110	7,613,837
Mar-17	3,198,580	8,888,359
Apr-17	1,957,700	5,300,499

Status: **Comply**

**E.4.2**

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

Based on document verification shows the actual production of Lembiru POM from period of July 2016 till April 2017 for CPO : **12,205** ton and PK: **2,359** ton. Based the certificates period from 3 July 2016 until 2 July 2017, the production of CPO and Kernel that are listed on the certificate (license and the E-Trace) are: **19,131** ton for CPO and **4,544** ton for Palm Kernel. Based on the data shown there is no overproduction from projected.

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.)**

The management unit of Lembiru POM has system related to Mass Balance documented consist of:

- The SCCS Mass Balance Sheet of Lembiru POM until 17 April 2017, contains information consist of; FFB received, FFB Processed, FFB remaining (restan) and all RSPO Certified and Non RSPO Certified & Total Production of CPO, PK, Dispatch & Balance Stock
- The Mass Balance Stock for CPO and PK respectively up to 17 April 2017, containing information including: FFB received (RSPO, Non RSPO and Total), FFB processed (RSPO, Non RSPO and Total), OER and KER, Total Production

The table below description of FFB, CPO and PK with a three-monthly basis in accordance with the applicable SOP of Mass Balance

Period	FFB	Certified Product		Despatch	
		CPO	PK	CPO	PK
2016 to 2017					
Jul to Sept 2016	15,243	3,397	628	-	
Oct to Dec 2016	27,193	5,922	1,194	-	
Jan to Mar 2017	10,362	2,300	453	2,393	3,706
Apr 2017	1,958	585	83,35	-	

Status: Comply

**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.**

Until ASA-03, the Lembiru POM there was not cooperating with the independent outsource palm kernel crushers.

Status: Comply

**3.3 Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or ✓</b>
<b>ASA-3</b>	The PT Sandika Natapalma & Lembiru POM has had approval/permit the use of the certificate with the number <i>MUTU-RSPO/044</i>	✓
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or ✓</b>
<b>ASA-3</b>	The PT Sandika Natapalma does not use the logo both in the on-product and off-product.	✓
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or ✓</b>
<b>ASA-3</b>	The PT Sandika Natapalma does not use the logo both in the on-product and off-product.	✓
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or ✓</b>
<b>ASA-3</b>	The PT Sandika Natapalma does not use the logo both in the on-product and off-product.	✓
	<b>Status: Comply</b>	

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 16<sup>th</sup>, 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><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> 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><b>Auditor Verification:</b> Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June</p>

		2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondency with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> 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 <a href="http://www.rspo.org/certification/_new-planting-procedures/public_consultations/page/14">http://www.rspo.org/certification/_new-planting-procedures/public_consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul>
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p><b>Company Group/Holding Statement:</b> Sime Darby (Liberia) Plantation Inc. Status: Box G – Close for Monitoring Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a> PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> <li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li> <li>• PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</li> </ul>
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>

iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b> None noted. No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for PT Budidaya Agro Lestari waiting for land title process.</p>
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

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

#### 3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

No.	Ref Std	Nonconformity	Grade	Location	Time Limit	Corrective Action	Observation and Date	Status	Closed Date
2016.01	1.1.2 & 6.2.3	<p><b>Term of response information, complaints and aspirations of stakeholders.</b>            The CH have records of requests for information and responses have been maintained, however during interview with local communities it was informed that respond to grievance, complaint and/or other request by the company was not consistent implemented, i.e:</p> <p>a) There is no timeline was explained in the procedure to respond of any request/inquiry from stakeholders.</p> <p>b) There is no respond made by the company related worker grievance at Lembiru Estate (LBE), i.e: inadequate quality of rice.</p> <p>c) There is no respond made by the company regarding</p>	Major	SNP	60 days (14 June 2016)	CH shall determine of timeline response to all information request/inquiry, grievance/complaint and aspiration from stakeholder, and well implemented.	<p><b>Root cause:</b>            There is still no monitoring of information's response, complaint and information, and aspiration from stakeholders at the unit (when the information came, how long the process that they need to solve it, and the status of response).</p> <p><b>Corrective Action:</b>            Create the monitoring of information's response which is documented and archived by Section Chief and will be addressed by Unit Manager. The limit of time is two weeks (fourteen days) after the information is reported by employee and SH. (Documents: Book of Monitoring Information Request, Complaint, and Aspiration)</p> <p><b>Observation on 21<sup>st</sup> of June 2016</b>            Unit of Certification has signified response's evidence of complaint, such as:</p> <p>1. The Socialization of the fulfillment the quality of rice which has been held on 23<sup>rd</sup> of April 2016 for all LBE's employee (several socialization's evidences which</p>	Closed	15 July 2016

## PT. MUTUAGUNG LESTARI

### RSP0 ASSESSMENT REPORT

		<p>worker complaint at Lembiru Estate and Awatan Estate, related to operational time of electricity supplies from generator machine in workers housing.</p> <p>d) Inconsistency of responding timeline against information request/inquiry, CSR and social program from communities.</p>				<p>are available such as, list of attendance that has been signed by 85 employees, photos and activities's report), beside it the company is also issuing the inter office mail from LBE Manager to all SKU's employees, assistant, and Chief Head on 23<sup>rd</sup> of April 2016 (Letter's reference number BRS.I/30/SPO/IV/16) which is informed that the company assign one person in each division for doing the examination of rice, if there is a complaint, it should be submitted by written and word of mouth to the assistant.</p> <p>2. Genset Operational's Socialization on 27<sup>th</sup> of April 2016 to all LBE employee and 25<sup>th</sup> of April 2016 to all AWE employee. There are several documentation's witness such as photos and list of attendance of socialization participant.</p> <p>3. For the time system of information response's request, CH has signified the System Operational Procedure (SOP) of complaint handling for all parties and society (SOP 077/SNP.BAL-Stkhldr.ADM/2015) on 15<sup>th</sup> October of 2015. At point 5.10 of the SOP, mentioned that all of the answers for complaint of stakeholder and society, will be answered by Head of Department, at least two weeks (fourteen days). Those</p>	
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# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

							<p>SOP still not yet published to all society and all parties which are related. The SOP of complaint handling is also related to the SOP of Information Request (Reference Number : 008/SNP-E/VIII/10, Rev. 01, on 2<sup>nd</sup> of August 2016)</p> <p><b>Observation on 13<sup>th</sup> of July 2016</b></p> <ul style="list-style-type: none"> <li>• Unit of Certification has signified the documentation of information's monitoring and all complaints which have been received from stakeholders and informed about date of incoming mail, mail's reference number, originally letter, regarding of the letter, date of response, content of response, and authorization (signature).</li> <li>• Unit of Certification has signified the example of incoming 60ill from Sukakarya's Head of Village, Sub District of Marau, District of Ketapang, on 20<sup>th</sup> of October 2015 regarding to the request for the help of water to Unit of Certification.</li> </ul> <p><b>Observation on 15<sup>th</sup> of July 2016</b></p> <p>Unit of certification has signified the example of response's letter to Sukakarya's Head of Village on 22<sup>nd</sup> of October 2016, and the reference number LBE/030/PAB/X/15 as one of the kind of response from the incoming mail to the Unit of Certification (the document</p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>of response's letter and receipt are available)</p> <p><b>Preventive Measurement:</b> Head of Chief will do the monitoring of response, complaint and aspiration, and will be documented neatly..</p> <p><b>Auditor's Summary:</b> <b>15<sup>th</sup> of July 2016</b> From all documentation's evidence that have been given, team of auditor are assessing that all of the corrective's evidence have been fulfilled. The consistency of response's implementation to stakeholder will be re-verification by the visi's time of Surveillance-3.</p>		
<b>2016.02</b>	<b>2.1.1</b>	<p>Compliance to Local, National, Regional and International Regulations</p> <p>a. CH has not been able to show 2 certificates of welders who have been trained in April 2015 (Mr. Aliyen and Mr. Trijono Eko).</p> <p>b. Based on interviews with boiler operator (Mr. Hardianto) has returned to work at the station boiler, but it can't be shown Licensed.</p>	<b>Major</b>	<b>POM</b>	<b>60 days (14 June 2016)</b>	CH shall be shown evidence that has compliance to the Local, National, Regional and International Regulations	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>The implementation control of function from the leader for the placement of each employee.</li> <li>There's still several lacks of understanding to the minimum standard for the placement of special operator employee.</li> </ul> <p><b>Corrective Action:</b></p> <p>1. Team of PSD are doing socialization once every 6 months regarding to the requirements for the employee based on the applicable regulation on 23<sup>rd</sup> of June 2015 at AWE to all members of SOU, such as The Regulation of Labor Minister</p>	<b>Closed</b>	<b>13 July 2016</b>

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p>c. According to field visits and interviews with backhoe loader operators in Lembiru POM, it is known that he doesn't have the SIO lift transports. This is not in accordance with the Ministerial Regulation No. 9 of 2010.</p>					<p>Number 9 in 2010. (The documentation of socialization are completed with attendance, material of training, photos, and invitation letter).</p> <p>2. Conduct the training of welders on 10<sup>th</sup> of April 2016 to all employees, at the labor office of District of Ketapang which is being in the arrangement for publishing (Reference Number 560.119/STKT-C/2016).</p> <p>3. Conduct the training of transportation's lifting during 4<sup>th</sup>-7<sup>th</sup> of May 2016 for twenty employees at the District of Sampit. (Documentation of Participant's Certificate attached).</p> <p><b>Observation on 21<sup>st</sup> of June 2016 :</b>          When the observation has been held, CH has signified several corrective's documents, such as:</p> <ul style="list-style-type: none"> <li>• Letter from the office of Social, Labor, and Transmigration on 14<sup>th</sup> of June 2016 (Reference Number 560/119/STKT-C/2016) regarding the notification is still on process. The letter is explaining that the certificate of welder on behalf of Aliyen and Trijono Eko are still on process at the Ministry of Labor Republic of Indonesia.</li> <li>• The monitoring's document of SIO for the Area of Marau (2014-2021), which is explaining about the date of issue and</li> </ul>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>has been given during the verification process, team of auditors are assessing that the corrective of evidence has been fulfilled. The consistency of evaluation implementation for labor's regulation fulfillment (especially for the qualification of special operator) will be re-verification on the time of visit for Surveillance-3</p>		
<b>2016.03</b>	<b>2.2.2</b>	<p><b>Monitoring and maintenance of boundary poles.</b> During the field visit to LBE auditor team sighted there were several boundary poles missing and broken. There was also not available the monitoring and followed for maintenance of the boundary poles.</p>	<b>Minor</b>	<b>SNP</b>	<b>ASA-3</b>	<p>CH has to shows the monitoring of the boundary poles which shall be clearly demarcated and visibly maintained.</p>	<p><b>Root cause:</b> The supporting document regarding to the map of operational's limit area and point coordinates have not been saved and archived neatly.</p> <p>Officer be through the difficultness when they're identifying the boundary spot of operational's limit area in the ground.</p> <p><b>Corrective Action:</b> RSPO Officer in order to archive the document of limit area operational's map neatly at the Secretariat of RSPO periodically once in a month and reported it to the PSQM team and Head of SOU (Update checklist of RSPO document's archive).</p> <p>The Plant Foreman is doing monitoring the stakes of cultivation rights periodically and reported to the Unit Manager once in a month (document attached: the power of attorney appointment of the administration of plant, photo of the condition of cultivation</p>	<b>Closed</b>	<b>22 June 2016</b>

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>right of stakes, checklist of cultivation rights monitoring)</p> <p><b>Preventive Measurement:</b> Assitant is doing the verification's monitoring of stakes cultivation rights, with the crosscheck in the ground and reported it to the Estate Manager once in every three months. Reviewing and evaluating the standard operational procedure in controlling cultivation rights' stakes.</p> <p><b>Auditor's Summary:</b> <b>Ground Observation on 21<sup>st</sup> of June 2016</b> Team of auditors are checking the stakes of cultivation rights and monitoring what has been made nicely by unit of management and reveal that all of the stakes has been available and treated well. There are several 66illag which have been lost, but Unit of Certfcation has signified the corrective's plan and the procurement of stakes's limit and has been coordinated with National Land Agency.</p>		
2016.04	4.1.4	<p><b>Records the origins of all third – party sourced FFB</b></p> <p>CH has not been able to show the Purchase Agreement FFB from a 3<sup>rd</sup> party is still valid. In addition, also can't showed the</p>	Major	POM	60 days (14 June 2016)	<p>CH shall be to show the Purchase Agreement FFB from a 3<sup>rd</sup> party is still valid. In addition, also can't showed the evidence that the FFB from a 3<sup>rd</sup></p>	<p><b>Root cause:</b> There's still no PIC officer who will do the monitoring the term of work agreement in checklist mode.</p> <p>There's still no coordination between Mill Team with Legal Department regarding to the</p>	Closed	22 June 2016

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p>evidence that the FFB from a 3<sup>rd</sup> party comes from the legal sources and it's not forest area.</p>				<p>party comes from the legal sources and it's not forest area.</p>	<p>extension of the third party fresh fruit bunch work agreement.</p> <p><b>Corrective Action:</b>            Corrective action that should be done by CH, such as:</p> <ul style="list-style-type: none"> <li>- CH should conduct the re-cooperation to all third parties who the validity of cooperation has been exhausted. One of the kind of the collaboration is the addendum of work agreement. There's an example of addendum which is available with the reference number 03/SPK-KSK/I/2016 and the validity of the addendum is six months (until on 31<sup>st</sup> of July 2016).</li> <li>- Appoint the PIC officer for monitoring the work agreement. There's an appointment letter which is available with the reference number 0943/LBF-Int/VI/2016 on 1<sup>st</sup> of June 2016 regarding to the appointment as the monitoring officer. It is already enough to cover the corrective action that there has been an officer who will do the monitoring the validity of work agreement and also reported it to the Manager.</li> <li>- Conduct the coordination between Mill Team with Legal Department regarding to the extension of work agreement of the third party fruit fresh bunch's acceptance in written by mail from Mill Manager on 24<sup>th</sup> of June 2016. (Documentation's mail</li> </ul>		
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# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

							<p>from Mill Manager to the Legal Department).</p> <ul style="list-style-type: none"> <li>- Company has been communicated with the Legal Department in Jakarta, and the reference number 95/LBP-Int/VI/2016 on 1<sup>st</sup> of June 2016, regarding to the extention of third party fresh fruit bunch sales and purchases work agreement.</li> <li>- The agreement has been signed by the LBF Factory Manager for the purpose of communicating that the third party's work agreement validity has been expired. The arrangement of work agreement should be done by the Legal Department in Jakarta and the copies should be given to CH.</li> <li>- There's a document of third pary sales and purchases of fresh fruit bunch's monitoring which is available on June of 2016, and the document will be used as a controlling tool for CH to monitor the validity of third patry work agreement.</li> </ul> <p><b>Preventive Measurement:</b> Verification the monitoring result of work agreement every one month by Mill Manager (Documentation: Document of the term work agreement verification form).</p> <p><b>Auditor's Summary:</b> <b>Observation on 21<sup>st</sup> of June 2016</b> Based on the documentation which has been shown to all auditors, the incompatibility can be closed. The effectivity and consistency of</p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							corrective and preventive action will be seen on the next visit of audit.		
<b>2016.05</b>	<b>4.4.1</b>	<b>Water Management Plan</b> CH has not able to provide the document of all water management plan in PT. SNP, including protection of watercourse for communities. Such as: water source, mechanism of protection, plan of water catchment installation, etc.	<b>minor</b>	<b>PT</b>	<b>. SNP</b>	CH shall be able to provide the document of all water management plan within plantation area is adequate.	<b>Root cause:</b> <ul style="list-style-type: none"> <li>There is still no officer who has been elected to do the supervision for the source of water that used by society.</li> <li>There is still not yet made the supervision planning programme for source of water by the officer who has been elected that used by society</li> </ul> <b>Preventive Action:</b> <ul style="list-style-type: none"> <li>CH has been conducted the election for the officer in supervising the source of water, especially that used by society. The election has been conducted to every unit of estate which is suitable with these documents:               <ul style="list-style-type: none"> <li>c) Letter of appointment for the officer at Awatan Estate (Reference Number 01/AWE-HCV/VII/2015 on 1<sup>st</sup> of July 2015, on behalf of Bambang).</li> <li>d) Letter of appointment for the auditor at Lembiru Estate (Reference Number 01/SP-PT.SNP/HCV-LBE/01/16 on 1<sup>st</sup> of July 2015, on behalf of Liyono).</li> </ul> </li> </ul> The letter of appointment informed that the officer should do the monitoring of water management (water sampling and buffer zone management) and do the coordination with Marau Certification	<b>Closed</b>	<b>22 June 2016</b>



## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>l) Socializing to all employee and society. The programme informed the time management for each month in 2016.</p> <p><b>Preventive Measurement:</b> CH has been planning for corrective action that will be done by officer who has been elected by the monitoring document every month, in order to avoid the incompatibility to be happened again.</p> <p><b>Auditor's Summary:</b> <b>Observation on 22<sup>nd</sup> of June 2016</b> From all the corrective's evidence that have been presented by team of auditors, they're assessing that it can be fulfilled dan the implementation will be verificated for the next evaluating (ASA-3).</p>		
2016.06	4.6.5.	<p><b>PPE's Using by Pesticide Operators</b> According to field observations known that a spraying mandor (supervisor) in AWE is not use safety mask in accordance with hazard potentials.</p>	Major	Estate	60 days (14 June 2016)	CH shall provide and use the appropriate safety and application equipment and also using PPEs in accordance with the hazardous potential identification.	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>There is still no monitoring form of PPE for supervision.</li> <li>There is still no specification of PPE utilization for the job with chemical risk in HIRAC.</li> </ul> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>Impementation the using of SIME Card within the observation of PPE application.</li> <li>Doing the revision and reviewing for HIRAC by AK3 on 25<sup>th</sup> of June 2016</li> </ul>	Closed	2 July 2016



# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

							<p>3. When the activity of morning muster assistant of the ground has already done and the supervise were conducting the monitoring of PPE utilization before the activity of pulverization with checklist document began. Team of auditor also have been done the monitoring of utilization of PPE checklist to all wokers who has been held since May of 2016.</p> <p><b>Preventive Measurement:</b></p> <ul style="list-style-type: none"> <li>• Consistency the utilization of SIME Card into the observation of PPE utilization.</li> <li>• Consistency of PPE monitoring in every unit and the document of monitoring be reported to the Manager every day (Documentation of PPE Monitoring Checklist).</li> <li>• Reward and punishment towards the utilization and violation of PPE (Documentation of PPE letter of warning strikes).</li> <li>• Periodically safety briefing and training of HIRAC by the assistant (Documentation of list of attendance, minutes of meeting, and photo of safety briefing).</li> </ul> <p><b>Auditor's Summary:</b>  <b>2<sup>nd</sup> of July 2016</b>            From the verification of documentation and observation at the ground by team of auditor, so it can be concluded that the incompatibility has accomplished and the consistency of</p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

2016.07	4.6.11	<p><b>Specific Medical Surveillance for All Pesticide Operators</b></p> <p>CH has done a periodic general medical checkup to all operators in AWE and LBE, although it has not shown the evidence that it has carried out the specific medical checkup such as spirometry and cholinesterase to all pesticide operators.</p>	Major	Estate	60 days (14 June 2016)	CH shall be to show the evidence that all pesticide operators in AWE and LBE has done a periodic specific medical checkup (spirometry and cholinesterase)	<p>implementation will be verified on the next evaluating (ASA-3)</p> <p><b>Root cause:</b> Unit of Certification has found the difficultness to get the third party (provider) for MCU (Medical Check-up) implementation, and the third party who wants to come to do direct examination to the location of PT SNP Estate.</p> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>• Unit of Certification has shown the evidence of Annual Special Medical Check-up News Announcement for labor with high risk on 16-18<sup>th</sup> of June 2016 by provider (Sakura Clinic Laboratory-Pontianak) to all labors with high risk, such as: <ul style="list-style-type: none"> <li>➢ 30 LBE workers (27 workers for chemical test and 3 workers for hearing test)</li> <li>➢ 13 AWE workers (10 workers for chemical test and 3 workers for hearing test)</li> <li>➢ 54 Lembiru POM workers (10 workers for chemical test and 44 workers for hearing test)</li> </ul> </li> </ul> <p>The information that has been gotten by the team of auditor from the doctor at PT SNP that the result of workers medical test still not sent by provider to CH, but if the result has</p>	Closed	22 June 2016



## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							consistency of annual medical test implementation for all pulverization workers will be re-verified on the next of evaluating (ASA-3).		
<b>2016.08</b>	<b>4.7.2</b>	<p><b>Evaluation and implementation of HIRAC</b> According to field observation its known that there are several risk control that has not been applied such as:</p> <ul style="list-style-type: none"> <li>- Spraying worker transportation in AWE are not separated with water tank and spraying equipment.</li> <li>- Some harvesters in AWE doesn't use a helmet.</li> </ul> <p>The auditor team considered that there is a systematic failure in Occupational Health and Safety System (OHSAS) implementation.</p>	<b>Major</b>	<b>Estate</b>	<b>60 days (14 June 2016)</b>	CH shall be show evidence that Risk Control implementation in accordance to HIRAC.	<p><b>Root cause:</b></p> <ol style="list-style-type: none"> <li>1) The limitation unit of employee transport.</li> <li>2) Identification of risk impact (HIRAC) has not been relevant no more with the actual condition at the ground.</li> <li>3) The understanding regarding to the risk identification by AK3 to employee and staff</li> <li>4) The PPE of harvest staff still has not completed.</li> </ol> <p><b>Corrective Action:</b> <b>Observation on 22<sup>nd</sup> of June 2016</b> Team of auditor has been verifying regarding to the consistency of implementation PPEutilization by worker and it is known that:</p> <ol style="list-style-type: none"> <li>a) When the monitoring of morning muster, the assistant and supervise were doing the monitoring of PPE utilization before the harvest conducting began by using the document of checklist.</li> <li>b) When the conducting of harvest activity at E4B block, First division, Lembiru Estate, team of auditor were seeing that the permanent workers has been using PPE completely with safety helmet and safety shoes.</li> <li>c) From the interview result with the assistant and supervise, it is known that</li> </ol>	<b>Closed</b>	<b>12 July 2016</b>

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

							<p>they have been figure out regarding to the utilization of SIME CARD document device in purpose for monitoring the implementation of safety work practice for every workers.</p> <p><b>Observation of Document on 12<sup>th</sup> of July 2016</b></p> <ul style="list-style-type: none"> <li>• Unit of Certification has been shown HIRARC that has been revised on 25<sup>th</sup> of June 2016 by AK3 regarding to the identification of agrochemical pulverization such as separation of the carrier for pulverization workers which is separated by the water tank and also with agrochemical spray tools.</li> <li>• Socialization of IRAC to all employees by the assistant (Documentation of attendance list, minutes of meeting, and photo)</li> <li>• The distribution of PPE (Documentation of news announcement for PPE hand over)</li> </ul> <p><b>Observation of document on 2<sup>nd</sup> of July 2016</b></p> <p>Unit of certification has been shown the evaluation of risk identification (HIRARC) to the implementation of using the carrier for spray workers which is separated by the water tank and agrochemical spray tool. (Documentation of HIRAC and photo of implementation are available)</p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p><b>Preventive Measurement:</b></p> <ul style="list-style-type: none"> <li>Monitoring the checklist of PPE by the assistant and supervise at the circle of rice.</li> <li>Understanding the using of SIME CAR which is aims to monitoring the implementation of safety culture in work place in every level of workers (document and photo from the socialization are available).</li> </ul> <p><b>Auditor's summary:</b>  <b>12<sup>th</sup> of July 2016</b>            From the documentation which have been given and verification result at the ground, team of auditor are assesing that the corrective evidence has been accomplished. The consistency of using the carrier for pulverization workers which is separated by water tank and also agrochemical spray tool will be re-verifying on the next evaluating (surveillance 3).</p>		
<b>2016.09</b>	<b>4.7.3</b>	<p><b>PPE's Using</b>            According to field observations it's known that:</p> <ul style="list-style-type: none"> <li>- Spraying Mandor in AWE is not use Masker in accordance with hazard potentials.</li> <li>- Boiler and Genset operators in POM doesn't use ear muffler.</li> </ul>	<b>Major</b>	<b>PT. SNP</b>	<b>60 days (14 June 2016)</b>	CH shall provide and use the appropriate safety and application equipment and also using PPEs in accordance with the hazardous potential identification.	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>There is still no standard criteria of using the PPE for the activity which is exposure with chemical directly in HIRAC.</li> <li>There is still no monitoring checklist for the using of PPE.</li> </ul> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>Revising and reviewing of HIRAC regarding to PPE standard which is</li> </ul>	<b>Closed</b>	<b>12 July 2016</b>

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<ul style="list-style-type: none"> <li>- Harvester's in AWE doesn't use a helmet.</li> <li>- Based on interview with harvesters and spraying worker in LBE, there were personally buys a safety shoes.</li> <li>- Based on field observation in muster morning, there are not PPE's use monitoring by Mandor or Field Assistant.</li> </ul> <p>The auditor team considered that there is a systematic failure in Occupational Health and Safety System (OHSAS) implementation.</p>					<p>exposure with chemical directly. (Documentation of HIRAC)</p> <ul style="list-style-type: none"> <li>• Checklist monitoring of PPE in every unit of work (mill and estate) daily, before the work begins and the using of SIME CARD when the implementation of work has just begun.</li> </ul> <p><b>Observation on 22<sup>nd</sup> of June 2016</b>            Team of auditor are doing the verification to the consistency of PPE using implementation by workers and it is known that:</p> <ol style="list-style-type: none"> <li>1. When the observation is already done, the activity of pulverizationat F4C block, First Division, Lembiru Estate, team of auditor were seeing that the supervise and spray workers has been used PPE pulverization completely and compatible with risk impact analysis (especially the using of pulverization safety mask).</li> <li>2. When the observation at Lembiru POM has just began, team of auditor were seeing that the operator has already used safety tool for ear, such as ear plug and ear muff, and the team of auditor were also do the interview with the operator. Based on the interview result, it is known that the operator has been provided with PPE completely by CH and also they have been understood that the using of PPE is really important to keep the safety and health at the work place (especially for hearing).</li> </ol>		
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# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

						<p>3. When the implementation of harvest activity at E4B block, first division, Lembiru Estate was already began, team of auditor were seeing that the permanent employees have been used PPE completely such as safety helmet and safety shoes.</p> <p>4. The interview result with harvest worker and pulverization worker at Lembiru Estate known that currently all workers have been provided by PPE, which are suitable with their kinds of job. Beside it, from the interview result also known that if there's an error in PPE will be replaced by their manager as a evidence of replace for the new PPE</p> <p>5. When the morning muster activity was already began, the assistant and supervise were monitoring the using of PPE before the harvest implementation with using the document of checklist. Team of auditors also doing the monitoring of PPE checklist to all workers who has been implanted since May of 2016.</p> <p><b>Observation on 12<sup>th</sup> of July 2016</b>  Unit of Certification has been shown HIRARC which has been revised by AK3 on 1<sup>st</sup> of July 2016 regarding to the identification standard of PPE using based on the kind of job (harvesting, germination, pulverization, agrochemical, maintenance, and workshop).</p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

2016.10	4.7.5	<p><b>First Aid's</b> Based on field observations its known that:</p> <ul style="list-style-type: none"> <li>- First aid in Harvest and spraying activities is not completely with Aquades and a glass for eye's washer.</li> <li>- There are not able first aid using monitoring by Harvest and Spraying Mandor.</li> <li>- First aid in chemical storage and schedule</li> </ul>	Minor	Awatan Estate	ASA-03	CH shall be shown evidence that all First aid is completely in accordance with hazard and accident potentials that may occur in field. And also shall be shown evidence the First aid use monitoring.	<p><b>Preventive Measurement:</b></p> <ul style="list-style-type: none"> <li>• Replacing of PPE, briefing every morning, and monitoring of PPE when morning queue (document of monitoring the using of PPE by workers when morning muster, are available).</li> </ul> <p><b>Auditor's summary:</b> <b>12<sup>th</sup> of July 2016</b> From all documentations which have been given and the verification during the activity of audit, team of auditor were assessing that the corrective evidence has been accomplished. The consistency of PPE using implementation has suitable with the kind of job and will be verify again on the next audit (Surveillance 3).</p>	Closed	22 June 2016
		<p><b>Root cause:</b></p> <ol style="list-style-type: none"> <li>a) There is still none the detail of standard operational procedure regarding to first aid which is brought by Supervisor to the ground for each part of job.</li> <li>b) The socialization of revise procedure namely utilization of first aid still not yet done (Reference Number 009/KP-MZ/INT/Mem/SOP/VI/16) which is informed completeness list of first aid that should have fulfilled to every leader from the unit of work at LBE and AWE.</li> </ol> <p><b>Corrective Action:</b></p>							

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p>waste storage is inadequate.</p>						<p>a) Revising the procedure of utilization of first aid (reference number 009/KP-MZ/INT/Mem/SOP/VI/16 which has been established on 22<sup>nd</sup> June 2016 by Manager and Doctor from the reference company. The procedure based on the regulation of labor ministry No. 15 on 2008 regarding to first aid at the work place.</p> <p>b) Action Plan:</p> <ul style="list-style-type: none"> <li>→ Creating the petition and sgreemeent of purchasing the completeness of first aid based on <b>Inter-office mailto</b> Estate Manager (Lembiru and Awatan) by the doctor of the company on 22<sup>nd</sup> of June 2016. The petition has informed the completeness data regarding to first aid which are needed and by mentioning the total of working unit at the ground (harvest and maintenance).</li> <li>→ The completeness of first aid realization planning is poured into the completeness of first aid box action planning (at the latest on 25<sup>th</sup> of June 2016)</li> </ul> <p><b>Preventive Measurement:</b></p> <ul style="list-style-type: none"> <li>• CH will do the monitoring of first aid box completeness by the PIC of OHS expert per month and reported to the doctor of the company to be completed based on</li> </ul>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>found that the supervisor of harvesting did not had the registration, so the incompatibility still not accomplished.</p> <ul style="list-style-type: none"> <li>From the observation document result and action plan which can be evidence by CH, so team of auditor took into consideration that CH has been completed the corrective and could explaining what kind of action should be taken for the fulfillment of incompatibility, so NCR 20116.10 has been accomplished and will be observed on the next evaluating (ASA-3) to see the consistency of corrective implementation.</li> </ul>		
2016.11	4.7.6	<p><b>Accident insurance for contractor worker</b> According to field observations its known that harvester in AWE and stairs maintenance in LBF (contractor worker). There has not accident insurance registered, it's not in accordance with the employment agreement between the company and contractors.</p>	Minor	Awatan Estate and Lembiru POM	ASA-03	CH shall be to show the evidence that all workers (include contractor worker) has registered on accident insurance.	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>There is still no special clause for the insurance of accident at the work place in the letter of work agreement, which should be provided for all workers..</li> </ul> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>Registration for temporary worker and contractor to the social security administrator.</li> </ul> <p><b>Observation on 21<sup>st</sup> of June 2016:</b></p> <ul style="list-style-type: none"> <li>CH has been shown letter of work agreement between CH with workers and has been contained in the 9<sup>th</sup> clause</li> </ul>	Closed	12 July 2016



## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>the evidence of participation labor warranty with operator license.</p> <p><b>Preventive Measurement:</b> Running the preconditions before receiving the job by contractor regarding to there must be an insurance for labor in the letter of work agreement and must be completed with supporting evidence that the workers have been registrated into labor insurance.</p> <p><b>Auditor's conclusion</b> <b>12<sup>th</sup> of July 2016</b> From the documentation result that has been given and the explanation from Lembiru POM when the verification activity has began, team of auditor were assessing that corrective evidence has been accomplished. The consistency of implementation for contractor evaluation has been occupied the regulation of labor (especially the warranty of labor) will be verified on the next evaluation (ASA-3).</p>		
2016.12	5.2.2	<p><b>Implementation Management of HCV Area</b> CH has not able to provide that implementation management of HCV area is consistently managed, i.e.:</p> <ul style="list-style-type: none"> <li>- Management and monitoring plan are not comprehensive made, for</li> </ul>	Major	PT. SNP	60 days (14 June 2016)	CH shall be able to provide the evidence of implementation management within HCV identified area according to management plan.	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>➤ The officer who has been elected as the PIC for HCV still not accomplished a training regarding to HCV, so the plan management and monitoring was not comprehensive.</li> </ul> <p><b>Corrective Action:</b></p>	Closed	12 July 2016

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p>instance: measureable target, type of relevant activities, timeline.</p> <ul style="list-style-type: none"> <li>- Inconsistency of marking in HCV area, riparian zone, spring of Bukit Seleming and Bukit Awatan.</li> </ul>					<ol style="list-style-type: none"> <li>1) Create the letter of appointment for the PIC of HCV (document : letter of attorney appointment)</li> <li>2) Conduct the training for the PIC of HCV (document : certificate of training, where, when, and implemented by any party)</li> <li>3) Revise the plan of management and monitoring based on the regulation of HCV supervision principle (Document: revise the plan of management and monitoring for HCV)</li> <li>4) Reviewing and revising the document of HCV production (document: revise of HCV production document)</li> <li>5) Re-areal of HCV based on the standard operational procedure which has been established (photo of HCV areal)</li> </ol> <p><b>Auditor's observation on 22<sup>nd</sup> of June 2016</b></p> <ul style="list-style-type: none"> <li>➤ When the observation has been done by the team of auditor, they were also seen the conducting management of HCV area, especially at the water spring of Seleming Hill and the water spring of Awatan Hill. From the observation result, known that the area has been demarcated nicely around the water spring, and it was signed by giving the yellow line to the main of oil palm plant with 50 diameters from the water spring spot. Team of auditor also seen that</li> </ul>		
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# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

							<p>there's no sign of using pesticide for oil palm on the area for weed controlling.</p> <p>➤ For the area of Sempadan river has been demarcated by the yellow line with the radius of 50 meters from the river side. The consistency of area management which has been established as HCV will be verified on the next surveillance.</p> <p><b>Auditor's observation on 13<sup>th</sup> of July 2016</b></p> <ul style="list-style-type: none"> <li>• Documentation of training on 8<sup>th</sup> of April 2016 regarding to the method of HCV management and monitoring by Senior Assistant of PSQM (Triyono) which is competent to all HCV officers that has been elected by company.</li> <li>• <b>Showing the revision of plan management and plang monitoring HCV of PT SNP which has been prepared by PSQM Staff on 3<sup>rd</sup> of April 2016 and informed the location of HCV, criteria of HCV, purpose of management, management action, time management, and person in charge. The monitoring table of flora and fauna has been available.</b></li> <li>• Documentation of HCV sign board which is include in the map.</li> <li>• Recording such as placement photo of sign board in the area of HCV (example: water spring of Seleming Hill and Awatan Hill area).</li> </ul>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p><b>Preventive Measurement:</b></p> <ol style="list-style-type: none"> <li>1) Monitoring checklist and evaluating periodically regarding to the plan management, plan monitoring, and realization of HCV management per 6 months and reported to the Unit Manager, RSPO Secretariate and PSQM.</li> <li>2) PSQM Team were conducting the monitoring crosscheck of HCV and reported periodically per 6 months to the Unit Manager and PSQM Manager (document: letter of instruction of PSQM for monitoring HCV by Head of SOU).</li> </ol> <p><b>Auditor's Summary:</b>  <b>13<sup>th</sup> of July 2016</b>          From all documentation that have been given and verified, team of auditor are assessing the corrective evidence has been accomplished. The consistency of HCV area management implementation will be verified on the next surveillance (Surveillance-3).</p>		
2016.13	5.2.4	<p><b>Records of monitoring HCV Area</b>            Implementations of monitoring on RTE's species of Flora and Fauna have not done yet by CH. The status of its RTE's species according to HCV Identification report are:  <i>Hylobates agilis</i>            (Kelampiau/Gibbon), <i>Helarctos</i></p>	Minor	PT. SNP	ASA-3	<p>CH shall be able to provide that implementation of monitoring RTE's species and their habitats is well managed.</p>	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>➤ There is still no socialization to all officers who have been elected as HCV officer and the environmental society around the company regarding to flora and fauna which have been protected in HCV area.</li> </ul> <p><b>Corrective Action:</b></p>	Closed	21 April 2017

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p><i>malayanus</i> (Beruang Madu/Sun Bear), <i>Cervus unicolor</i> (Rusa Sambar/Deer), <i>Nycticebous coucang</i> (Kukang/Coucang), etc.</p>					<ul style="list-style-type: none"> <li>Conducting the socialization for flora and fauna which have been protected via banner and sign board/prohibition board in the areal of HCV and access way in the envromental of the company (documentation : photo of signboard/prohibition)</li> <li>Conducting the socialization for all societies around the company by the assistant on May of 2016, at Awatan Village ( documentation: the attendance list of socialization, photo, and minutes of meeting)</li> <li>Checklist of monitoring for flora and fauna every month by the officer of HCV and reported to the assistant and unit of manager. (documentation: monitoring of flora and fauna, photo of monitoring, where the socialization take place, and when the socialization held)</li> </ul> <p><b>Observation on 12<sup>th</sup> of July 2016</b> Unit of certification has shown the evidence of documentation, such as:</p> <ul style="list-style-type: none"> <li>Socialization of documentation of flora and fauna which are protected through banner and signboard in HCV areas and access road in company environment.</li> <li>Checklist of monitoring flora and fauna (for June 2016 at the HCV area, block J2D AWE, and block D2D LBE) by HCV</li> </ul>		
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# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

							<p>officer and reported to the assistant and Unit Manager.</p> <p><b>Preventive Measurement:</b> The implementation of socialization periodically related to protected flora and fauna based on determined document which will be done by the unit assistant every 3 months. (Documentation: socialization programme, by, whom, when, and where)</p> <p>Unit of assistant reviews the monitoring result of flora and fauna with observation method based of SOP observation of HCV/new method of supervising HCV (which will be socialized) which is done by HCV officer based on determine document of HCV every one month and reported to the Unit of Manager (Documentation: Result monitoring review of flora and fauna).</p> <p><b>Auditor's summary:</b> <b>2<sup>nd</sup> of July 2016</b> NC.2016.13has not been fulfilled. Unit of Certification has not shown :</p> <ol style="list-style-type: none"> <li>1. Identification the numbers of needs and socialization at which (based on identification needs) location of placement of banner/signboard of socialization of protected flora and fauna (the area of HCV and access road) in the environment of the company.</li> </ol> <p><b>Observation April 21, 2017.</b></p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

<b>2016.14</b>	<b>5.3.2</b>	<p><b>Hazardous Waste Management</b></p> <p>Based on field observation, hazardous waste management has not well implemented responsibly by CH. Location are:</p> <ul style="list-style-type: none"> <li>• Generator house at Division 3 AWE, it was sighted that hazardous waste (lubricant used, filter used, lubricant containers, oil used containers) was placed in a store without permit.</li> <li>• Fuel station in Central Workshop AWE, found the oil spillage on the ground.</li> <li>• Herbicides containers was kept over 30 days (since 4 Feb 2016) and placed in a store without permit (AWE).</li> <li>• Lubricant container is used as a measuring tool for pesticide (AWE).</li> <li>• Used tires, secondary containment, lubricant containers are disposed behind the workshop (LBE).</li> <li>• Pesticide containers were kept at Block Spraying</li> </ul>	<b>Major</b>	<b>PT. SNP</b>	<b>60 days (14 June 2016)</b>	<p>CH shall provide the implementation of chemical handling and its containers are well responsibly managed.</p>	<p>Root cause:</p> <ol style="list-style-type: none"> <li>1) Not yet any working instruction related to manager/delivery LBC in working area (genset house, traction, BMS/BSS) from K3 expert and approved by Head of SOU.</li> <li>2) No log book of Hazardous Waste chich record the delivery of Hazardous Waste to Temporary Hazardous Waste shelter.</li> <li>3) Understanding from officer and chemical supervision is still lack, so that the management is not suitable to the apply procedure.</li> <li>4) Identification of waste source in the unit of estate not yet done (workshop, gas station, pesticide warehouse, BMS/BSS House, workshop at occupation, cottage housing)</li> <li>5) Evaluation programme regarding to handling and supervising of Hazardous and Toxic Substances has not been done continually by PSQM at the unit of estate.</li> </ol> <p>Corrective Action:</p> <ol style="list-style-type: none"> <li>a) OHS expert will make the working instruction related to management/delivery of Hazardous Waste in working area (genste house, traction, BMS/BSS house) which is approved by the Head of SOU.</li> </ol>	<b>Closed</b>	<b>22 July 2016</b>
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p>System (BSS) house (LBE).</p> <ul style="list-style-type: none"> <li>• Fertilizer sacks was placed in open area (behind fertilizer store LBE).</li> </ul>					<p>b) The PIC of waste source will make log book of Hazardous Waste which record the delivery of Hazardous Waste to temporary disposal place Hazardous and Toxic Substances waste (documentation: logbook in every Hazardous and Toxic Substances waste source-genset house, traction, BMS/BSS House).</p> <p>c) The improvement of officer understanding and chemical supervision by OHS Expert related to the management procedure through periodically socialization every 6 months (documentation : socialization in form of absence, minutes of meeting, and photo).</p> <p>d) PSQM coordinates with OHS Expert to identify the waste source in the unit of estate (workshop, gas station, pesticide warehouse, BMS/BSS house, workshop at occupation, housing estate). (Documentation : review of HIRAC of waste source at the unit of estate).</p> <p>e) PSQM arrange the evaluation handling and supervising of Hazardous and Toxic Substances And Hazardous Waste periodically at the unit of estate every month. (Documentation : monthly programme in form of checklist about handling of Hazardous and Toxic Substances and Hazardous Waste at the unit of estate).</p>		
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# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

							<p>procedure, and the understanding of every officer/operator for waste management (the understanding has not been shown, even though the socialization (awareness) to operator has been done on 28<sup>th</sup> of April 2016).</p> <p>2) Observation team of auditor on 22<sup>nd</sup> of June 2016 at AWE gas station, there's no more found former of fuel spilled which directly fall to the ground. CH also done the stiffening (concrete) to the area, so the fuel spilled will no longer contaminated directly into the ground. At the same time team of auditor also got the information from the personnel in charge, if there's fuel spilled while refilling the gas, will directly use the sand to make it clean so it will help to anticipate the potential of fire and contaminated directly to the ground. Team of auditor also did the observation at LBE gas station and known that the area has been done the stifening (concrete) to avoid spill which will directly soil to the ground and if there's found the fuel spill, it will flow directly to the containment which has been made.</p> <p>3) Observation team of auditor on 22<sup>nd</sup> of June 2016 at the warehouse temporary saving of Hazardous Waste AWE, known that there's no more Hazardous Waste which was saved. All Hazardous Waste have been sent to Temporary Hazardous</p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>Hazardous Waste handling with questionnaire to all the officers who are related to Hazardous Waste handling. (Documentation: checklist monitoring and the officer interviewing result)</p> <p>2) Balance sheet/log book which has been updated by the officer who has verified by OHS Expert and the manager unit (documentation: balance sheet/log book which has been verified).</p> <p>3) Doing the identification update if there's found a new activity which has a potential to be the source of waste.</p> <p>4) Organizing the annual programme evaluation for handling and monitoring Hazardous and Toxic Substances and by PSQM.</p> <p>Auditor's Summary: 22<sup>nd</sup> of July 2016 By the verification result and the documentation which have been done by the team of auditor, are seeing that the corrective incompatibility for this indicator has been fulfilled/accomplished.</p>		
<b>2016.15</b>	<b>5.3.3</b>	<p><b>Wate Management</b> Based on field observation, waste management has not well implemented responsibly by CH. Location found are:</p> <ul style="list-style-type: none"> <li>- Domestic waste/landfill in Block G004 Division 2 AWE, domestic waste are</li> </ul>	<b>Minor</b>	<b>Awatan Estate &amp; Pabrik</b>	<b>ASA-3</b>	CH shall provide the waste management are well implemented and responsibly to avoid of pollutions.	<p><b>Root cause:</b></p> <p>1) Identification and evaluating the initial placement for placing the landfill which is not representative.</p> <p>2) The socialization still not comprehensive which is done by the assistant unit who are related for domestic waste handling and disallowance for open burning.</p>	<b>Closed</b>	<b>21 April 2017</b>

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p>disposed inappropriate place (open dumping).</p> <ul style="list-style-type: none"> <li>- Domestic waste condition at workers housing Division 3 AWE and Division 1&amp;2 LBE was disposed in open dumping.</li> <li>- Found the domestic waste disposed with open burn at workers housing Division 3 AWE and Division 1&amp;2 LBE.</li> <li>- Water disposal at sediment pond which contaminate by effluent from Lembiru POM was not well managed, so that potentially polluted of surface water.</li> <li>- Evaluation of environmental impact from POME management particularly on the effluent level at POME pond and Land Application (LBE).</li> </ul>					<p>3) The application of land instalation has not been yet done for POME applicationat the block,First Division of LBE, so POME has been restrained at WWTP LBF which has the potential for the surface of water pollution.</p> <p>4) There is still no evaluation for potential impact of environmental pollution from POME by PSQM.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> <li>• The creating of landfill at the new location of G4A block, second division, of AWE has still not accomplished (documentation: photo of the new landfill).</li> <li>• Socialization in the form of signboard related to domestic waste and disallowance for open burning at the cottage (documentation: photo of open burning signboard and socialization of waste handling).</li> <li>• Accelerate the instalation progress of LA by LBE team and LBF at the first division of LBE (documentation: photo of instalation and progress of instalation process).</li> <li>• Implementation of evaluating the potential environmental pollution impact by PSQM related to the height of liquid waste at WWTP LBF and LA LBE.</li> </ul> <p>For monitoring the consistency of waste</p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<ol style="list-style-type: none"> <li>1. Based on the result of field visit at PT SNP, it is known that there is no burnt garbage.</li> <li>2. Based on the results of field visits in each Estate PT SNP already have facilities of Final Waste Disposal.</li> <li>3. Based on the result of field visit at Oil Mill Oil, it is known that the sediment pond disposal has been well managed and in accordance with the procedures.</li> </ol> <p>Based on evidence of improvements that have been demonstrated and field verification, Non-Conformity No. 2016.15 has been fulfilled.</p>		
<b>2016.16</b>	<b>6.1.3</b>	<p><b>Management Plan of Social Impact Assessment</b></p> <p>CH has identified and analyze of social impact as a result of plantation activities in SIA document. However, some of impacts are not covered in the SIA document, such as:</p> <ul style="list-style-type: none"> <li>- Social and environmental impact from repanting activities.</li> <li>- Management and monitoring plan of social impacts based on identification.</li> </ul>	<b>Major</b>	<b>PT. SNP</b>	<b>60 days (14 June 2016)</b>	CH shall provide the document of social impact management plan as a follow-up of Social Impact Assessment.	<p><b>Root cause:</b> SIA still not yet implemented by PSD and PSQM for the society who related directly (public figure, indigenous leader, MUSPIKA, and all societies around PT SNP) for replanting activity.</p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>1. The implementation of SIA has been implemented by PSD team who have been coordinated with PSQM team in the village and backwoods around PT SNP area in representative. (Documentation: Evaluation of SIA towards the society around PT SNP).</li> <li>2. Planning programme and monitoring of social impact which have been done by</li> </ol>	<b>Closed</b>	<b>15 July 2016</b>



## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>b. Visiting the society and the village which were related by.</p> <p>c. Give the solution for land of dispute.</p> <p>d. Estate for society management</p> <p>e. Evaluation of implementation programme</p> <p><b>Observation on 15<sup>th</sup> of July 2016</b></p> <p>Unit of certification has shown the completeness document of Social Impact Assessment (SIA) such as quetionare which had been distributed on 12<sup>th</sup> of July 2016 to all around stakeholders (Suka Karya Village and Karya Baru Village) with using the representative sampling for 16 respondents.</p> <p><b>Preventive Action:</b></p> <p>Implementation of SIA towards the society around PT SNP periodically (once in two years) by PSD team and reviewed by PSD Manager , Head of SOU (Documentation: SIA as reviewed result).</p> <p><b>Auditor's summary:</b></p> <p><b>15<sup>th</sup> of July 2016</b></p> <p>Based on the evidence of documentation which has been given and verified, team of auditor were assessing that the evidence of corrective which has been informed has been fulfilled. The consistency of implementation for social impact management by involving the society will be re-verified on the next surveillance (Surveillance-3).</p>		
2016.17	6.5.1	Evidence of Payment Slip Payroll system of the CH is	Major	Awatan Estate	60 days (14 June	CH shall provide the evidence of payment	<p><b>Root cause:</b></p> <p>There's a lack of understanding of work</p>	Closed	22 June

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p>using salary slip to all workers. Information in the salary slip contains of wages, allowance, deduction and 113il wages. During data verification and field interview with sample workers at Block G2A/B AWE (harvesting activity), known that the worker status is contracted worker and payment mechanism is done by the company directly (not from head of contractors). Payment slip that shown to the auditor is only for permanent workers, while during field observation it was found a contract worker. Certificate Holder is failed to prove the payment slip and record of its worker.</p>			2016)	condition of all workers.	<p>agreement and contractor so an error has occurred between the making process of work agreement for temporary worker and contractor.</p> <p><b>Corrective Action:</b> Updating the letter of work agreement for temporary workers by person to person based on their personal identify per 1<sup>st</sup> of April 2016 (documentation: letter of work agreement for temporary workers on 16<sup>th</sup> of April).</p> <p><b>Preventive Measurement:</b> The implementation for reviewing the work agreement by the assistant and Chief of Section and reported to the Manager Unit per three months. (Documentation: review of work agreement per three months).</p> <p>Creating the letter of work agreement for every temporary workers and updating the evidence of wage payment for temporary workers and must be documented. (attachment 6.5.1)</p> <p><b>Auditor's Summary:</b> The company has shown several documents of corrective such as:</p> <ul style="list-style-type: none"> <li>- Letter of work agreement between the representative of CH and workers. List of workers which have been created for the work</li> </ul>	2016
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>agreement per 1<sup>st</sup> of April 2016 are available. As for the example: SPK No 010/AWE/SPK-FANDRES/IV/2016 between the representative of CH with FANDRES TUBO. And SPK No. 019/AWE/SPK-IKAM/IV/2016 between the representative of CH with IKAM.</p> <ul style="list-style-type: none"> <li>- Document of salary list for temporary employee in April-May of 2016. The document consist of revenue information, gross wages, cuts and net wages. Beside it, the document also consist of the receipt in the form of signature for each worker.</li> </ul> <p><b>Based on the observation of document, the incompatibility has been fulfilled (closed).</b> The effectiveness of corrective measurement will be seen on the next surveillance (Surveillance-3)</p>		
2016.18	6.5.2	<p><b>Worker Agreement</b> Based on field observation and interview with harvester at Awatan Estate, as long as one week later he was assisted by his son (18 y.o) in harvesting. However, CH can not provide the contract of its worker.</p>	Major	Awatan Estate	60 days (14 June 2016)	CH shall provide that all employees have worker agreement.	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>• Result study for the unit of certification shows that the permanent workers who has been helped by their children when they're working, has been the indicator for lack of control from the assistant and supervisor of unit which are related to disallowance to bring the family member to help their works. Based on the result of study, family member which has been found was helping their works by the</li> </ul>	Closed	22 June 2016



## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT


# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

						<ol style="list-style-type: none"> <li>1. CSR Programme. Including time management of monitoring the respond to the CSR of company.</li> <li>2. Questionnaire of society's needs. Which is consist of seven questions to measure the company CSR programme.</li> <li>3. List of attendance on 21<sup>st</sup> of June 2016 and photo of activity.</li> </ol> <p><b>Preventive Measurement:</b> CSR programme will be communicated with SH in the village area of PT SNP by PSD Team and will be reviewed in MUSREMBANG.</p> <p><b>Auditor's Summary:</b> 2<sup>nd</sup> of July 2016 Based on the documentation that has been given, the company has shown the evidence which has been complete, however the team of auditor still need the clarification and additional document which is related to:</p> <ol style="list-style-type: none"> <li>1. The mechanism for identify the stakeholder who will be involved in company CSR socialization.</li> <li>2. List of stakeholder who identified will give the impact to the company activity.</li> <li>3. Evidence of socialization which has been presented (list of attendance) still not yet seen the representative</li> </ol>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p style="text-align: center;">from Batu Manang Village and Sedawak Village.</p> <p>This incompatibility has still not be fulfilled. The organization must be shown the additional evidence which will be a note for auditor's verification.</p> <p>Has been explained in the next page (point 3.5.2)</p>		
2016.20	8.1	<p><b>Fundamental failures of the CH performance.</b></p> <p>From the ASA-2 findings the auditor team considers that there is a systematic failure associated with the recurrence of a mismatch against the results of previous audits (ST-2 and ASA-1)</p> <p><b>1) Safety and Health responsibilities. Not met against the</b></p> <p>Implementation of Safety and Health Policy "plantations and palm oil mills employers should ensure that the workplace, machinery, equipment, transport and processes under their control are always safe and do not endanger the health of excessively."</p> <p><b>a. Non-conformity</b></p>	Major	SNP	60 hari (14 Juni 2016)	The CH has to shows the evidences for continuous improvement of the system for developing and ensuring the discrepancies that never appeared on a previous audit does not happen again.	<p><b>Root cause:</b></p> <p>There is no RSPO requirement standard for internal audit which taking attention to detail by the party who is competent (PSQM team)</p> <p><b>Corrective Action:</b></p> <p>PSQM team has already made the programme and implemented the RSPO requirement standard for internal audit for OHS Systemscope towards the result of visiting by Mutuagung Lestari team and will be reported to the Unit of Manager and PSQM Manager per once in six months. (documentation: programme and internal audit planning OHS System requirement in RSPO)</p> <p><b>Observation on 30<sup>th</sup> of June 2016</b></p> <p>The organization has been sent the evidence of correctivity, such as:</p> <ol style="list-style-type: none"> <li>1. Programme of internal audit.</li> <li>2. The result of RSPO internal audit on 23<sup>rd</sup>-25<sup>th</sup> of June 2016 which is consist of the identification of incompatibility</li> </ol>	Closed	1 August 2016

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

		<p>evidence or observation against indicator 4.6.5 standard relating to potentially unsafe practices when pesticides operator not using the appropriate mask.</p> <p><b>b.</b> Non-conformity evidence or observation against indicator 4.6.11 standard relating to not all high risk workers (chemical sprayers) specifically have been tested with annual medical surveillance for example spirometry and cholinesterase.</p> <p><b>c.</b> Non-conformity evidence or observation against indicator 4.7.2 standard relating to sprayers loading truck at AWE was not separate with water tank and spraying equipment.</p>					<p>Based on the evidence of correctness which has been sent, the organization has not identify the area or indicator which will be the requirement of OHS System, environmental management, social impact management, and the separation of product with certificate which has been suitable with the root cause that has been written before.</p> <p>In the file of internal audit programme, the organization still not yet identify clearly the areas which will be the place for audit activity related to the requirement of OHS System RSPO (and another requirements which are related with the implementation).</p> <p><b>The result of internal audit which have been presented such as NCR (sheet of incompatibility), has still not clearly answering the requirement and the implementation of RSPO which has been done by the company. Based on the report, it is only the sheet of incompatibility and still not yet taking the scope of all reports of audit activity (date of audit, team of audit, and the schedule of audit) and the evidence of report has been distributed to the related division.</b></p> <p><b>Observation on 22<sup>nd</sup> of July 2016</b> The organization has been sent the evidence of documentation internal audit implementation based on the standard of P&amp;</p>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p><b>d.</b> Non-conformity evidence or observation against indicator 4.7.3 standard relating to:</p> <ul style="list-style-type: none"> <li>• Several harvesters at AWE not using safety helmet.</li> <li>• Chemical spraying supervisor (<i>mandor</i>) at Division 1, AWE not use appropriate mask according to the MSDS</li> <li>• Boiler and engine operators at mill stations not using safety <i>ear muff</i>.</li> <li>• During the interview with harvesters and sprayers at Division 1 LBE revealed they were buy their own PPE.</li> <li>• During the</li> </ul>				<p>C RSPO OF 2013 which has been held on 23<sup>rd</sup>-25<sup>th</sup> of June 2016 and also the commitment from management in the each unit of company. Based on the result of internal audit, can be presented that kind of documentation has been fulfilled.</p> <p><b>Observation on 1<sup>st</sup> of August 2016</b>          The organization has been sent the evidence of implementation document of internal audit has been suitable with the standard of P&amp;C RSPO of 2013 which has been held on 23<sup>rd</sup>-25<sup>th</sup> of June 2016, and presented that the result of internal auditor observation has been done and passed the monitoring of ground check towards the fulfillment implementation of each indicator (especially for criteria f 4.6, 4.7, 5.1, 5.2, 5.3, 6.1, 6.2, and supply chain). The explanation of the RSPO internal audit result and the programme of corrective measurement which will be done to fulfill the incompatibility that has already found in the result of internal audit.          Dari hasil internal audit tersebut</p> <p><b>Preventive Measurement:</b>          PSQM team periodically has been done the implementation of internal audit to the unit which will do the RSPO audit for reviewing the forwardness and the conformity of OHS System requirement in RSPO which will be reported to the Unit Manager and PSQM</p>	
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p style="text-align: center;"><i>morning muster</i> the auditor team was known that there was no PPE use monitoring for the workers before they start working to the field.</p> <p><b>e.</b> Non-conformity evidence or observation against indicator 4.7.5 standard relating to the first aid kit boxes not completely filled according to the working risk, no record use of first aid kit.</p> <p><b>2) Environmental responsibilities.</b></p> <p><b>a.</b> Non-conformity evidence or observation against indicator 5.1.3 standard relating to environmental impact management and monitoring.</p> <p><b>b.</b> Non-conformity evidence or</p>					<p>manager. (Documentation: report of the forwardness and the conformity as the basic requirement in RSPO principle internal audit).</p> <p><b>Auditor's Summary:</b> <b>1<sup>st</sup> of August 2016</b> Based on the documentation which has been given and verified, team of auditor were assessing that the evidence of correctness which has been presented is fulfilled. The consistency of implementation, correctness which continually, also the P&amp;C RSPO internal audit implementation by unit of certification will be re-verified on the next surveillance.</p>		
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# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

		<p>observation against criteria 5.2 standard relating to consistency of HCV management and monitoring implementation</p> <p>c. Non-conformity evidence or observation against criteria 5.3 standard relating to waste management which multiple non-conformities raised and fail to address the real underlying causes of their poor environmental performance.</p> <p>3) <b>Social responsibilities.</b> Non-conformity evidence or observation against criteria 6.1 standard relating to social impact assessment that involves the participation of all affected parties.</p> <p>4) <b>Supply Chain requirement.</b> Non-conformity evidence or observation against</p>							
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		supply chain standard relating to implementation of the mass balance countings (RSPO certified and non-certified).							
<b>2016.21</b>	<b>SCCS Modul E Versi 2014 E.3.1</b>	<p><b>Documentation of delivery / acceptance of RSPO certified products as well as supply chain training.</b></p> <ol style="list-style-type: none"> <li>1. During the observation to weighbridge and interview with the operator, auditor team found non-conformity of the weighbridge ticket document not mark as RSPO certified. This not accordance to the mill procedure.</li> <li>2. The auditor team has interviewed with the mill security officer and Kelampai bulking station officer. During the interview revealed that they were have not been trained for supply chain as required.</li> </ol>	<b>NC (Major)</b>	<b>Lembiru POM</b>	<b>60 days (14 June 2016)</b>	<p>CH should be able to show evidence that any document receipt / delivery associated with the supply chain have been identified and separated.</p> <p>Ensuring that all personnel related with the supply chain system have received training.</p>	<p><b>Root of causes:</b></p> <p>The understanding of workers regarding to the designation of RSPO certificate is still not maximum and the understanding of SCCS by the security and Bulking workers still not yet fulfilled due to the socialization is still not yet done for them.</p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>1. CH has already made the terms of using the stamp for RSPO/Non-RSPO certified on the cover letter of fruit and weighbridge ticket based on the letter from the Manager of Lembiru Mill No 072/LBF-INT/IV/2016 on 13<sup>th</sup> of April 2016 which is addressed to Chief of Section Mill Administration, Security team of Lembiru Mill and Weightbridge Operator which has presented the sign of RSPO certified for fresh fruit bunch and sourced from certified estate (Awatan Estate and Lembiru Estate) and RSPO Non-certified from the fresh fruit bunch which is coming from Karya Palma Estate, Beturus Estate, Sungai Putih Estate, Pelanjau Estate, and the third party of fresh fruit bunch.</li> </ol>	<b>Closed</b>	<b>22 June 2016</b>



## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

2016.22	<b>SCCS Modul E Versi 2014 E.3.2</b>	<p><b>Separation of certified and non-certified product documentation.</b></p> <p>During the document observation to Lembiru POM found non-conformity of certified and non-certified product mass balance model separation cannot be demonstrated:</p> <ul style="list-style-type: none"> <li>Initial stock counting for CPO and Palm Kernel not available</li> <li>Mass Balance model counting at Kelampai Bulking Station was not available.</li> </ul>	<b>NC (Major)</b>	<b>Lembiru POM</b>	<b>60 days (14 June 2016)</b>	CH should be able to shows that the results and the method for calculating for certified and non-certified product separation have demonstrated appropriately.	<p>evidence of incompatibility has been fulfilled. NCR.2016.21 is fulfilled (closed)</p> <p><b>Root cause:</b> Team of Lembiru Mill still not understanding the calculation of separating the material of the first stock with mass balance model, and the team of Bulking neither too due to they have not got the training of SCCS.</p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>CH has already made the terms of using the stamp for RSPO/Non-RSPO certified on the cover letter of fruit and weightbridge ticket based on the letter from the Manager of Lembiru Mill No 072/LBF-INT/IV/2016 on 13<sup>th</sup> of April 2016 which is addressed to Chief of Section Mill Administration, Security team of Lembiru Mill and Weightbridge Operator which has presented the sign of RSPO certified for fresh fruit bunch and sourced from certified estate (Awatan Estate and Lembiru Estate) and RSPO Non-certified from the fresh fruit bunch which is coming from Karya Palma Estate, Beturus Estate, Sungai Putih Estate, Pelanjau Estate, and the third party of fresh fruit bunch. (Documentation is available and has been verified by the team of auditor).</li> <li>Conducting the socialization and training for RSPO supply chain for Chief of Section Administration Lembiru Mill</li> </ol>	<b>Closed</b>	<b>22 June 2016</b>

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

							<p>and also for the security of POM on 9<sup>th</sup> of May 2016 and for staff of Kelampang Bulking Station on 19<sup>th</sup> of May 2016 which has done by PSQM assistant (photo and documentation of training activity has been verified by the team of auditor).</p> <p>3. The document of SCCS Mass Balance Log Book is available for Lembiru POM and Kelampai Bulking Station since CH has been certified (3<sup>rd</sup> of July 2014) until the verification began which has informed the first stock, the receiving of fresh fruit bunch, the processing of fresh fruit bunch and the production of CPO and kernel. (Documentation is available).</p> <p><b>Preventive Measurement:</b> By periodically, team of Lembiru POM and Bulking Station are creating the balance sheet of Mass Balance every month, quarterly, and then documented them.</p> <p><b>Auditor's summary:</b> <b>Observation on 22<sup>nd</sup> of June 2016</b></p> <ul style="list-style-type: none"> <li>• Team of auditor has already done the verification of socialization documentation and training for Head of Administration and Security of Lembiru POM and also Staff of Kelampai Bulking Station..</li> </ul>		
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<ul style="list-style-type: none"> <li>Team of auditor has been done the interview with Head of Administration Lembiru POM and Staff of Kelampai Bulking Station towards the understanding of system and calculation of supply chain, and it is known that the officer in charge has already explained and demonstrated the calculation of Mass Balance certified product clearly.</li> <li>Based on the verification document and interview which already done by the team of auditor, team of auditor were assessing that the evidence for this incompatibility has already fulfilled. NCR.2016.22 has fulfilled (closed).</li> </ul>		
2016.23	<b>SCCS Modul E Versi 2014 E.4.1</b>	<p><b>Verification of certified and non-certified FFB volumes.</b> During the document observation to Lembiru POM non-conformance found there was not available certified and non-certified FFB volumes which have not verified by the supply chain personal in charge (mill manager).</p>	<b>NC (Major)</b>	<b>Lembiru POM</b>	<b>60 days (14 June 2016)</b>	CH have to shows that certified and non-certified FFB volumes have been verified by the responsible PIC.	<p><b>Root cause:</b> Team of Lembiru POM have provide the document for separated of RSPO Mass Balance but still not yet completed with the establishment by the person in charge of the team, due to already considered with another part of SCCS document.</p> <p><b>Corrective Action:</b> The Mill Team must be sure to create and completed the document of SCCS with the verification by the Mill Manager as the person in charge (Documentation is available and has been verified by the team of auditor)</p> <p><b>Preventive Measurement:</b> Then, The Mill teams are measuring the</p>	<b>Closed</b>	<b>22<sup>nd</sup> of June 2016</b>

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							<p>document which already prepared must be completed with the verification of Mill Manager as the person in charge.</p> <p><b>Auditor's Summary:</b></p> <ul style="list-style-type: none"> <li>Team of auditor has already done the verification of document. Separating the RSPO certified and Non certified document which has been verified by the person in charge of Supply Chain (Mill Manager).</li> <li>Team of auditor has been interviewing with Mill Manager and it should be explained and demonstrated that the calculation has been verified (signature).</li> </ul> <p>Based on the verification document and interview, team of auditor are assessing that the evidence has been enough and fulfilled. NCR.2016.23. has been fulfilled (closed).</p>		
2016.24	<b>RSPO Certification System 4.2.4.c (Minor).</b>	<p><b>Challenging Time Bound Plan.</b></p> <p>The revision of certification Time Bound Plan showed by the CH consider not challenging due to: Certification plan for Karya Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari including Sungai Putih Estate (full manage scheme smallholders –</p>	<b>NC (Major)</b>	<b>SNP (Sime Darby Plantation Sdn Bhd)</b>	<b>60 days (14 June 2016)</b>	Sime Darby Plantation Sdn Bhd have to shows the challenging Time Bound Plan with the justification which is adequate for the RSPO Certification System.	<p><b>Root Cause:</b></p> <p>Sime Darby Indonesia through MINAMAS PLANTATION is not yet do the update and the changing of Time Bound Plan due to the personnel who in charge (Head of PSQM Indonesia) is still not giving the information annual regularly to the certification body.</p> <p><b>Corrective Action:</b></p> <p>Verification on 21<sup>st</sup> of June 2016</p> <ul style="list-style-type: none"> <li>Sime Darby Indonesia has revising the Time Bound Plan by establishing Karya</li> </ul>	<b>Closed</b>	<b>21<sup>st</sup> of June 2016</b>

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p><b>Sejahtera Palma Sejati &amp; Mitra Usahatani Sejahtera Plantation Cooperatives</b> planned on 2018 (it should have 2017). Based on the explanation above it was not met with <b>RSPO Certification System 4.2.3</b> All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.</p>				<p>Palma Estate (PT Sandika Natapalma) and PT Budidaya Agrolestari, which will be planned in 2017. The document has been sent through email by MINAMAS PLANTATION (Sime Darby Indonesia) on 17<sup>th</sup> of June 2016 and has been verified by the team of auditor.</p> <ul style="list-style-type: none"> <li>• Head of PSQM Indonesian will give the information to the certification body for every year in the month of January or if there's any change or expansion for operational area, especially in Indonesia.</li> </ul> <p><b>Preventive Measurement:</b> Verification on 21<sup>st</sup> of June 2016 Sime Darby Indonesia through MINAMAS PLANTATION will give the announcement to the certification body if there's an update of time bound plan due to the expansion or additional of operational area or the additional of new mill.</p> <p><b>Auditor's summary:</b> Based on the observation which has been done by team of auditor regarding to the corrective of Time Bound Plan, so it can be concluded that the incompatibility has been fulfilled.</p>			
<b>2016.25</b>	<b>RSPO Certification System 4.2.4.e</b>	<p><b>Partial Certification.</b> There was operational activity of planting started since 1 January 2010 at Karya Palma</p>	<b>Major</b>	<b>SNP (Sime Darby Plantation Sdn Bhd)</b>	<b>60 days (14 June 2016)</b>	Sime Darby Plantation Sdn Bhd has to show that they have to comply with RSPO	<p><b>Root Cause:</b> Management didn't know that there's a procedure of NPP for the year of planting above 2010 for KPE areal and BUE.</p>	<b>Closed with observation</b>	<b>1<sup>st</sup> of August 2016</b>

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

		<p>Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agrolestari) which not complies with RSPO New Planting Procedure.</p>				<p>New Planting Procedure for areas have planted since 1 January 2010 according to RSPO Certification System.</p>	<p><b>Corrective Action:</b> Creating the application of approval to the management centre regarding to the implementation of NPP.</p> <p><b>Preventive Measurement:</b></p> <p><b>Auditor's Summary:</b> <b>1<sup>st</sup> of August 2016</b> In regards of RSPO secretariat announcement on 21 December 2015 about <b>Endorsement of the New Planting Procedure (NPP) and BOG Decision on Sanctions for Non-Submission of NPP</b> was state:</p> <ol style="list-style-type: none"> <li>1. Sanction whereby new planting area (developed after January 2010) that has not gone through the NPP process will not be able to trade the CPO and PK as CSPO and CSPK for the first 3 years after its certification</li> <li>2. For the management unit which has not gone through the NPP process and the same time did not comply with the HCV assessment requirement, sanction sis applied for not submitting NPP and shall follow Remediation and Compensation Procedures (RaCP) 2015.</li> </ol> <p><b>The Sanction is effective immediatately as 1 January 2016.</b></p> <p>As the summary by the auditor team in the case of Karya Palma Estate (PT Sandika Natapalma) and Beturus Estate (PT</p>
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## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

							Budidaya Agro Lestari) subsidiary of Sime Darby Plantation Sdn Bhd which developed after 1 January 2010 without gone through the NPP process, the units shall follow the sanction as stated above.		
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**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-2**

<b>NCR No.</b>	: 2016.13	<b>Issued by</b>	: Team ASA-2
<b>Date Issued</b>	: 14 April 2016	<b>Time Limit</b>	: ASA-3
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 21 April 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.2.4 Where a management plan has been created there shall be ongoing monitoring		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  <b>Records of monitoring HCV Area</b>            Implementations of monitoring on RTE's species of Flora and Fauna have not done yet by CH. The status of its RTE's species according to HCV Identification report are: <i>Hylobates agilis (Kelampiau/Gibbon), Helarctos malayanus (Beruang Madu/Sun Bear), Cervus unicolor (Rusa Sambar/Deer), Nycticebous coucang (Kukang/Coucang), etc.</i></p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i>            There is still no socialization to all officers who have been elected as HCV officer and the environmental society around the company regarding to flora and fauna which have been protected in HCV area.</p>			
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Conducting the socialization for flora and fauna which have been protected via banner and sign board/prohibition board in the area of HCV and access way in the environmental of the company (documentation : photo of signboard/prohibition).</li> <li>• Conducting the socialization for all societies around the company by the assistant on May of 2016, at Awatan Village (documentation: the attendance list of socialization, photo, and minutes of meeting).</li> <li>• Checklist of monitoring for flora and fauna every month by the officer of HCV and reported to the assistant and unit of manager. (Documentation: monitoring of flora and fauna, photo of monitoring, where the socialization take place, and when the socialization held).</li> </ul>			
<p><b>Preventive Action</b> <i>(filled by organization audited):</i>            The implementation of socialization periodically related to protected flora and fauna based on determined document which will be done by the unit assistant every 3 months. (Documentation: socialization programme, by, whom, when, and where)</p> <p>Unit of assistant reviews the monitoring result of flora and fauna with observation method based of SOP observation of HCV/new method of supervising HCV (which will be socialized) which is done by HCV officer based on determine document of HCV every one month and reported to the Unit of Manager (Documentation: Result monitoring review of flora and fauna).</p>			
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification 2 July 2016</b>            NCR .2016.13 was not comply.            The Unit of Certification not yet shown :            Identification the numbers of needs and socialization at which (based on identification needs) location of placement of banner/signboard of socialization of protected flora and fauna (the area of HCV and access road) in the environment of the company.</p> <p><b>Observation on 12 July 2016</b>            Unit of certification has shown the evidence of documentation, such as:</p> <ul style="list-style-type: none"> <li>• Socialization of documentation of flora and fauna which are protected through banner and signboard in HCV areas and access road in company environment.</li> <li>• Checklist of monitoring flora and fauna (for June 2016 at the HCV area, block J2D AWE, and block D2D LBE) by HCV officer and reported to the assistant and Unit Manager.</li> </ul>			

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

**Observation on 21 April 2017.**

**Awatan Estate**

Company show periodic monitoring of flora and fauna conducted every month by HCV officers covering monitoring of *Hylobates agilis* (Kelampiau), *Helarctos malayanus* (Bear), *Cervus unicolor* (Rusa Sambar), *Nycticebous coucang* (Kukang) and other RTE monitoring. The monitoring report for the period of January to March 2017 is known to have squirrels, bear, kelempiau, pijantung, *alap – alap capung*.

**Lembiru Estate**

Company show periodic monitoring of flora and fauna conducted every month by HCV officers covering monitoring of *Hylobates agilis* (Kelampiau), *Helarctos malayanus* (Bear), *Cervus unicolor* (Sambar), *Nycticebous coucang* (Kukang) and several other RTE monitoring.

As the monitoring report for the period of January to April 2017, there are known types of flora and fauna are monitored, such us:

- Flora: Penaga, trap, bamboo, gelagah, laban, kumpang
- Fauna: Squirrel, Punai, pipit, truwok, tekukur, eagle, felix,

Based on the evidence has shown, the non conformance in this indicator was Closed

**Verified by** : **Radytio Puspanjana**

<b>NCR No.</b>	: <b>2016.15</b>	<b>Issued by</b>	: <b>Team ASA-2</b>
<b>Date Issued</b>	: <b>14 April 2016</b>	<b>Time Limit</b>	: <b>ASA-3</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	: <b>21 April 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<b>Hazardous Waste Management</b>			
Based on field observation, hazardous waste management has not well implemented responsibly by CH. Location are:			
<ul style="list-style-type: none"> <li>• Generator house at Division 3 AWE, it was sighted that hazardous waste (lubricant used, filter used, lubricant containers, oil used containers) was placed in a store without permit.</li> <li>• Fuel station in Central Workshop AWE, found the oil spillage on the ground.</li> <li>• Herbicides containers was kept over 30 days (since 4 Feb 2016) and placed in a store without permit (AWE).</li> <li>• Lubricant container is used as a measuring tool for pesticide (AWE).</li> <li>• Used tires, secondary containment, lubricant containers are disposed behind the workshop (LBE).</li> <li>• Pesticide containers were kept at Block Spraying System (BSS) house (LBE).</li> <li>• Fertilizer sacks was placed in open area (behind fertilizer store LBE).</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
CH shall provide the implementation of chemical handling and its containers are well responsibly managed.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• The creating of landfill at the new location of G4A block, second division, of AWE has still not accomplished (documentation: photo of the new landfill).</li> <li>• Socialization in the form of signboard related to domestic waste and disallowance for open burning at the cottage (documentation: photo of open burning signboard and socialization of waste handling).</li> <li>• Accelerate the installation progress of LA by LBE team and LBF at the first division of LBE (documentation: photo of installation and progress of installation process).</li> <li>• Implementation of evaluating the potential environmental pollution impact by PSQM related to the height of liquid waste at IPAL LBF and LA LBE.</li> </ul>			
For monitoring the consistency of waste handling implementation, team of auditor have been doing direct observation			

and the result of visiting, consist of:

- **Observation team of auditor on 22<sup>nd</sup> of June 2016** at the landfill of G004A block, second division of AWE has been completed with an adequate shelter to accommodate the domestic waste which have been produced.
- **Observation team of auditor on 22<sup>nd</sup> of June 2016** at the housing of AWE third division, domestic waste has been placed in the trash bin, but the team of auditor seen there're several spot on basin roadside and at the periphery home which still available and strewn. Based on the observation result, team of auditor were assessing that the waste handling at AWE housing has not implemented correctly. To fulfilled the incompatibility, unit of certification have to show the evidence of domestic waste should be managed correctly based on the procedure (the waste have to be collected and not strewn, then it must be placing at the place which has been established, and the restarted documentation/monitoring the listed of domestic waste.
- **Observation team of auditor on 21<sup>st</sup> of June 2016** at the housing of AWE and LBE division (housing of first division, trench which is located behind the house and the office of first division which located beside BSS Home), there're found several waste domestic that still not managed properly and also found the former burning home. At the same time, team of auditor also found the drum that has been used as oil (pertamina) before, behind the house of LBE first division's employee (should be placing at TPS LB3)  
**Based on the observation result, team of auditor are assesing that the waste management at AWE housing, still not implemented properly. To fulfilled the incompatibility, unit of certification have to evidence that the waste has been managed properly and disallowance for incineration.**
- **Observation team of auditor on 21<sup>st</sup> of June 2016** at IPAL Lembiru POM known that the water disposal/sediment pond has done the correctivity by manufacture of pipes which is distributed directly to sediment pond water disposal and streamed directly to the waste pond (waste pond number two) so it will reduce the potential of surface water pollution.
- **Observation team of auditor on 21<sup>st</sup> of June 2016** at IPAL Lembiru POM, known that the height of liquid waste at waste pond still looks pretty high. The party from the mill has done the prevention such as elevating the edge of the pond with a barrow. Team of auditor were also do the interview with the manager of Lembiru POM and known that the evaluation of potential impact to the altitude advance of liquid waste and land application in several parts of pond have still not accomplished. **Based of the observation result and the interviewed that has already done, the team of auditor were assessing that the evaluation of potential impact to the altitude advance of liquid waste and land application which would be the impact for mill waste liquid pollution potential still have not been accomplished. To fulfilled the incompatibility, unit of certification must be shown the evidence that the evaluation of mill liquid waste pollution potential related to the altitude of waste and watering of land application at the flat bed have been done correctly.**

**Preventive Action** *(filled by organization audited):*

Monitoring and evaluating the environmental hygiene of cottage from waste and open burning by the assistant of division with PSQM periodically (once in a month) and reported to the Estate Manager (documentation: monitoring of cottage hygiene).

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

**Verification 2 July 2016**

Based on the verification result which has been done by auditor to see the correctivity for this incompatibility, the team of auditor were assessing that the incompatibility in this indicator still not accomplished. Unit of certification must be able to show the evidence of correctivity, such as:

- **Evidence of socialization and whole evaluation which have been done by the assistant unit related to waste domestic handling and disallowance for open burning.** (Due to when the verification has already began on 21<sup>st</sup> of June 2016, still found that the waste has been managed properly and still found the former burning trash).
- **Implementation of land application installation for POME at LBE first division block, so POME will be restrained at IPAL LBF which will generate the potential for water pollution.**
- **The evidence documentation of evaluation for environmental pollution impact from POME by PSQM.**

**Observation 21 April 2017 (ASA -03)**

- Based on field visit on housing complex PT SNP such as division 3&4 was known there is no burnt of rubbish.
- Based on field visit at Lembiru Palm Oil Mill, is known disposal effluent in sediment pond has been well managed and in accordance with the procedures.
- The Company has shown evidence of waste effluent potential and maintained the height of the WWTP and the drainage of land application in the flat bed. The company shows results of monitoring the condition of WWTP every month, monitoring condition of the bund wall, effluent level, pump conditions, lighting and guard rail conditions. Based on the monitoring results of the WWTP conditions for period of 2017 (January - July), for example, in March the condition of WWTP as follows:

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

- Effluent level, pond 1 (22cm), pond 2 (25 cm), pond 3 (45 cm), pond 4 (40 cm), pond 5 (40 cm), pond 6 (45 cm), pond 7 (35 cm), pond 8 (38 cm), pond 9 (25 cm), pond 10 (30 cm), pond 11 (100 cm) and pond 12 (100 cm).
- The condition of Pump application and circulation is good.
- The Lighting is good.

Based on evidence was showed, the Non Conformance in this indicator was Closed

**Verified by** : **Radytio Puspanjana**

<b>NCR No.</b>	: 2016.19	<b>Issued by</b>	: Rizliani Aprianita Hasibuan
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: 20 June 2017
<b>NC Grade</b>	: Minor upgrade to Major	<b>Date of Closing</b>	: 5 June 2017
<b>Ref. Standar &amp; Persyaratan</b>	: 6.11.1 Records of contributions to local development should be made based on the results of consultations with local communities.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
The certificate holder can not yet be able to show evidence of community involvement in the identification process of local development.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Data in the form of evidence of participation of CH in local development is not recorded properly. This is due to the absence of a standardized mechanism on how evidence of CH participation in local development contributions can be properly recorded.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Consolidating data in the Plantation Services Department to collect data in the form of participation of evidence of participation in discussion activities.			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
Establish mechanism of recording evidence data of CH participation in local development.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Observation on June 30 2016.</b>			
CH has submitted the following documents:			
1. CSR Program. Containing timelines for monitoring response of questionnaires to company's CSR			
2. Questionnaire of community needs. Contains 7 questions to measure CSR programs.			
3. List of attendance dated 21 June 2016 with photos of activities.			
<b>Observation 2 July 2016</b>			
From the documents given, CH has shown sufficient evidence, however, the auditor team needs clarification and additional documents related to:			
1. Mechanism to identify the stakeholder to be involved in the socialization of CSR.			
2. The list of identified stakeholders that have impact on the company's activities.			
3. Evidence of socialization submitted (attendance list) has not seen the representation of Dusun Batu Manang and Dusun Sedawak			
<b>Observation 5 June 2017</b>			
• CH has shown the mechanism of recording of social responsibility data with inter-office mail no.			

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

M.CSR/029/SPO/N/17.

- There is a Stakeholder List consisting of: customary head, youth chairman, community leader, village head, subvillage head, agency.
- In addition, a meeting was also made with the deliberation of subdistrict leader and village apparatus located in Marau sub-district on February 13 2017 and attended by 60 participants. The result of the meeting became a proposed CSR implementation in 2018. The results of the public consultation in Pelanjau Jaya Village, Karya Baru Village and Suka Karya Village, were informed that the village government and community representatives have been involved in the proposed CSR program. Based on this, nonconformity in this indicator has been closed and will be observed for consistency on next visits.

**Verified by** : **Rizliani Aprianita Hasibuan**

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

#### 3.5.3 Identification of Findings, Corrective Actions and Observations at ASA-3

<b>NCR No.</b>	: 2017.01	<b>Issued by</b>	: Rizliani Aprianita Hasibuan
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Ref. Standar &amp; Persyaratan</b>	: 1.1.1 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.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<ul style="list-style-type: none"> <li>• Certificate Holder has not been able to show evidence of registration of contract worker to the Manpower Agency of Ketapang Regency</li> <li>• Certificate Holder already has a list of updated stakeholders every 6 months. However, based on the verification of incoming mail, there are Stakeholders that have not been updated in the Stakeholder List.</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2017.02	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: 20 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 12 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 3.1.1 A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
The company has showed long-term planning covering projection of production, capital expenditure, replanting plan, high quality seed, extraction rate, CPO/PK production, throughput and production cost. However, they did not show the financial indicator (price estimation and profit), expansion (area, mill capacity, infrastructure and social facility) yet.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Data regarding to financial indicator (e.g prices estimation, profit, etc) only available in Head Office and not regularly compose in operation unit.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Improving communication with Accounting Department to get financial data.			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
Asking Chairman SOU 13 to requesting financial data regarding to Accounting Department every Forecast Year.			

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verification on 5 June 2017</b>	
Certificate holder has shown longterm business plan period 2020 – 2021 that has been approved by Chairman SOU 13 Lembiru. It document consist data of estimated production, extraction, production cost, prices, gross income, net income etc. therefore, it does not consist projection of expansion (hectarage, mill capacity, infrastructure, social facility etc). Based on the data, nonconformities still open.	
<b>Verification on 12 June 2017</b>	
Certificate holder has shown the additional data regarding to longterm business plan that signed by Chairman SOU 13, Factory manager and PSQM Manager area Kalimantan and Sulawesi. It consist explanation that in the next 5 year there are no expansion (estate or mill).	
<b>Auditor Conclusion</b>	
Based on the explanation, it non conformity has <b>closed</b> .	
<b>Verified by</b>	: <b>Andi Pratama Pasaribu</b>

<b>NCR No.</b>	: <b>2017.03</b>	<b>Issued by</b>	: <b>Andi Pratama Pasaribu</b>
<b>Date Issued</b>	: <b>21 April 2017</b>	<b>Time Limit</b>	: <b>ASA-4</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: <b>4.5.1 Monitoring of Integrated Pest Management (IPM) plan implementation shall be available</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
In the Agricultural Reference Manual (ARM) has been mentioned potentially pests, among others: bag worm, nettle caterpillar, rat and oryctes. The procedure describes the frequency for Palm Leaf Eating Caterpillar observation under normal conditions ie every one month, while for mice is every 3 months. Awatan Estate have not been able to show sufficient evidence regarding regular pest monitoring in accordance with the Agricultural Reference Manual			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: <b>2017.04</b>	<b>Issued by</b>	: <b>Andi Pratama Pasaribu</b>
<b>Date Issued</b>	: <b>21 April 2017</b>	<b>Time Limit</b>	: <b>ASA-4</b>
<b>NC Grade</b>	: <b>Minor</b>	<b>Date of Closing</b>	:

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

<b>Standard Ref. &amp; Requirement</b>	<b>4.6.4</b> The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> The Company already has a Sime Darby Responsible Agriculture Charter document (September 2016), which explains that it will implement an integrated pest management program by not using paraquat or chemicals belonging to WHO 1A group. Group 1B WHO will be gradually reduced in accordance with the conventions of Rotterdam and Stockholm. Based on data of pesticide usage of PT Sandika Natapalma 2014, 2015 and 2016 it is known that there is still record of rodenticide use with active ingredient of Warfarin (class 1B) and not enough evidence of the reduction of rodenticide use in accordance with <b>Sime Darby Responsible Agriculture Charter</b> .	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Preventive Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	:

<b>NCR No.</b>	<b>2017.05</b>	<b>Issued by</b>	<b>Andi Pratama Pasaribu</b>
<b>Date Issued</b>	<b>21 April 2017</b>	<b>Time Limit</b>	<b>ASA-4</b>
<b>NC Grade</b>	<b>Minor</b>	<b>Date of Closing</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>4.6.5 Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Field observations in chemical storage warehouses Lembiru known chemicals have been equipped with the corresponding MSDS. However, at the time of observation to Awatan Estate (AWE) found Pesticide trademark Kencepat not yet equipped with MSDS.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	:		

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

<b>NCR No.</b>	: 2017.06	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: 21 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 9 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.7.3 <b>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</b>		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>Company showed record of OHS training and PPE used that held on April 20<sup>th</sup> 2017. However, based on field observation known that several risk control that not implemented yet:</p> <ul style="list-style-type: none"> <li>• Based on field observation in herbicide application in block D5 Division 1 Lembiru Estate (LBE) found a pesticide applicator using unsafe wear that potential to skin contaminated.</li> <li>• Lembiru factory:               <ol style="list-style-type: none"> <li>1. Welding activity in height not equipped with maintenance sign in that area. Moreover, the welder not using adequate PPE (body harness, welding glasses and hand gloves).</li> <li>2. One of power plant operator did not using ear muff.</li> </ol> </li> <li>• Based on document observation, Awatan Estate not shown PPE distribution and first aid kit monitoring in each unit yet.</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• HIRARC document just explain PPE for pesticide applicator. Risk assessment not set working uniform yet.</li> <li>• Lembiru Factory:               <ol style="list-style-type: none"> <li>1. PPE purchasing requested periodically (once a year). If any PPE broken, it will change with the new one. In case of audit findings, user has reported to the his foreman, therefore purchasing has still on progress.</li> <li>2. Generator operator in Lembiru Factory divided in 2 shift. The company has provide only one earmuff to used interchangeably. During the audit, earmuff has not given by previous operator.</li> </ol> </li> <li>• Certificate holder not yet provide special place to keep document regarding to PPE distribution and first aid kit.</li> </ul>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Conducting socialization to all pesticide applicator to use closed work clothes even has using PPE.</li> <li>• Lembiru Factory:               <ol style="list-style-type: none"> <li>1. Completed welder that work in height with adequate PPE and safety sign.</li> <li>2. Providing ear muff to all genset operator.</li> </ol> </li> <li>• Providing PPE distribution and first aid kit monitoring document.</li> </ul>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Conducted review and revise HIRAC especially for spraying activity.</li> <li>• Conducted PPE completeness and monitoring every day.</li> <li>• Preparing special place to keep document regarding to PPE distribution and first aid kit.</li> </ul>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verification on 5 June 2017.</b>			
<ul style="list-style-type: none"> <li>• Certificate holder has shown the HIRAC review for pesticide application. Through the document, risk management has consist apron usage and closed work clothes. Beside that, it also shown socialization regarding to safety induction to entire pesticide applicator in Awatan Estate. However, still not ensure it socialization has conducted to all pesticide applicator.</li> <li>• Lembiru Factory :               <ol style="list-style-type: none"> <li>1. Welder has completed with body harness, safety goggles and safety gloves. Beside that, welder activity has using safety sign.</li> </ol> </li> </ul>			

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

2. All genset operator has completed with ear muff.

- Certificate holder has shown the PPE giving to all harvester in Awatan Estate on May 2017. Beside that, they also provide special place to keep document regarding to PPE distribution and first aid kit.

**Verification on 14 June 2017.**

The company has shown corrective evidence as follows:

- OHS training to all pesticide applicator that conducted on 7 June 2017.
- PPE consistency monitoring (will observed in the next ASA).
- Intern Office Memo from each estate clerkon 9 June 2017 that explain appointment of first aid kit monitoring officer.

**Major NCR Re Verification**

**09 August 2017**

Based on field observation in Lembiru Mill workshop shown that entire mill operator has using PPE. For example, genset operator has using safety shoe, helm, ear muff and safety gloves.

**10 August 2017**

- Based on field observation in chemical weeding in Awatan Estate (Block P01) and Lembiru Estate (Block E8), entire worker has equipped with adequate PPE (apron, safety gloves, safety google and masker).
- The monitoring of first aid kita on July 2017 in Awatan Estate, Lembiru Estate and Lembiru Mill.
- All chemical weeding foreman has equipped with first aid kit (complete item according to regulation).
- Based on document verification, whole first aid kit monitoring officer each estate.

**Auditor Conclusion**

Through all corrective evidence that showed, this nonconformity has been **closed**.

**Verified by** : Oktovianus Rusmin

<b>NCR No.</b>	: 2017.07	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 10 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 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.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Based on field observation and interview with several worker found that: 1) BSS supervisor in Awatan Estate still not quite understood and demonstrated of first aid kit used. 2) First aid kit box did not comply with labor ministry decree no. 15 year 2008. 3) The company has not provided monitoring and note of first aid kit of BSS in LBE, AWE yet.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> 1. First aid kit usage training did not trained yet 2. Regular monitoring did not conducted yet. 3. Chemical weeding foreman has been appointed to brought first aid kit during work. However, they still not appointed to monitored first aid kit containt.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> 1. Conducted first aid kit training. 2. Completed first aid kit item according to the regulation. 3. Completed first aid kit box with content list and monitoring document.			
<b>Preventive Action</b> <i>(filled by organization audited):</i> 1. Conducting first aid kit training regularly and put it into the annual training list.			

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

2. Added chemical weeding foreman duty to monitored first aid kit contents.

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

**Verification on 16 June 2017**

1. Certificate holder has shown corrective action document regarding to first aid kit content and appointed chemical weeding foreman as PIC to monitored first aid kit according to Intern Office Mail from estate manager.  
However, There is insufficient evidence that the certificate holder has identified how many BSS foremen carrying the first aid kit and have confirmed the first aid to each BSS foreman.
2. Certificate holder has appointed first aid kit training record that held on 20 April 2017 who attended by 34 Marau Zone field supervisor.

**Verification on 20 June 2017**

1. based on management justification there is only one Block Spraying System (BSS) team in each estate. The company has shown the first aid kit minutes handover in Awatan and Lembiru Estate.
2. The company has shown socialization of all pesticide MSDS that held on 19 June 2017. Including the environmental risk information during application.

**Major Verification 10 August 2017**

Based on field observation in Awatan and Lembiru Estate found that:

- Chemical weeding foreman in each estate has described first aid kit well and known that impact of first aid kit from company's doctor.
- First aid kit monitoring document on July 2017.
- All chemical weeding foreman has completed with first aid kit according to regulation.

**Auditor Conclusion**

Through all corrective evidence that showed, this nonconformity has been **closed**.

**Verified by** : Oktovianus Rusmin

<b>NCR No.</b>	: 2017.08	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor (to be Major 8.1)	<b>Date of Closing</b>	: 9 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Company has not been able to show registration of social health insurance for contract worker of Awatan Estate.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> Half contract worker does not have his own citizen data as a requirement for medical insurance.			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Registering contract workers who have complete administrative requirements.			
<b>Preventive Action</b> <i>(filled by organization audited):</i> Provide time for workers who have not completed the administrative requirements for 6 months and confirm to contract workers who do not complete the terms will be terminated contract.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on 16 June 2017.</b> Certificate holder has shown Intern Office Mail dated on 12 June 2017 No. 32/A/EM AWE-INT/VI/2017 regarding to			

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

medical insurance registration. It asking all employee to completed the requirement for medical insurance.

Based on this, the inconsistency in this indicator is not fulfilled because there is no objective evidence in the form of membership card BPJS (**Open**).

### Verification on 20 June 2017.

The certificate holder shown an email regarding Registration of BPJS, but there is not enough evidence from the email to contain information such as: Participant Registration Number and Participant Name already registered.

### Major verification on 9 August 2017

Has been shown proof of improvement in the form of membership card BPJS for 5 people PKWT in Awatan Estate. For example



The card already contains information, including: Membership Number, Participant Personal Data (Name and Date of Birth), and others.

### Auditor Conclusion

Based on this, the Non-conformance on the indicator has been **Fulfilled**.

**Verified by** : Oktovianus Rusmin

<b>NCR No.</b>	: 2017.09	<b>Issued by</b>	: Andi Pratama Pasaribu
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: 20 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 16 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
The company could not show proof of training records related to aspects of the RSPO principles and criteria for all levels of employees (staff, workers, smallholders and contract workers).			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Certificate holder not evaluated the program and realization training yet so that the completion or achievement of the program is not systematic and not monitored its implementation.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Finished the training program before entering the new program.			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
The new training program period 2017 – 2018 will pay attention to the Evaluation of Training Program Implementation 2016-2017 known by SOU Chairman.			

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification on 14 June 2017.</b>          Certificate holder has shown corrective evidence as follows:</p> <ul style="list-style-type: none"> <li>• Evaluation of training program &amp; Human Resources Development Training Document Marau Zone period 2016/2017.</li> <li>• Block Harvesting System training documentation on 15 May 2017.</li> <li>• Block Manuring System training documentation on 15 May 2017.</li> <li>• Block Spraying System training documentation on 15 May 2017.</li> <li>• Integrated Pest Management Training and High Conservation Value training documentation on 15 May 2017.</li> <li>• Sime Card Training Documentation on 15 May 2017.</li> <li>• Emergency response training documentation on 15 May 2017.</li> </ul> <p>However, there is no training documentation that held in Lembiru mill.          Based on that fact, it non conformity still not fulfilled.</p> <p><b>Verification on 16 June 2017.</b>          The certificate holder has shown the fire fighting simulation in Lembiru Mill on May 16, 2017 which was attended by 52 participants. There is also a photo's of the training.</p> <p><b>Auditor Conclusion</b>          Through all corrective evidence that showed, this nonconformity has been <b>closed</b>.</p>		
<table style="width: 100%; border: none;"> <tr> <td style="border: none;"><b>Verified by</b></td> <td style="border: none;">: <b>Rizliani Aprianita Hasibuan</b></td> </tr> </table>	<b>Verified by</b>	: <b>Rizliani Aprianita Hasibuan</b>
<b>Verified by</b>	: <b>Rizliani Aprianita Hasibuan</b>	

<b>NCR No.</b>	: 2017.10	<b>Issued by</b>	: Radytio Puspanjana
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: ASA – 4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 5.2.3 Program (s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
The company has been displaying HCV management training program in July 2016 to June 2017, regarding the status of protected, rare, threatened, and endangered species to all workers both employees and staff. However, the evidence of the realization record of the program has not been shown			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	:		

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

<b>NCR No.</b>	: 2017.11	<b>Issued by</b>	: Radytio Puspanjana
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: 20 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 9 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.3.2 All chemicals and their containers shall be disposed of responsibly.		
<p><b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>            Basen on field visit at Lembiru POM there was found hazardous waste :</p> <ul style="list-style-type: none"> <li>- Oil Filter and Used Oil package in area behind the mill</li> <li>- Expired chemical material in mill chemical warehouse</li> </ul>			
			
<p>It is not comply to government regulations No. 101 year 2014 about Hazardous waste management and SOP Hazardous and Non-hazardous waste management (SPO-01-17-PLB3 &amp; NON B3-SNPBAL)</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• There was found waste material of oil filter and oil package as are residual from contractor excavator operational which worked in mill area. Mill management never done socialization related to hazardous waste handling from residual of operational activities</li> <li>• Chemical warehouse officer did not understand about expired chemical handling. Mill management never give socialization to storage officer related to expired chemical handling.</li> </ul>			
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Clean up the area behind the mill and ask contractor to take all hazardous waste from residual of their operational activities back to their base.</li> <li>• Carry over the expired chemical material to hazardous waste storage and record it to hazardous waste log book.</li> </ul>			
<p><b>Tindakan Pencegahan</b> <i>(dilengkapi oleh organisasi yang diaudit):</i></p> <ul style="list-style-type: none"> <li>• Melakukan sosialisasi kepada seluruh kontraktor yang bekerja di areal pabrik tentang penanganan Limbah B3 sisa kegiatan operasional kontraktor.</li> <li>• Melakukan sosialisasi kepada petugas gudang kimia terkait penanganan chemical yang telah kadaluarsa di gudang kimia.</li> </ul>			
<p><b>Preventive Action</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Conduct socialization to all contractors in Mill area about hazardous waste management from residual of their operational activities.</li> <li>• Conduct socialization to chemical storage to responsible person related to expired chemical material in chemical storage.</li> </ul>			
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification 5 June 2017</b>            Company show evidence :</p>			

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

- Hazardous waste management socialization records housed in Lembiru Mill on 14<sup>th</sup> May 2017 to all contractors in Mill area. The socialization is about waste hazard classification, hazardous waste type based on source and characteristic, and general hazardous waste management.
- Socialization records of Chemical management at chemical storage on 14<sup>th</sup> May 2017 to warehouse officers. The socialization is about waste hazard classification, hazardous waste type based on source and characteristic, and general hazardous waste management.
- Expired chemical material had been recorded on expired chemical log book in hazardous waste warehouse period May – August 2017 as much as 30 ltrs signed by hazardous waste officer.
- Had been shown corrective evidence related to findings used oil filter and used oil package in area behind the mill in form of the photo of clean area behind the mill, but still not found evidence that hazardous waste been recorded in accordance with the procedure (No : 301/SNP-LB3-03/11) which regulate to hazardous waste storage guidance. On point 6.6.3, the procedure tells that hazardous waste handled and controlled must be recorded by hazardous waste warehouse officer and reported to management and related agencies.

Based on the statement, Non-compliance **No. 2017.11 not compliance. Has not been comply**

### Verification 12 June 2017

Had been shown corrective evidence related to findings used oil filter and used oil package in area behind the mill. Corrective follow up which had been done is hazardous waste record which produced by Lembiru Mill/Excavator contractors and had been known by Lembiru Mill Manager (dated 7 June 2017).

Based on the statement, non-compliance has been declared **Closed with Observation** and will be consistently observed its application on re-certification Major (site visit)..

### Major NCR Re-verification

#### 9 August 2017

Based on field observation in Lembiru Mill area:

- There was no found unlicensed hazardous waste which been stored
- In hazardous waste storage had been done grouping between liquid and solid waste, and had been equipped with symbols, SOP on bulletin board, hazardous balance sheet until 2017, and eye shower. Had been shown a several record evidence:
  - Hazardous waste management report 2<sup>nd</sup> quarter (april to June 2017) and proof of report submission to related agencies namely public housing, residential, and environment agency Ketapang Regency dated 17 July 2017.
  - Hazardous manifest document No. AGU 0003867 & AGU 0003868 (each for solid waste) and No. AGU 0003671 (for liquid waste), dated 3 June 2017.
- In chemical warehouse, there's no found expired chemical material and had been equipped with symbols, SOP on bulletin board, stock list, and eye shower.

Based on evidence was showed, the non conformance in this indicator was Closed

**Verified by : Oktovianus Rusmin**

<b>NCR No.</b>	: 2017.12	<b>Issued by</b>	: Yohanes Hardian
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp;</b>	: 5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate		

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

<b>Requirement</b>	<b>and mill operations using appropriate methods, shall be available.</b>
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>	
CH cannot show calculating the greenhouse gas balance from mill and estates refers to the applicable with RSPO standards through the use Palm GHG calculator vers 3.1	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Preventive Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	:

<b>NCR No.</b>	: 2017. 13	<b>Issued by</b>	: Rizliani Aprianita Hasibuan
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: 20 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 9 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<p>1. Based on the result of verification of Working Agreement document, it is known that :</p> <ul style="list-style-type: none"> <li>- Incentive are non-permanent income based on work or achievement achieved by workers within a certain period of time regulated in employers' requirements.</li> <li>- Overtime fee is a worker's non-permanent income in which work performed by an employee exceeds normal working hours with reference to prevailing laws and regulations.</li> </ul> <p>Based on the document of picket schedule and Overtime (security), it is known that:</p> <ul style="list-style-type: none"> <li>- Overtime is only given on the day of service and on holidays are given an Incentive system (IDR 125,000)</li> </ul> <p>The result of incentive documents study (Security) on day off (March 2017), attendance list and interview result of security is known there are security who work in day off. However, the non-permanent income (overtime) provided is not in accordance with the working agreement and Kepmenaker no.102 of 2004 on overtime and overtime fee.</p> <p>2. PT SNP has not been able to show the payment documents of contract worker in Lembiru Estate (NCR 2016 Recurring)</p>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<p>1. CH does not impose work obligation on Sundays and public holidays for the Security, thus assuming that giving Rp.125.000 incentives per entry is a two-way policy that does not incriminate the company or employees.</p> <p>2. The non-communicative of PIC that holders of Payment Documents of Lembiru Estate, payment documents requested by the auditor already exist and are well documented, but not directly submitted when requested by the auditor during the audit process, thus dissolving into findings of nonconformity.</p>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
1. Stopping the incentive system amount Rp.125.000, - in conjunction that security not employed over the worktime,			

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

proven by Circular Letter by Ka SOU to All Manager of PT SNP.

2. Shows the evidence of payment of contract workers; Consist of harvesting, spraying, and maintenance contracts on April 2017.

#### **Preventive Action** *(filled by organization audited):*

1. Committed to implment the payroll system in accordance with applicable regulations and set forth in the letter of Joint Commitment signed by All Manager of PT Sandika Natapalma.
2. The unit manager elect a more responsive PIC in this case appoint Senior Assistant, to handle the estate file requested by the auditor

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

##### **Observation on 12 June 2017**

The certificate holder has shown evidence of improvement:

1. Statement of Commitment of the wage system to all workers in accordance with the guidance set forth in the CLA and the Regulation. The document is signed by each estate manager and Chairman of SOU 13, but there is not enough evidence that the commitment has been recognized and agreed by the Workers' Representative as an element that included in the Collective Labor Agreement.
2. Evidence of payment for spraying, maintenance and harvesting workers, but there is not enough evidence that the payment is against all contract workers that employed by PT SNP and not payment by head of the entourage  
Based on the above matters, this nonconformity is not fulfilled (Open).

##### **Observation on 16 June 2017**

1. CH showed the recording of job inspection payment on May 2017 for for 5 contract workers (harvesters). There is also an explanation of the fulfillment that the wages paid to contract workers are properly paid to each contract worker employed by PT SNP.
2. CH has also show a circular letter on May 15, 2017 no.SE-002/SOU13/V/2017 regarding the arrangement of working hours of the Estate security in PT SNP. The letter mentioned that submitted to all leaders of PT SNP of estate units to provide hours of security maximum of 40 hours in 1 week. (Closed with observation)  
all evidence and implementation will be verified through Re-verification Major (Site Visit).

##### **Observation on 18 June 2017**

CH has showed a Joint Statement of Commitment between the management of PT Sandika Natapalma and the Workers' Representative on the Wages System in compliance with applicable regulations. The Implementation will be verified at the time of Re verification Major (Site Visit).

Based on the above, the Non-conformance on this indicator has not been fulfilled (Open)

#### **Re-verification Major NCR**

##### **9 August 2017**

1. Based on the statement from the Head of Administration Section PT Sandika Natapalma that starting as of May 2017 it has been determined that the working time of the week is a maximum of 40 hours and the maximum overtime is 7 hours for 6 working days (Monday, Tuesday, Wednesday and Saturday work For 7 work hours + 1 hour overtime and Friday 5 hours of work + 2 hours overtime based on shift each officer consisting of 3 shifts, ie: Morning at 06.00 - 14.00, noon at 14.00 - 22.00 and Night at 22:00 to 06:00 ). Based on the results of interviews with 2 security officers it is known that the shift system of work with the 3 time has been ongoing since the first and every officer is only allowed to take a maximum of 2 times work on Sunday in every month. All security officers are currently 12 people (11 Personnel and 1 Team Commander), all have permanent status, interview with 2 officers, it is known that in addition to having social insurances (BPJS), they also get uniform and shoes every year. CH has also showed several examples of recording evidence related to the implementation of the work system, including:

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

- List Salaries (basic wages, allowances, overtime, rice) for Security Officers on July 2017.
  - Attendance List of Security Officers on Tuesday, July 4, 2017.
  - Security Incentive Benefit based on attendance in July 2017
2. It has been shown evidence of recording of payment of contract workers at Lembiru Estate, consisting of:
- Cash Voucher - Exit
  - Memorial Journal
  - Minutes of Job Inspection
  - List of Main Revenues of each Contract Worker
  - Payment receipts that have been signed by each worker.

Based on the evidences showed above, the nonconformity of this indicator was Closed

**Verified by** : Oktovianus Rusmin

<b>NCR No.</b>	: 2017. 14	<b>Issued by</b>	: Rizliani Aprianita Hasibuan
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: 20 June 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 14 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.13 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
Certification Holder have not been able to show evidence of socialization of human rights policy to all levels of workers and operations.			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
Given the year 2015 has been conducted socialization, and the next implementation will conduct in 2018. So that in 2017 not done socialization.			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
Disseminating Human Rights Policy for 2017 that implementation in each unit on May 17 to be socialized to all levels of employees.			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
Implementation of socialization of human rights policy will be done every year at the beginning of every year (once a year) as an effort to refresh the company's policy information about human rights to all employees level			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Observation on 5 June 2017.</b>			
CH has showed a recording of the socialization of human rights policy to workers in Estate and mill units, including:			
<ul style="list-style-type: none"> <li>• Lembiru Estate: socialization was conducted on May 1, 2017 and attended by 118 workers.</li> <li>• Lembiru Factory: socialization was conducted on May 8, 2017 and was attended by 59 workers</li> <li>• Aawatan Estate: socialization was conducted on May 6, 2017 and attended by 145 participants</li> </ul> However, there is not enough evidence that it has been disseminated to third parties, such as contractors and suppliers. Based on this, the discrepancy in this indicator is not fulfilled (Open)			
<b>Observation on 14 June 2017.</b>			
CH has showed evidence in the form of documentation (Minutes, Photos and Attendance List of Participants) Socialization of Human Rights Policy by PT SNP to Supplier and Contractor, dated on June 7, 2017.			

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

Based on evidences, then the Nonconformity on this indicator is declared Closed.	
<b>Verified by</b>	<b>: Oktovianus Rusmin</b>

<b>NCR No.</b>	<b>: 2017.15</b>	<b>Issued by</b>	<b>: Oktovianus Rusmin</b>
<b>Date Issued</b>	<b>: 21 April 2017</b>	<b>Time Limit</b>	<b>: 20 June 2017</b>
<b>NC Grade</b>	<b>: Major (to be Major 8.1)</b>	<b>Date of Closing</b>	<b>: 9 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>E.3.1</b> 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.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			
<ul style="list-style-type: none"> <li>• Based document verification and interview of Bulking Kelampai staff was known that there is not yet the procedure was covered the personnel in charge in implementation of SCCS requirement.</li> <li>• Based verification of daily report document and interview of related staff in Kelampai Bulking that known the personnel in charge not yet understood the separate mechanism (documentation) of dispatch volume of Certified Product (CPO and PK) and Non Certified Product.</li> </ul>			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
The CH not yet implemented the specific decision due to all of element was explained in SCCS requirement			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<ul style="list-style-type: none"> <li>• Conducting appointment to person in charge of application of SCCS requirement by Chairman SOU to Responsible / Bulking Assistant in Kelampai Bulking</li> <li>• Establish the Procedures for applying the SCCS requirements coverage the bulking unit</li> <li>• Conducting of socialization to all officers regarding the SCCS requirement in Kelampai Bulking</li> </ul>			
<b>Preventive Action</b> <i>(filled by organization audited):</i>			
Make specific provisions through the Declaration by the SOU Chairman and all Unit Managers on commitment to the implementation of the requirements and compliance with all SCCS requirements in the Bulking Kelampai operating unit attached to the SCCS SOP of SNP			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verification on 12 June 2017</b>			
The certificate holder has shown proof of improvement:			
<ul style="list-style-type: none"> <li>• Letter No. IM-003 / SOU13 / SOU13 / V / 2017, dated May 15, 2017, regarding Appointment of Person in charge of SCCS Implementation in Bulking Jetty Kelampai.</li> <li>• Product Identification Procedures and Product Traceability at POM of Minamas Plantation (No. Policy: RSPO / 66 / SCCS / 15-SNP, Revision 03, Date May 15, 2017). The procedure has explained and elaborated on the process of receiving raw materials (FFB), production process, Storage/Bulking Station and the process of delivering products to buyers in PT SNP, as well as officers responsible for the implementation of SCCS.</li> <li>• Documentation in the form of Minutes, Attendance &amp; Photos of SCCS Training in Bulking Kelampai, June 2, 2017</li> </ul> Based on corrective evidence above, these non conformity was Closed with Observation and will be observed the consistency of implementation at the Major Re-verification (Site Visit)			

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

### Major NCR Re-verification

**9 August 2017**

- Personnel in charge in bulking have been able to demonstrate the mechanism of product delivery (CPO and PK) in accordance with existing SOPs and including administrative systems.
- There have been shows several samples of dispatch documents for CPO and PK products
- Use of SIME weight to document CPO and PK process acceptance from POM Lembiru, as well as shipment delivery/shipment (dispatch) of CPO and PK products from Bulking Kelampai area to buyers

**Verified by** : **Oktovianus Rusmin**

<b>NCR No.</b>	: <b>2017.16</b>	<b>Issued by</b>	: <b>Team Auditor</b>
<b>Date Issued</b>	: <b>21 April 2017</b>	<b>Time Limit</b>	: <b>20 June 2017</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>10 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</b>		

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

**Indicator 4.7.3 Health and safety Programme and PPE Using (Closed out on August 10, 2017)**

- HIRAC review and revision of risk control in each work area
- Provision of appropriate PPE in each work area
- Monitoring the completeness of PPE
- Monitoring the First Aid Kit
- Determination of Monitoring Officer at Estate and POM

**Indicator 4.7.5 Implementation of First Aid (Closed out on August 10, 2017)**

- Determination of Monitoring Officer at Estate and POM
- Monitoring the First Aid Kit
- Understanding the usefulness of the contents of the First Aid Box to the Monitoring Officers in Estate and POM conducted directly by the company doctors

**Indicator 4.7.6 Health and Employment Insurance Programme (Non Permanent Workers) - (Closed out on August 09, 2017)**

- All contract workers must complete the terms of employment at the time of initial admission
- Register all workers (including contract workers) in BPJS Membership

**Indicator 5.3.2 Waste Management of Chemicals (Closed out on 9 August 2017)**

- Socialization to workers and all contractors working with PT Sandika Natapalma on handling of chemical material and Hazardous Waste
- Monitoring existence of chemical material and Hazardous Waste stock (Exit Balance and Entry of Materials)
- Complete the warning and symbols in the chemical material and Hazardous Waste storage

**Indicator 6.5.1 The CH has not been able to show payment documents for contract labor (Closed out on August 10, 2017)**

- Socialization (explanation) about work shift to the security officers
- Determination of overtime working hours in accordance with the standards set by the company with reference to applicable regulations

## PT. MUTUAGUNG LESTARI

### RSPO ASSESSMENT REPORT

<p><b>SCCS (Module E) E.3.1 (Closed out on August 9, 2017)</b></p> <ul style="list-style-type: none"> <li>• Revision the procedure related to SCCS and due to operations in Plantations, Factories and Bulking</li> <li>• Socialization or understanding to relevant staff in SCCS implementation from estate to bulking</li> </ul>
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <p>There was no Internal Audit related to RSPO requirement by responsible staff</p>
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <p>The PSQM Team arrange the programme and conduct the Internal Audit related to RSPO implementation requirement and reported to POM Manager and PSQM Manager per 6 month</p>
<p><b>Preventive Action</b> <i>(filled by organization audited):</i></p> <p>The PSQM team periodically conducts internal audits to the unit that will conduct the RSPO Audit to review the readiness and compliance of RSPO's compliance and reported to the unit manager and the PSQM manager.</p>
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Verification on 18 June 2017</b></p> <p>The Certificate Holder has submitted the results of the RSPO Standard Internal Audit RSPO Requirements by a competent party made on June 13, 2017. However, there is insufficient evidence that non-compliance with related indicators (4.7.5, 4.7.6 &amp; 6.5.1) has been implemented and some Non-conformance based on Field Findings will be verified at Site Visit Re-verification Major.</p> <p><b>Major NCR Re-verification</b>  <b>9 – 10 August 2017</b></p> <p>Verification has been done to repeated nonconformities was explained above and based on documentary improvements, interviews to relevant staff and field observations, all Non-conformities have been Closed out. The auditor team will observe the consistency from the implementation of continuous improvement by the Certificate Holder during the next visits in ASA-4</p>
<p><b>Verified by</b> : <b>Oktovianus Rusmin</b></p>

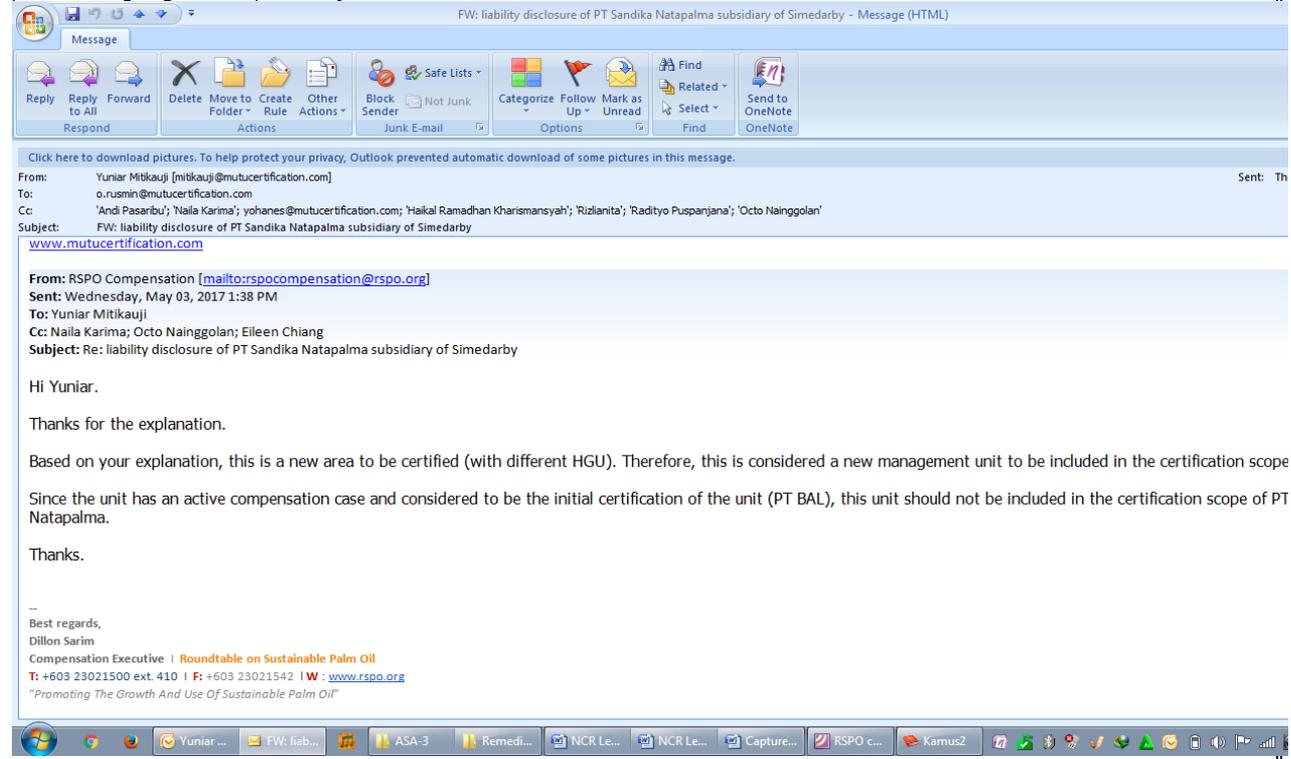
# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

<b>NCR No.</b>	: 2017.17	<b>Issued by</b>	: Team Auditor
<b>Date Issued</b>	: 21 April 2017	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: RSPO Cert. System 4.2.4 Time Bound Plan Implementation		

**Non-Conformance Description & Evidence observed** *(dilengkapi oleh auditor):*

There was inconsistency in the form of delay in the implementation of the Time Bound Plan in the certification process of PT Budidaya Agrolestari because it has not yet finalized the compensation process related to Remediation and Compensation Procedure (RaCP). It is based on information from RSPO Compensation Panel to Certification Body (PT Mutuagung Lestari) on May 3, 2017.



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

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

### 3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	Major 2.1.1	The company has the opportunity to evaluate the training program OHS for heavy equipment operator and power and production equipment.

### 3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		The company has a commitment to implement the principles of sustainable palm oil management
2		Company has earned the RSPO Certificate in 2014
3		Company has earned the ISPO Certificate in 2016 (PT Sandika Natapalma)
4		Received an Award from the Ministry of Environment & Forestry (Program Performance Rating, In Environmental Management – PROPER Biru, 2016 – 2017)
5		Company Have made Cooperation Agreement / Partnership with local community for local Community Estate Program (Plasma)

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Department of Housing, Settlement and Environment at Ketapang Regency</b></p> <ul style="list-style-type: none"> <li>- The Company has regularly reported Environmental Management Plan/Environmental Monitoring Plan reports, quarterly reports hazardous waste and effluent quality</li> <li>- No issue about land fire and environmental pollution</li> <li>- Need maintenance about hazardous waste</li> </ul>	<ul style="list-style-type: none"> <li>• There is no negative issues from the government agency. Company has demonstrated compliance with the RSPO criteria 2.1, 4.4, 4.6, 5.1, 5.3 and 5.5</li> <li>• Based on document verification, company has submitted implementation report environmental, 10 March 2017 to Department of Housing, Settlement and Environment at Ketapang Regency.</li> </ul>
<p><b>Public figure Sukakarya Village</b> Mr Syahbariansyah</p> <ul style="list-style-type: none"> <li>- Based on the results of the interview, it is known that Syahbariansyah is also a member of the SPS plantation cooperative</li> <li>- Sukakarya village there are two cooperatives namely cooperate plantation Sejahtera Palma Sejati (SPS) and Mitra Usaha Tani Sejahtera (MUTS)</li> <li>- The company has sent a questionnaire related to SIA monitoring program</li> <li>- Once carried out the socialization of land fires</li> <li>- The company helps clean water if there are activities in both religious and marriage villages.</li> <li>- If there is a direct complaint submitted to the PSD officer</li> <li>- The company has a good relationship with the community.</li> <li>- Land dispute is not available in the village of Sukakarya</li> </ul>	<ul style="list-style-type: none"> <li>• Based on interview with surrounding village representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1, 6.1 and 6.4.</li> <li>• The company has had CSR program and implementation. It refer to criterion 6.11.</li> </ul>
<p><b>Public figure Karya Baru Village</b> Mr Julian Arius</p> <ul style="list-style-type: none"> <li>- Based on the interviews it is known that Mr. Julian Arius is also the Chairman of the SPS plantation cooperative</li> <li>- SPS cooperative has 555 members from Karya Baru village and Suka Karya village</li> <li>- Cooperatives formed in 2009</li> <li>- The company has made LPKP report every month and submitted to cooperatives</li> <li>- Complaints from cooperatives are in the production LPKP report for plasma plantations is always minus</li> <li>- CSR activities are somewhat less on the grounds of New Works, which may be due to the lack of socialization of the CSR program.</li> <li>- The Company once conducted HCV socialization in the village of Karya Baru</li> </ul>	<ul style="list-style-type: none"> <li>• Based on interview with surrounding village representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1, 6.1 and 6.4.</li> <li>• The company has had CSR program and implementation. It refer to criterion 6.11.</li> <li>• Based on interview with community representation in Karya Baru Village Complaints from cooperatives are in the production LPKP report for plasma plantations is always minus and based on the results of confirmation with the management is known that the payment of plasma plantation is still little due to credit payments by bank</li> </ul>
<p><b>Pelanjau Jaya village</b> <b>Dayak customary chief (Demung)</b></p>	

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> <li>- Based on the results of the interview is known that the father of Demung is also the Chairman of the cooperative Garden MUTS and transport contractors FFB the company always helps every day Dayak customary activities that exist in the surrounding villages.</li> <li>- Once involved in determining HCV area in both PT SNP.</li> <li>- The cooperative was formed in 2008, with a credit agreement in 2013.</li> <li>- The Company has prepared a monthly LPKP report and submitted it to the cooperative</li> <li>- Members of the MUTS cooperative consist of 200 pelajau Jaya village, 306 members of sukakarya village, 525 members' village of belaban.</li> <li>- For Pelajau village there is no new land clearing for oil palm.</li> <li>- There is an aspiration in the form of repairing village roads leading to the gardens because some villagers work in the company.</li> <li>- As a contractor there is a letter of agreement renewed every 3 months, and for the payment until now smoothly</li> <li>- Contractor employees have been provided with PPE, and have health BPJS from the village.</li> </ul>	<ul style="list-style-type: none"> <li>• Based on interview with surrounding village representative that known there was no land dispute or environmental issues as written criterion 2.3; 5.1, 5.2, 6.1 and 6.4.</li> <li>• The company has had CSR program and implementation. It refer to criterion 6.11.</li> </ul>
<p><b>Manpower Agency</b></p> <ul style="list-style-type: none"> <li>• Quarterly Guiding committee of occupational health and safety report has been reported by the company.</li> <li>• Annually Manpower year of 2016 report has been reported by the company.</li> <li>• The companies have set wages in accordance with applicable regulations.</li> <li>• The Companies have regularly reported accidents. There were no fatal occupational accidents in the past year.</li> <li>• There are no negative issues related employment such as discrimination or the use of underage labor.</li> <li>• Agency has known about the boiler permission of boiler contractor and all contractors worker have equipped PPE by contractors.</li> <li>• all workers have been registered of labor social insurance and labor health insurance.</li> </ul>	<ul style="list-style-type: none"> <li>• All obligation report by company has been verified by auditor team as written on indicator 1.1.1.</li> <li>• The company has implemented minimum wage refer to the latest regulation as written in 6.5.1.</li> <li>• The companies have not implemented overtime refer to applicable regulations and collective labor agreement and became nonconformity.</li> <li>• Based on document verification and interview with workers, not all workers have been registered of labor social insurance and labor health insurance and became nonconformity in indicator 4.7.6</li> </ul>
<p><b>Labor Union</b></p> <ul style="list-style-type: none"> <li>• There is no negative issues such as discrimination, the use of labor under 18 years or sexual abuse issues.</li> <li>• Providing wages in compliance with applicable regulations.</li> <li>• Until the audit takes place, there has been no complaints from workers.</li> <li>• There were no fatal work accidents in the last 1 year.</li> </ul>	<ul style="list-style-type: none"> <li>• The companies have implemented minimum wage refer to the latest regulation as written in 6.5.1.</li> <li>• The companies have not implemented overtime refer to applicable regulations and collective labor agreement and became nonconformity.</li> <li>• Based on document verification and interview with workers, not all workers have been registered of labor</li> </ul>

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> <li>All employees have been included in the program BPJS employment and health.</li> <li>The Companies have conducted periodic health checks to workers with high risk. The Companies have provided PPE for workers such as safety shoes, google glass.</li> </ul>	<p>social insurance and labor health insurance and became nonconformity in indicator 4.7.6.</p> <ul style="list-style-type: none"> <li>It Has been discribed with indicator 4.7.3</li> </ul>
<p><b>Local Contractor's workers (FFB Transport)</b></p> <ul style="list-style-type: none"> <li>Companies had socialized policies such as corporate codes and the use of labor over 18 years.</li> <li>Contractor's workers has given PPE by the contractors and company.</li> <li>The entire execution of the work and payment in accordance with the applicable agreement.</li> </ul>	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p>
<p><b>Contractor supervisor (Replanting)</b></p> <ul style="list-style-type: none"> <li>Companies had socialized policies such as corporate codes and the use of labor over 18 years.</li> <li>Contractor's workers has given PPE by the contractors.</li> <li>The entire execution of the work and payment in accordance with the applicable agreement.</li> <li>Registration of labor social insurance and labor health insurance for contractors workers still in progress.</li> </ul>	<ul style="list-style-type: none"> <li>Based on document verification, show that the rights and obligation of each party has been set in the contract.</li> </ul>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>Grievance Mechanism related to the incidence of sexual harassment have been socialized to women and Mothers/Wife workers.</li> <li>Within the last one year no event reporting sexual harassment or discrimination.</li> <li>Management of the gender committee has the program related to sexual harassment policies, and protection of reproductive rights. Socialization also includes a ban on pregnant and lactating women to spray. Socialization is delivered through meetings like recitation etc.</li> </ul>	<ul style="list-style-type: none"> <li>According o document verification and interview with workers, there was no issues related to violation of the rights of woman.</li> <li>From the results of interviews with workers, the company has implemented of Company Policies such as reproductive rights and prohibition of pregnant woman to spray. It refer to criterion 6.9</li> </ul>
<p><b>Manpower Agency</b></p> <ul style="list-style-type: none"> <li>Quarterly Guiding committee of occupational health and safety report has been reported by the company</li> <li>Annulaly Manpower year of 2016 report has been reported by the company</li> <li>The companies have set wages in accordance with applicable regulations</li> <li>The companies have regularly reported accidents. There were no fatal occupational accidents in the past year</li> <li>There are no negative issues related employment such as discrimination or the use of under age labour</li> <li>Agency has known about the boiler permission of boiler contractor and all contractors worker have equipped PPE by contractors</li> <li>All workers have been registered of labour social insurance and labour health insurance</li> </ul>	<ul style="list-style-type: none"> <li>All obligation report by company has been verified by auditor team as written on indicator 1.1.1</li> <li>He company has implemented minimum wage refer to the latest regulations as written in 6.5.1</li> <li>The companies have not implemented overtime refer to applicable regulations and collective labour agreement and became non-conformity</li> <li>Based on document verification and interview with workers, not all workers have been registered of labor social insurance and labour health insurance. Its became a nonconformity in indicator 4.7.6</li> </ul>

# PT. MUTUAGUNG LESTARI

## RSPO ASSESSMENT REPORT

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p><b>Environmental Agency Ketapang Dsitric</b></p> <ul style="list-style-type: none"> <li>The company has had ANDAL document</li> <li>The Company has submitted a RKL-RPL implementation report to Environmental Agency of Ketapang District every six month.</li> <li>PT SNP has had license of hazardous waste warehouse. The company also has mechanism to manage the hazardous waste from estate.</li> <li>No negative issues related environmental</li> <li>Hazardous waste from the company has been managed in accordance with regulation and the company has cooperated with the licensed transporter and collector of hazardous waste.</li> <li>The company has a permit to dispose of effluent into land application</li> <li>The company has been controlling the hazardous waste and report the management of hazardous waste to Environmental Agency of Ketapang District</li> <li>There is no issue of fires and pollution caused by the company's operations.</li> </ul>	<p>There is no negative issues from the government agency. Company has demonstrated compliance with the RSPO criteria 2.1, 4.4, 4.6, 5.1, 5.3 and 5.5</p>
<p><b>Plantation Agency</b></p> <p>Public consultation with plantation Agency of Ketapang cannot be held due to unavailable staff at the moment</p>	<p>However Auditor has left the questionnaire that reolied on April 20<sup>th</sup> 2017</p>

**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company 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 Sandika Nata Palma  
Head of PSQM Minamas Plantation,  
Sime Darby Plantation Sdn Bhd

Mutuagung Lestari

Lead Auditor



**Mohammad Pirabharan**

9 August 2017



**Oktovianus Rusmin**

9 August 2017

**APPENDICES**
**Appendix 1. List of Stakeholder Contacted in the RSP0 Certification Process**

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	<b>Department of Housing, Settlement and Environment at Ketapang Regency</b>	Jl. HOS Cokroaminoto Ketapang – Kalimantan Barat	-	Interviews	17 April 2017	✓	
2	<b>Informal Leader in Sukakarya Village</b> Mr Syahbariansyah	Sub District of Marau	-	Interviews	18 April 2017	✓	
3	<b>Informal Leader in Karya Baru Village</b> Mr Julian Arius	Sub District of Marau	-	Interviews	18 April 2017	✓	
4	<b>Pelanjau Jaya village Dayak customary chief (Demung)</b>	Sub District of Marau	-	Interviews	18 April 2017	✓	
5	<b>Manpower Agency</b>	Jl. HOS Cokroaminoto Ketapang – Kalimantan Barat	-	Interviews	17 April 2017	✓	
6	<b>Labor Union</b>		-	Interview	18 April 2017	✓	
7	<b>Local Contractor's workers (FFB Transport)</b>	Sub District of Marau	-	Interview	18 April 2017	✓	
8	<b>Contractor supervisor (Replanting)</b>	Sub District of Marau	-	Interview	18 April 2017	✓	
9	<b>Manpower Agency</b>	Jl. HOS Cokroaminoto Ketapang – Kalimantan Barat	-	Interviews	17 April 2017	✓	
10	<b>Environmental Agency Ketapang Dsitrict</b>	Jl. HOS Cokroaminoto Ketapang – Kalimantan Barat	-	Interviews	17 April 2017	✓	
11	<b>Plantation Agency</b>	Jl. HOS Cokroaminoto Ketapang – Kalimantan Barat	-	Questioner	17 April 2017	✓	
12	<b>Aliansi Masyarakat Adat Nusantara</b>	Jakarta	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Questioner via email	13 April 2017		✓
13	<b>Sawit Watch</b>	Bogor	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questioner via email	13 April 2017		✓
14	<b>Wahana Lingkungan Hidup</b>	Jakarta	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questioner via email	13 April 2017		✓
15	<b>WWF Indonesia</b>	Jakarta	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questioner via email	13 April 2017		✓
16	<b>Gender Committee</b>	Sub District of Marau	-	Interview	18 April 2017	✓	
17	<b>Internal stakeholder:</b> <ul style="list-style-type: none"> <li>• Harvester (3 person in Lembiru Estate and 2 person in Awatan esatate )</li> <li>• Chemical applicator (1 men and 7 women in LBE and 1 men and 7 women in Awatan</li> </ul>	Sub District of Marau	-	Interview	18 – 19 April 2017	✓	

	Estate). • Mill: Loading ramp 4 person, boiler 1 person, engine room 1 person.						
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Appendix 2. Assessment Program

DATE		17 – 22 April 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday/Senin, 17 April 2017</b>			
06.30 – 09.00	06.30 – 09.00	<b>JAKARTA → KETAPANG</b>	• Auditor Team
09.30 – 13.00	09.30 – 13.00	<b>Stakeholders Meeting and Consultation:</b> • Ketapang District Government and local NGO	• Auditor Team
13.00 – 15.00	13.00 – 15.00	<b>KETAPANG → SITE PT. SNP</b>	• Auditor Team
16.00 – 16.30	16.00 – 16.30	<b>Opening Meeting</b> (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)	• Auditor Team
16.30 – 17.00	16.30 – 17.00	Confirmation/Preparation for Field Visit and Stakeholder Consultation	• Auditor Team
<b>Tuesday/Selasa, 18 April 2017</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation LEMBIRU ESTATE</b> • Legal Operational Boundary and Poles Monitoring. • Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Empty Fruit Bunch Application, Health and Safety Implementation • Land Fire facilities, Chemical Storage, etc • Conservation (HCV) Area, Soil Erosion, Land Application • Hazardous Waste management • Worker Facilities (housing, health clinic, clean water, etc) • Worker Welfare (payments, complaint mechanism)  <b>Stakeholders Meeting and Consultation:</b> • Nearest village and community leader	• ORN • APP/HRK  • RPJ • RPJ • RZA • RZA • RZA  • YHN
12.00 – 14.00	12.00 – 14.00	<b>LUNCH BREAK</b>	• Auditor Team
14.00 – 16.00	14.00 – 16.00	<b>Field Observation LEMBIRU POM</b> • WWTP (IPAL), Land Application (LA), Hazardous Waste Material (B3) management, Water Treatment Plant (WTP) • Supply Chain, K3 (OHS)	• YHN/RPJ  • ARD
14.00 – 16.00	14.00 – 16.00	<b>Stakeholders Consultation:</b> • Labour union and gender committee	• RZA
16.30 – 17.00	16.30 – 17.00	Field Observation Clarification & Audit Progress Information	• Auditor Team
<b>Wednesday/Rabu, 19 April 2017</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation AWATAN ESTATE</b> • Legal Operational Boundary and Poles Monitoring. • Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Empty Fruit Bunch Application, Health and Safety Implementation • Land Fire facilities, Chemical Storage, etc • Conservation (HCV) Area, Soil Erosion, Land Application • Hazardous Waste management • Worker Facilities (housing, health clinic, clean water, etc)	• ORN • APP/HRK  • RPJ • YHN • RZA • RZA

DATE		17 – 22 April 2017	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> <li>Worker Welfare (payments, complaint mechanism)</li> </ul>	<ul style="list-style-type: none"> <li>RZA</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>LUNCH BREAK</b>	
14.00 – 15.00 15.00 – 17.00	14.00 – 15.00 15.00 – 17.00	<ul style="list-style-type: none"> <li>Continuing of Field Observation (if needed)</li> <li>Document Review and Review of Previous Visit Non-conformance (ASA-2)</li> <li>Clarification of Public Consultation and Field Observation</li> </ul>	<ul style="list-style-type: none"> <li>Auditor Team</li> <li>Auditor Team</li> <li>Auditor Team</li> </ul>
<b>Thursday/Kamis, 20 April 2017</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation HGU PT Budidaya Agro Lestari</b> <ul style="list-style-type: none"> <li>Legal Operational Boundary and Poles Monitoring.</li> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Empty Fruit Bunch Application, Health and Safety Implementation</li> <li>Land Fire facilities, Chemical Storage, etc..</li> <li>Conservation (HCV) Area, Soil Erosion, Land Application</li> <li>Hazardous Waste management</li> <li>Worker Facilities (housing, health clinic, clean water, etc)</li> <li>Worker Welfare (payments, complaint mechanism)</li> </ul>	<ul style="list-style-type: none"> <li>ORN</li> <li>APP/HRK</li> <li>RPJ</li> <li>YHN</li> <li>RZA</li> <li>RZA</li> <li>RZA</li> </ul>
12.00 – 13.00	12.00 – 13.00	<b>BREAK</b>	
14.00 – 15.00 15.00 – 17.00	14.00 – 15.00 15.00 – 17.00	<b>Continue Field Observation (if needed) and outstanding issue</b>  <b>Document review:</b> <ul style="list-style-type: none"> <li>RSP0/ISPO Document Review and clarification of field observation</li> </ul>	<ul style="list-style-type: none"> <li>Auditor Team</li> <li>Auditor Team</li> </ul>
<b>Friday/Jumat, 21 April 2017</b>			
08.00 - 10.00	08.00 - 10.00	<b>Document review:</b> <ul style="list-style-type: none"> <li>RSP0/ISPO Document Review and clarification of field observation</li> <li>Completion of checklist and clarification/ follow-up on outstanding audit issues</li> </ul>	<ul style="list-style-type: none"> <li>Auditor Team</li> <li>Auditor Team</li> </ul>
11.30 – 13.30	11.30 – 13.30	<b>BREAK</b>	<ul style="list-style-type: none"> <li>Auditor Team</li> </ul>
13.30 – 16.00 16.00 – 17.00 15.30 – 21.30	13.30 – 16.00 16.00 – 17.00 15.30 – 21.30	<ul style="list-style-type: none"> <li>Team meeting (preparation for closing meeting)</li> <li>Closing Meeting</li> <li>PT SNP (Lembiru) → KETAPANG</li> </ul>	<ul style="list-style-type: none"> <li>Auditor Team</li> <li>Auditor Team</li> <li>Auditor Team</li> </ul>
<b>Saturday/Sabtu, 22 April 2017</b>			
09.40 – 10.40	09.40 – 10.40	<b>KETAPANG → JAKARTA</b>	<ul style="list-style-type: none"> <li>Auditor Team</li> </ul>