

**Roundtable on Sustainable Palm Oil Certification
RSPO**

[] Stage-1 [] Stage-2 [✓] Surveillance [] Re-Certification

Plantation Management/Owner : **TAPUNG KANAN POM,
PT SEKARBUMI ALAMLESTARI –
KUALA LUMPUR KEPONG Bhd.**

Plantation Name : **Tapung Kanan 1 Estate, Tapung Kanan 2
Estate & Tapung Kanan 3 Estate**

Location : **Kotagaro Village, Sub District of Tapung Hilir,
District of Kampar, Province of Riau,
Indonesia**

Certificate Code : **MUTU-RSPO/025**

Date of certificate issue : **April 24th, 2014**

Date of expiry of certificate : **April 23rd, 2019**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approved by
ASA-02	23-27 February 2015	Trismadi Nurbayuto (Lead Auditor Witnessed), Taufik Margani (Lead Auditor Witnessing), Isyana Dewi (Auditor), Leonada W (Trainee Auditor), Sapto Hadi Winarno (Auditor)	Octo HPN Nainggolan	Tony Arifarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-02	May 9 th , 2015

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on March 12th, 2014 with registration number **RSPO-ACC-007**

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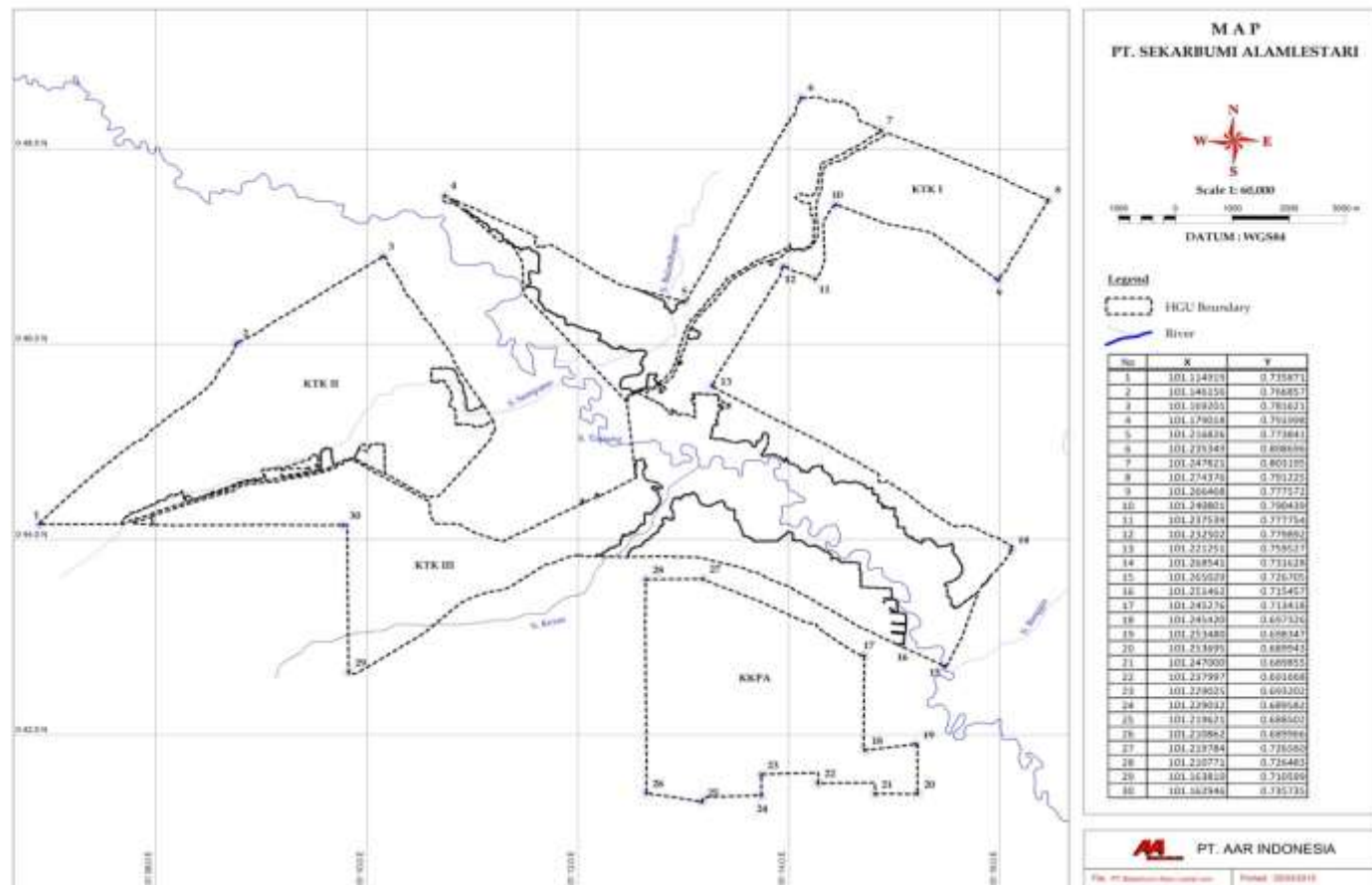
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Figure 1. Location Map of PT. Sekarbumi Alamlestari – Tapung Kanan POM



Figure 2. Operational Map of PT. Sekarbumi Alamlestari – Tapung Kanan POM



Assessment Program

DATE / TANGGAL			PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL			
Monday/Senin, 23 February 2015				
07.00 – 08.00	07.00 – 08.00	JAKARTA → PEKANBARU		• TN / TM / ID / LEO / SH
08.00 – 11.00	08.00 – 11.00	PEKANBBARU→ PT. SEKARBUMI ALAMLESTARI (PT. SA)		• TN / TM / ID / LEO
08.00 – 11.00	08.00 – 11.00	PEKANBARU → KAMPAR District Government		• SH
11.00 – 15.00	11.00 – 15.00	Stakeholders consultation to Related Government Institution. (KAMPAR District Government and Local NGO)		
11.00 – 12.00	11.00 – 12.00	• OPENING MEETING		• TN / TM / ID / LEO
14.00 – 17.00	14.00 – 17.00	• Document Review and Review of Previous Visit Non- conformance (Surveillance-1)		• TN / TM / ID / LEO
Tuesday/Selasa, 24 February 2015				
08.00 - 12.00	08.00 - 12.00	Field Observation TAPUNG KANAN 1 Estate		• LEO
		• Manuring, Spraying, Harvesting, best agricultural practices		• LEO
		• Worker Welfare (payments, complaint mechanism)		• TN /TM
		• Legal operational and Conservation Area		• ID
		• Hazardous Waste Material (B3) management		• ID
		• Worker facilities (housing, health clinic, clean water, etc) and		
		• Land Fire facilities, Storage, ect..		
08.00 – 12.00	08.00 – 12.00	Stakeholders consultation to Nearest village and community leader		• SH
12.00 – 14.00	12.00 – 14.00	BREAK		
14.00 – 17.00	14.00 – 17.00	• Clarification of Public Consultation		• TN / TM / ID / LEO /
		• Document Review and Review of Previous Visit Non- conformance (Surveillance-1)		SH
				• TN / TM / ID / LEO /
Wednesday/Rabu, 25 February 2015				
08.00 – 12.00	08.00 – 12.00	Field Observation TAPUNG KANAN 2 Estate		• LEO
		• Manuring, Spraying, Harvesting, best agricultural practices		• LEO
		• Worker Welfare (payments, complaint mechanism)		• SH
		• Hazardous Waste Material (B3) management, EFB Application		• TN /TM
		• Legal operational and Conservation Area		• ID
		• Worker facilities (housing, health clinic, clean water, etc) and		• ID
		• Land Fire facilities, Storage, ect..		
12.00 – 14.00	12.00 – 14.00	BREAK		• TN / TM / ID / LEO / SH
14.00 – 17.00	14.00 – 17.00	Field observation clarification		• TN / TM / ID / LEO / SH
Thursday/Kamis, 26 February 2015				
08.00 – 12.00	08.00 – 12.00	Field Observation TAPUNG KANAN POM :		• SH
		• WWTP (IPAL), Hazardous Waste Material (B3), Land Application		• TN / TM
		• Operational, K3 (OHS), Supply Chain, management		• ID
		• Worker facilities (housing, health clinic, clean water, etc)		• LEO
		• Interview with Labour Union, Local Contractor and Comittee Gender		
12.00 – 14.00	12.00 – 14.00	BREAK		• TN / TM / ID / LEO / SH

14.00 – 17.00	14.00 – 17.00	Field observation and interview clarification	<ul style="list-style-type: none"> • TN / TM / ID / LEO / SH
Friday/Jumat, 27 February 2015			
08.00 - 10.00	08.00 - 10.00	CLOSING MEETING PT. SA - PEKANBARU PEKANBARU - JAKARTA	<ul style="list-style-type: none"> • TN / TM / ID / LEO / SH
10.00 - 12.00	10.00 - 12.00		<ul style="list-style-type: none"> • TN / TM / ID / LEO / SH
16.00 -	16.00 -		<ul style="list-style-type: none"> • TN / TM / ID / LEO / SH

Glossary

EIA	: Environmental Impact Analysis
PPE	: Personal Protective Equipment
B3	: Hazardous Waste
BOD	: Biological Oxygen Demand
BPN	: National Land Agency
CITES	: Convention On International Trade Endanger Species
COD	: Chemical Oxygen Demand
CPO	: Crude Palm Oil
CSR/CD	: Corporate Social Responsibility/ Community Development
FFB	: Fresh Fruit Bunches
FIRST AID	: First Aid
HCV	: High Conservation Value
HGU	: Land Exploitation Rights
HIRAC	: Hazard Identification Risk Assessment Control
IPM	: Integrated Pest Management
JAMSOSTEK	: Jaminan Sosial Tenaga Kerja (Social Security Plan for Workers)
OHS	: Occupational Health & Safety
KTK	: Kebun Tapung Kanan (Estate Name)
NGO	: Non-Governmental Organization
P2K3	: Committee for Occupational Health and Safety Development
PK	: Palm Kernel
POM	: Palm Oil Mill
POME	: Palm Oil Mill Effluent
PTSA	: PT. Sekarbumi Alamlestari
RKL	: Environmental Management Plan
RPL	: Environmental Monitoring Plan
S1	: Surveillance 1
SOP	: Standard Operating Procedures
ST1	: Stage 1
ST2	: Stage 2 (Main Assessment)
UMR	: Regional Minimum Wage
UU	: Laws

1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	National Interpretation Used	National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011 for CPO Mill.	
1.2	Organization Information		
1.2.1	Company name	TAPUNG KANAN POM, PT SEKARBUMI ALAMLESTARI - KUALA LUMPUR KEPONG Bhd	
1.2.2	Contact person	Tan Kei Yoong	
1.2.3	Company address and site address	<ul style="list-style-type: none">• RSPO registered company: Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000• Liaison Office: Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau	
1.2.4	Telephone	0761 – 571885, 571861/62	
1.2.5	Fax	0761 – 571884	
1.2.6	E-mail	ky.tan@klk.com.my	
1.2.7	Web page address	www.klk.co.id	
1.2.8	Company status	Swasta	
1.2.9	Management Representative who completed the application for certification	Tan Kei Yoong	
1.2.10	Registered as RSPO member	8 October 2004 No. Registration 1-0014-04-000-00	
1.3	Type of Assessment		
1.3.1	Scope of Assessment	Tapung Kanan POM, Kebun Tapung Kanan 1 Estate, Kebun Tapung Kanan 2 Estate and Kebun Nilo Barat 3 Estate	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT SEKARBUMI ALAMLESTARI	
1.3.4	Number of management unit	1 POM and 3 Estates: Tapung Kanan POM, Kebun Tapung Kanan 1 Estate, Kebun Tapung Kanan 2 Estate and Kebun Tapung Kanan 3 Estate	
1.4	Locations of Mill, Plantations and Area Statement		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
	Tapung Kanan POM	Village of Kota Garo, Sub district of Tapung Hilir, District of Kampar, Province of Riau	Latitude
			Longitude
			0° 45' 26" N
			101° 13' 11" E

1.4.2	Location of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	TAPUNG KANAN 1	Village of Kota Garo, Sub district of Tapung Hilir, District of Kampar, Province of Riau	0° 47' 31" N	101° 10' 44" E	
	TAPUNG KANAN 2	Village of Kota Garo, Sub district of Tapung Hilir, District of Kampar, Province of Riau	0° 46' 53" N	101° 10' 9" E	
TAPUNG KANAN 3	Village of Kota Garo, Sub district of Tapung Hilir, District of Kampar, Province of Riau	0° 42' 56" N	101° 15' 0" E		
1.4.3	Tenure		-		
	• State		6,200 Ha		
	• Community		-		
1.4.4	Area Statement		PT. SEKARBUMI ALAMLESTARI TOTAL (Ha)		
	• Total area		6,200		
	• Mature area		5,140		
	• Immature area		-		
	• Mill		20		
	• Infrastructure		98		
	• Swamp (include HCV)		885		
	• Others area		10		
	• Riparian River (include HCV)		57		
1.5	Year of Plantings and Cycles				
1.5.1	Age profile of planted palms*				
	Planting Year	Hectarage (Ha)			
		Kebun Tapung Kanan I (Ha)	Kebun Tapung Kanan II (Ha)	Kebun Tapung Kanan III (Ha)	Total (Ha)
	1992	144	358	-	502
	1993	663	478	85	1,226
	1994	367	539	549	1,455
	1995	194	223	350	767
	1996	249	-	-	249
	1997	-	-	146	146
	1998	38	-	174	212
	1999	167	-	164	331
	2001	14	-	51	65
	2005	15	67	7	89
	2006	38	-	10	48
	2010	50	-	-	50

	TOTAL	1,939	1,665	1,536	5,140							
1.5.2	New Planting area after November 2007			- Ha								
1.5.3	Planting Cycle			1 st Cycle 25 Years								
1.6	Description of Supply Base											
1.6.1	Description of Mill											
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel						
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)					
	Tapung Kanan	30	131,919.65	27,986.93	21.22	6,977.66	5.29					
	*Source Production Data on February 2014 to January 2015											
1.6.2	Description of Certified Estates											
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill						
						FFB (tonnes/year)	%					
						TAPUNG KANAN 1	2,445	1,939	39,505.72	20.37	39.505,720	29.95
						TAPUNG KANAN 2	1,888	1,665	40,817.65	24.52	40.817,650	30.94
						TAPUNG KANAN 3	1,867	1,536	34,997.06	22.78	34.997,060	26.53
						Total	6,200	5,140	115,320.43	22.44	115,320.430	87.42
	*Source Production Data on February 2014 to January 2015											
1.6.3	FFB description from other source											
	Name of sources	Members	Location	Supplied to Mill								
				FFB (tonnes/year)								
	KKPA Sahabat Lestari (Non Certified)	-	Sub District of Tapung Hilir, District of Kampar, Province of Riau	16,599.220								
	Sub Total			16,599.220								
	*Source Production Data on February 2014 to January 2015											
1.6.4	Product categories			FFB / CPO / PK								
1.7	Approximate Tonnage Certified											
1.7.1	Past Annual Claim Certified Product			Certificate Claim (tonnes/year)		Actual certified product (tonnes/year)						
	• FFB Production			123,404		104,201.57						
	• CPO Production			25,853		21,957.17						
	• Palm Kernel (PK) Production			6,491.05		5,422.21						
	** Certificate Claim period 24 th April 2014 – 23 th April 2015											
	** Actual Claim periode April 2014 – 21 st March 2015											
1.7.2	Claim Certified Tonnage of FFB											
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)							
	TAPUNG KANAN 1	2,445	1,939	41,481	21.39							
	TAPUNG KANAN 2	1,888	1,665	42,859	25.74							

	TAPUNG KANAN 3	1,867	1,536	36,747	23.92	
	TOTAL	6,200	5,140	121,086	23.56	
1.7.3	Claim Certified Tonnage of Palm Product					
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO Out put (tonnes) Extraction (%)	Palm Kernel Out put (tonnes) Extraction (%)	
	Tapung Kanan	30	121,086	25,694 21.22	6,405 5.29	
1.8	Other Certifications					
1.8.1	ISO 9001:2008/ISO 14001: 2004		-			
1.8.2	OHSAS 18001:2007		-			
1.8.3	HACCP		-			
1.8.4	Others		ISCC (<i>International Sustainability and Carbon Certification</i>) Year 2014			
1.9	Time Bound Plan					
1.9.1	Time Bound Plan for Other Management Units					
	MANAGEMENT UNIT		LOCATION	Coverage Area (Ha)	Time Bound	Status
	P O M	Estate (Supply Base)				
	INDONESIA					
	Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur	7,971	2014	2015
		Hutan Hijau Mas	Berau, Kalimantan Timur	7,288	2014	2015
		Jabontara Eka Karsa	Berau, Kalimantan Timur	14,086	2014	2015
	MAP POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah	13,127	2014	2015
		Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah	6,399	2014	2015
		Mulia Agro Permai	Baamang, Kalimantan Tengah	9,056	2014	2015
	Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka Belitung	14,065	2012	Certified
	Parit Sembada POM	Parit Sembada	Belitung, Bangka Belitung	3,990	2013	Certified
		Alam Karya Sejahtera	Belitung, Bangka Belitung	6,012	2013	Certified
	Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified
	Nilo POM	Nilo	Pelalawan, Riau	12,860	2012	Certified
		KKPA	Pelalawan, Riau		2017	
	Tapung Kanan POM	Sekarbumi	Kampar, Riau	6,200	2012	Certified

		Alamlestari			
		KKPA	Kampar, Riau	1,294	2016
	Gohor Lama POM	Basilam	Langkat, Sumatera Utara	2,337	2014
		Gohor Lama	Langkat, Sumatera Utara	3,307	2014
		Tanjung Beringin	Langkat, Sumatera Utara	4,157	2014
		Maryke	Langkat, Sumatera Utara	2,827	2014
		Bekiun	Langkat, Sumatera Utara	2,979	2014
	Padang Brahrang POM	Padang Brahrang	Langkat, Sumatera Utara	2,024	2014
		Bukit Lawang	Langkat, Sumatera Utara	1,482	2014
		Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014
	PENINSULAR MALAYSIA				
	Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012
		Batu Lintang	Serdang, Kedah	2,355	2012
		Subur	Batu Kurau, Perak	1,290	2013
		Ghim Khoo	Kulim, Kedah	434	2012
	Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011
		Landak	Paloh, Johor	4,451	2011
		Voules	Tenang, johor	2,977	2011
		Bandar Tenggara	Bandar Tenggara, Johor	950	2011
		New Pogoh	Tenang, johor	1,560	2011
		Fraser	Kulai, Johor	2,932	2011
		Paloh	Paloh, Johor	2,029	2011
		Sungai Bekok	Bekok, Johor	636	2011
		Ban Heng	Pagoh, Muar, Johor	631	2011
		See Sun	Renggam, Johor	589	2011
	Paloh POM		Paloh, Johor		Outside Crop
	Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012
		Batang Jelai	Rompin, Negri Sembilan	2,162	2012
		Jeram Padang	Bahau, Negri Sembilan	2,114	2012
		Kombok	Rantau, Negri Sembilan	1,915	2012
		Ulu Pedas	Pedas, Negri Sembilan	923	2012
		Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012
		Sungai Kawang	Lanchang, Pahang	1,889	2012
		Renjok	Telemong, Pahang	1,578	2012
		Tuan	Telemong, Pahang	1,353	2012
	Tanjung Malim POM	Tanjung Malim	Tanjung Malim, Perak	1,544	2013
		Kerling	Kerling, Selangor	619	2013
		Sungai Gapi	Serendah, Selangor	603	2013

					2013
	Bukit Kato				Certified 2013
	Kampar				Certified 2013
Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013
Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified
	Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified
	Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified
Changkat Chermin POM	Lekir	Manjung, Perak	3,332	2012	Certified
	Changkat Chermin	Manjung, Perak	2,540	2012	Certified
	Raja Hitam	Manjung, Perak	1,497	2012	Certified
	Allagar	Trong, Perak	805	2013	Certified
	Glenealy	Parit, Perak	1,059	2013	Certified
	Serapoh	Parit, Perak	936	2013	Certified
	Kuala Kangsar	Padang Rengas, Perak	843	2013	Certified
SABAH, MALAYSIA					
Mill 1		Tawau, Sabah		Outside Crop	
Mill 1	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong		2,864	2009	Certified 2009
	Pangeran		2,855	2009	Certified 2009
	Sri Kunak		2,770	2009	Certified 2009
	Pang Burong		2,548	2009	Certified 2009
Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
	Tundong		2,155	2009	Certified 2009
	Ringlelet		1,834	2009	Certified 2009
Lungmanis	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan		2,654	2010	Certified 2010
Rimmer	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
	Tungku		3,418	2010	Certified 2010
	Bukit Tabin		2,916	2010	Certified 2010
Bornion	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
	Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
Note: Time bound plan changed from 2014 to 2015 because it prioritizes mandatory ISPO certification.					
1.9.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	The management unit is currently performing an internal audit to ensure that the outgrowers and smallholder compliance with the RSPO standard. In addition smallholders and outgrowers will be conducted in accordance with the RSPO standard assessment on ASA-03 (3 years after POM certified).				

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: www.mutucertification.com Email : agri@mutucertification.com
2.2	Assessment Team
2.2.1	Lead Assessor and Assessment Team
ASA-02	<ol style="list-style-type: none"> Trismadi Nurbayuto (Lead auditor Witnessed). Associate Degree from the Forestry Faculty IPB and Bachelor of Economics from the Department of Agribusiness, Faculty of Economics and Management, IPB. Specialists in the Environmental Social Impact Assessment (SEIA) and the High Conservation Value (HCV). He participated in HCV Management Training, Lead Auditor's ISPO training, Lead Auditor's RSPO, training of ISO 9001:2008 Quality Management System and ISO 14001:2004 Environmental Management System. Previously worked in the private oil palm plantations, and became a HCV assessor who registered at the Roundtable on Sustainable Palm Oil (RSPO). He has been involved in the activities of SEIA and Identification of HCV in Palm Plantation. Currently has been several times following audit activities related to sustainable palm oil certification system as a social and environment auditor. During the assessment, he focus on legal and supply chain aspects. Taufik Margani (Lead Auditor Witnessing). Bachelor of Science in Forestry, majoring in Forest Management. Specialist in Ecology and Environmental. He has led several audits for Sustainable Forest Management in Indonesia (under LEI- Indonesian Ecolabel Institute and FSC- Forest Stewardship Council) and he is a Lead Auditor for FSC chain of custody and Forest Management. Other experience: He is IRCA Lead auditor IRCA registered for Environment Management System and Quality Management System. Since 1999 he has been working for independent certification body and has conducted Environment Management System audits in Indonesia and Malaysia. Currently he is the General Manager of Management System Certification. At this surveillance as lead auditor witnesser. Isyana Dewi (Auditor). Bachelor of Public Health, Department of Occupational Safety and Health. Faculty of Public Health, University of Indonesia. She has experience working in oil palm plantation companies in Indonesia. Attended some training included awareness for RSPO certification system, and Integrated Management System certification (and OHSAS 18001:2007, ISO 14001:2004, ISO 9001:2008). At this surveillance, she focuses on OHSAS aspect. Leonada (Auditor trainee). Bachelor of Agriculture, program study of plan breeding, Bogor Agriculture university. He has experience working in oil palm plantation companies during 7 years in Indonesia. Attended some training included ISPO, ISO 9001:2008, Basic Management Development Program Agronomy, Integrated Pest Management, Limited Pesticide operators, management of pesticide waste and fertilize waste; OHSAS (AK3). At this surveillance, he focuses on Best Management Practices aspect. Sapto Hadi Winarno (Technical expert). Bachelor of Forestry, Department of Forest Technology, Faculty of Forestry, Bogor Agricultural University. He has work experience in consultant aerial photographs from 1994 to 1997. He worked as a Manager in the timber company and land clearing (IPK) manager on oil palm plantations. In 1998 to 2005 is believed to be the operational director of domestic and foreign manufacturing companies. As assessor/auditor/lead auditor on certification of sustainable forest management (SFM) and timber legality certification since 2005 until today. At this surveillance, he focuses on environment aspect.
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
ASA-02	Number of auditors : 4 (four) auditors Number of days for ASA-2 on site : 5 (five) days Number of working days for ASA-2 on site: 20 (twenty) working days
2.3.2	Detail process of assessment

ASA-02	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PT. Sekarbumi Alamlestari – Tapung Kanan POM to the requirements of National Interpretation of the Republic of Indonesia from RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008) and Supply Chain Requirement 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) interview, 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 ASA-02 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-03).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-02 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-03.</p> <p>The assessment program please find Appendix 2</p>
2.3.3	Locations of Assessment
ASA-02	<p>KTK 1 Estate</p> <ol style="list-style-type: none"> Fertilizer Warehouse. Observation on the type of stored fertilizer, MSDS (Material Safety Data Sheet) of the stored fertilizer, fire emergency response facilities. Interview with the warehouse Officers in term of the received wage, PPE completeness, OHS implementation. Pesticide and Chemicals Warehouse. Observation on the warehouse condition, second containment, MSDS (Material Safety Data Sheet) of the stored fertilizer, fire emergency response facilities. Hazardous Waste Storage (Estate). Observation on the stored hazardous waste, waste balance sheet, fire emergency response facilities. Estate Workshop. Observation on the work equipments, oil trap, first aid kit, fire emergency response facilities. Interview with the head of workshop in term of OHS equipments, type of the job at the workshop, the certified welding expert. Chemicals Mixing Station. Observation on the facilities to handle chemicals spillage, oil trap, safety guidance signboards. Diesel Fuel Tank. Observation on the fire handling facilities. Policlinic. Observation over the disease experienced by the employees and their families, service at policlinic, the generated hazardous waste. Interview with the paramedic in term of Hyperkes certification. Security Housing Complex in block 99 D. Observation on the garbage management, domestic waste water management, completeness of housing complex facilities, fire handling facilities. Daycare in Division I. Observation on the completeness of facilities of fire handling. Interview with the daycare Officers in term of the received wage, the experienced welfare. Generator Station in Housing Complex of division 2B. Observation on the fire handling facilities and spillage emergency response, oil trap. Interview with the generator operator in term of spillage handling method. Clean water source in housing complex of division I. Observation on well hygiene. <p>KTK 2 Estate</p> <ol style="list-style-type: none"> National Land Agency Pole 113 (TK II Estate) bordering with PT. Buana Wira Lestari. The pole condition is well maintained. National Land Agency Pole 116 (TK II Estate) bordering with PT. Buana Wira Lestari. The pole condition is well maintained. National Land Agency Pole 128 (TK II Estate) bordering with the estate of Kota Aman Village community. The pole condition is well maintained. National Land Agency Pole 134 (TK II Estate) bordering with the estate of Kota Aman Village community.

- The paint is started to fade.
5. **National Land Agency Pole 136 (TK II Estate)** bordering with the estate of Kota Garo Village community. The paint is started to fade..
 6. **Block 94E (TK II Estate)** bordering with PT. Buana Wira Lestari. National Land Agency Pole 127 is not found.
 7. **Sepano Riparian of Block PM05 (TK II Estate).** Auditor observes HCV 4.1.; HCV4.2.; and HCV1.2. According to the result of field visit, the red paint marks the prohibition of chemicals application for 5 plants of the river. Furthermore, the condition of signboard is not well maintained.
 8. **Harvesting program in block 93A with harvesting around block sample number 34.** Harvester (Asiroha Situmorang), number of the EFB is 18 and it refers the mature fruit criteria. According to the harvesting around block condition, there is no more FFB left and the loosen fruit is clearly picked.
 9. **Spraying program in block 93B.** Foreman (Sapriani) has aware of the pesticide usage and spraying technique. According to the interview with the sprayer, they have received medical check up and they have aware of the prohibited area where spraying is prohibited.
 10. **Manuring program in block 95C.** NK fertilizer application for 2 Kg/pokok, foreman (Tambunan) has aware of the manuring technique. According to the result of interview with the manurer, they have followed medical check up.
 11. **Inspection on Tyto Alba box in block 93A and 95C.** Barn owl box is well maintained and active.
 12. **Road and beneficial plant condition.** Road condition in block 93A, 93B, 95C is well maintained. There is also beneficial plant at the edge of the block.
 13. **Chemicals mixing station and sprayer PPE storage.** Observation on the completeness of fire handling facilities, the type of the stored PPE.
 14. **Temporary Daily Labour Housing Complex in division 3A/C.** Observation on the completeness of housing complex facilities, clean water. Interview with the housing complex settler in term of the facilities provided by the company.

KTK 3 Estate

1. **National Land Agency Pole 103-109 (TK III Estate)** bordering with scheme smallholder of PTPN V. The paint is started to fade.
2. **National Land Agency Pole 97-98 (TK III Estate)** bordering with scheme smallholder of PTPN V. The paint is started to fade.
3. **National Land Agency Pole 96 (TK III Estate)** bordering with the cemetery of Trimanunggal Village community. The paint is started to fade. The auditor verifies the information of the community in term of the cemetery which is included on the Land Use Title (HGU). However, according to the field observation, the cemetery pole is located beyond the National Land Agency pole.
4. **National Land Agency Pole 141-144 (TK III Estate)** bordering with the estate of Kota Garo Village community. The paint is started to fade.
5. **Paloge Riparian in Block 95G (TK III Estate).** Auditor observes HCV 4.1.; HCV4.2.; dan HCV1.2. According to the result of field visit, the red paint marks the prohibition of chemicals application for 5 plants of the river. Furthermore, the condition of signboard is not well maintained. There is several woody plants such as *Terminallia catappa* and green cottonwood (*Hibiscus tiliaceus*).
6. **Harvesting program in block 93A with harvesting around block sample number 3.** Harvester (Wahyono), number of the EFB is 13 and it refers the mature fruit criteria. According to the harvesting around block condition, there is no more FFB left and the loosen fruit is clearly picked
7. **Spraying program in block K129.** Foreman (Dewi) is no following the training in term of limited pesticide usage training. Therefore, she does not know the technique of pesticide usage and spraying yet. According to the result of interview with the sprayer, they have followed the medical check up and they have aware of

the area boundary where the spraying is prohibited.

8. **Manuring program in block 28I.** NK fertilizer application for 2.25 Kg/plant, foreman (Supriati) has aware of the manuring technique. According to the result of interview with the manurer, they have followed medical check up.
9. **Inspection on Tyto Alba box in block 95H and 93E.** Barn owl box is well maintained and active.
10. **Road and beneficial plant condition.** Road condition in block 93E, K129, 95H and 28I is well maintained. There is also beneficial plant at the edge of the block..
11. **Housing complex of Division 4A.** Observation on the completeness of housing complex facilities, clean water. Interview with the settler of the housing complex in term of the facilities provided by the company.
12. **Housing complex of Division 4B.** Observation on the completeness of housing complex facilities, clean water. Interview with the settler of the housing complex in term of the facilities provided by the company
13. **Daycare of Division 4B.** Observation on the completeness of facilities of fire handling. Interview with the Officer of daycare in term of the received wage and welfare.

POM

1. **Security Post.** Auditor interviews the security in term of the record of the incoming and outgoing FFB, CPO and PK truck. The security Officers do not understand the Modul E SCCS (Mass Balance). Furthermore, the security Officers are should be the one who should ensure the seal of CPO and PK.
2. **Weight Bridge Station.** Auditor interviews the weighbridge operator, the FFB of KKPA and nucleus estate has been separated. However, it is not stamped with RSPO-MB yet referring the SOP. There is RSPO stamp on PK weighbridge ticket but not at the CPO weighbridge because PT SA does not conduct CSPO MB claim.
3. **Nut Silo Station.** Auditor observes the number of nut (kernel) silo (3 units).
4. **Dispatch Station.** Auditor observes the number of oil dispatch (2 units).
5. **Seal installation spot.** Result of the interview with the management when the management shall install the seal on the CPO and PK truck tank. Furthermore, the dispatch and security Officer and also witnessed by Mill Manager.
6. **Sortasi/Grading.** Interview with the grading Officer in term of wage, facilities, welfare, PPE completeness, medical check up and OHS implementation.
7. **Loading ramp/Transfer Carriage.** Observation on the loading ramp operationals, safety completeness, fire handling facilities. Interview with the workers in term of PPE, work operationals, fire handling facilities.
8. **Chemicals Warehouse.** Observation on the warehouse condition, second containment, MSDS (Material Safety Data Sheet) of the stored fertilizer, fire handling and emergency response facilities.
9. **Workshop.** Observation on the work equipments used by the workers, oil trap, first aid kit, fire handling and emergency response facilities. Interview in term of the PPE equipments, type of the work at the workshop, the certified welding expert.
10. **Water Treatment Plant.** Observation on the operationals, fire handling facilities. Interview with the operator in term of WTP operational.
11. **Engine Room.** Interview in term of medical check up, PPE completeness, the received wage, the welfare.
12. **Boiler.** Observation on the boiler operational, hydrant inspection. Interview with the operator in term of SIO, medical check up, PPE completeness.

Village and Agency:

1. **Kota Garo Village.** Field visit to the village is purposed to get the information from the chief of village, the community figures and the locals in term of the social interaction with the estate management with the locals. Specifically for the CD/CSR program implementation, information in term of social and environment impacts caused by the estate and mill operationals.

	<p>2. Kota Trimanunggal Village. Field visit to the village is purposed to get the information from the chief of village, the community figures and the locals in term of the social interaction with the estate management with the locals. Specifically for the CD/CSR program implementation, information in term of social and environment impacts caused by the estate and mill operationals.</p> <p>3. Kampar District Environment Agency. Interview with the officer of monitoring division of environment agency in term of the company's compliance over the environment management and monitoring.</p> <p>4. Kampar District Manpower Agency. Interview with the agency representatives in term of the relation and compliance over the manpower regulations.</p> <p>Kampar District Plantation Agency. Interview with the agency representatives in term of the relation and compliance over the agriculture/plantation regulation.</p>
2.4	Stakeholder Consultation and List of Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process.
	<p>A Public consultation has been carried out through the following methods:</p> <ol style="list-style-type: none"> 1. Public notification in Mutu Website on February 4th, 2015. 2. Meeting with the board of village and community representatives of 2 villages around company. 3. Meeting with internal stakeholders are workers, worker union and committee gender. 4. Meeting with relevant government agencies in Pelalawan District namely: the Department of Forestry and Department of Labour, National Land Agency and the Environment Agency. 5. Correspondence emails with NGOs in scope Pelalawan and Riau as: WWF Riau, Jikalahari and Jaringan Gambut Riau. 6. Various input from the results of the public consultation was submitted to the PT. Sekarbumi Alamlestari, as well have been clarified
2.4.2	List of stakeholder contacted
	<i>Please find appendix 1</i>
2.5	Determining Next Visiting
	The next visit ASA-3 will be determined one year after this S-2 (February-April 2016).

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Tapung Kanan POM – PT. Sekarbumi Alamlestari, Kuala Lumpur Kepong, Bhd operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were one (1) mismatch repetition of ASA-01, five (5) major nonconformance, ten (10) minor nonconformance and seven (7) opportunities for improvement and three (3) SCCS Module E Mass Balance non conformance were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that Tapung Kanan POM – PT. Sekarbumi Alamlestari, Kuala Lumpur Kepong, Bhd, complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1	Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.
<p>There is revision for SOP number 1 in term of information request and response. It was legalized and issued by Senior Manager on July 1st 2014. The contained informations are:</p> <ul style="list-style-type: none"> Ensuring that all information request are in term of environment, social and law issue related to criteria of ISPO/RSPO The Manager should referring the "List of Main Document" for the information that are allowed to be given to the stakeholders All information (in writing) must be recorded on the "Information Request and Response Log Book" The response shall be given within 15 days The response that is informed for more than 15 days shall be included the excuse of the information response suspend. The letter contains response that must be signed by manager or the authorized personnel and it should be given date All oral information requests are must be recorded on the "Information Request and Response Log Book". The information request and response by phone shall be recorded on the Log Book All the routine and non-routine reports are must be informed to the associated parties on time. <p>The company has reported the must-informed information routinely to the associated agencies. For example, the report of environmental management and monitoring plan to the Regional Environment Agency; report of manpower to the Manpower Agency, quarter-based report of the OHS Guiding Committee to the Manpower Agency, quarter-based report of the hazardous waste to the Regional Environment Agency and etc. according to the document review during surveillance 2, there are several records of information request. For example, the information request sent by Kampar District Environment Agency in term of environment management on February 28th 2014. It has been responded as written on official record of environment aspect monitoring policy.</p> <p>There is revision of the list of the main document. It was approved by the Senior Manager on October 1st 2013. It informs the name of the document, the document holder, the document location, the document status (classified or publicly-accessed) and the period of its maintenance. The information request and response records are maintained for 5 years and it is</p>	

considered as publicly-accessed document and it is maintained by the Senior Manager in RSPO Chamber.

Status: Complied

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.

There is revision of the list of the main document. It was approved by the Senior Manager on October 1st 2013. It informs the name of the document, the document holder, the document location, the document status (classified or publicly-accessed) and the period of its maintenance. For example :

1. Document of administration (publicly-accessed) such as Regional Director-Memo, Taxes, Purchase Order, Field Upkeep Program, Insurance, Crop Forecast, Workers Payslip, etc. Meanwhile, the classified administration document such as Management Staff, Action Committee Meeting, Hectareage Statement, Jamsostek, Internal Audit, etc. the period of the document retention is referring the type of document. The period of document retention is between 5 – 10 years.
2. Document in term of RSPO is the publicly-accessed document and it will be maintained for 5 years.
3. Document in term of OHS is the publicly-accessed document and it will be maintained for 5 years.

Document of the applied regulation is the publicly-accessed document and it will be maintained until the revision.

Status: Complied

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

PT Sekarbumi Alamlestari has attempted to comply the applied regulations. For example:

- a. Adjusting the employees wage by referring the Province Minimum Wage standard which is annually revised.
- b. PT Sekarbumi Alamlestari has had estate partnership with scheme of KKPA (Kredit Koperasi Primer for the member) for 1,294 Ha referring the Statute number 18 year 2004 in term of estate.
- c. PT Sekarbumi Alamlestari has determined the HCV area referring the decree of President number 32 year 1990 in term of HCV area management.
- d. PT Sekarbumi Alamlestari has had plantation business permit referring the Agriculture Ministry Regulation number 26 year 2007 in term of the guidance of the plantation business permit.
- e. The estate business assessment has been held by referring the Agriculture Ministry Regulation number 7 year 2009 in term of plantation business assessment.
- f. PT Sekarbumi Alamlestari has had location permit referring the National Land Regulation number 2 year 1999 in term of location permit.
- g. PT Sekarbumi Alamlestari has had land right referring the Government Regulation number 40 year 1996 in term of Land Use Title (HGU)
- h. PT Sekarbumi Alamlestari has managed hazardous waste referring the Government Regulation number 18 year 1999 in term of the hazardous waste management.
- i. PT Sekarbumi Alamlestari has had document of the environment impact assessment (EIA, environmental management and monitoring plan) referring the Government Regulation number 27 year 2012 in term of environment permit.
- j. PT Sekarbumi Alamlestari has reported the plantation business development to the Plantation Agency of Kampar District (the report handover evidence by Kampar District Environment Agency on October 21st 2013 is available).
- k. The report of manpower report obligation of the estate and POM unit to the agency on 2014.

The internal and external audit shall ensures the unproper ongoing things on the company to be immediately fixed and the law compliance evaluation shall be conducted routinely (each semester).

According to the result of consultation with several agencies of Kampar District (Plantation Agency, Environment Agency,

Manpower Agency and National Land Agency), there is no information in term of the company recklessness about over the regulation. Example of the compliance over the law is the wage adjustment over the routine revision of minimum wage standard.

The plantation business assessment was conducted by Riau Province Plantation Agency on 2011. It is valid for 3 years. However, the Plantation Agency did not conduct the assessment until the end of 2014. Therefore, PT SA was sending the letter number 032/SA-UM/II/2015 to the Head of Riau Province Plantation Agency (the receipt of the letter is attached) on February 2nd 2015 to propose for the estate class assessment.

The management unit is able to show the update of the regulation for period of 2014. For example, Statute number 39 year 2014 in term of plantation; Government Regulation number 71 year 2014 in term of peatland ecosystem management and protection; Government Regulation of the sub-sector minimum wage standard for period of 2014; Collective decree of State Internal Ministry, Forestry and Plantation Ministry, National Land Agency number 8 year 2014 in term of the method of land acquisition for the land within forest area; Statute number 37 year 2014 in term of the water and soil conservation; Government Regulation number 101 year 2014 in term of hazardous waste management; and Regulation of BPJS number 1 year 2014 in term of the health insurance. The registration of PT SA employees on BPJS program is still on progress (online registration).

According to the document verification of the report of loosen fruit, there is employee who work for 21 days for 3 months in row but there is no changes on the employees status referring the decree of Manpower Ministry number 100 year 2004.

Root Cause:

Less aware that recording on problem solving land conflicts ex-Dolok should be made despite the de jure land already won in court by Sekarbumi.

Corrective Action:

Do Dialogue with community groups Doloksaribu last date 01/29/2015 (Refer to evidence the minutes and the attendance list dialog). We have already done the overthrow of the existing oil plants in the land for the next replanted by the company.

Preventive Action:

All complaints / lawsuit resolved by recording the evidence of each step / dialogue conducted in the form of news events, photograph, signature, etc.

Verification of February 23, 2015

There is recorded evidence in the form of:

- Notification No.001 / KM-CEC / SA / I / 2015 to the owners of buildings, houses, huts, barracks, plants etc to do the demolition with a time of one week from the date of January 21, 2015
- Recording the results of meetings with No.027 / SM-TKE / SA / I / 2015 dated January 31, 2015. The meeting between the companies, families Cs Dolok accompanied by police chief on January 29, 2015. For recording the handling of complaints / objections in Block 99 H are met. However, at the time of observation surveillance-2 found several complaints both from employees and the surrounding community, for example:
 - Officers warehouses have a complaint against an increase in salaries and employee status
 - One employee harvest in KTK 2 Estate, Division 3B asks the provision of a particular religion tomb
 - Complaints from community Rural Urban Garo community about arable land being taken over by the company
 - There were complaints when washing activities trenches, digging too close to the community garden. So that citizens are threatened uprooted palm. According to available data locations along the 3.2 Km from the grave or include 8 blocks
- Related to this Indicator is still unmet.

Verification 29 April 2015

- Against the warehouse personnel, the company has a promotion mechanism for all employees. If accomplished, it will likely to be promoted.
- Related to the tomb, the company has been providing TPU for all employees.
- Related to the complaints / issues of the community lands appropriated by the company. Actually it is a land in the KTK 1 Estate, Division 2B on the claim by Dolok Saribu Cs. Results Bangkinang District Court and won by PT. Sekarbumi Alamlestari (dated May 6, 2010).
- Corporate communication with village residents complaints related to issues of public premises as a result of leaching trenches, but there is no such issue. This is evidenced by the statements of representatives of the village suarat Tri Manunggal that no complaint related to the laundering of the trench.

Based on the evidence of these improvements, the indicator is fulfilled.

Status: Complied

2.2

The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights

Document of land acquisition owned by PT Sekarbumi Alamlestari are:

- Decree of the Head of National Land Agency number 36/HGU/BPN/94 dated July 29th 1994 in term of issuance of Land Use Title (HGU) on behalf of PT.Sekarbumi Alamlestari for 6,200 Ha
- Certificate of Land Use Title (HGU) number 01 in Villages of Sukamaju, Kota Baru, Kota Bangun, Siak Hulu Sub-District, Kampar District, Riau Province on December 1st 1994 for 6,200 Ha. It is valid for 30 years (till December 31st 2024).
- Issuance of Land Use Title (HGU) period extension over the land in Kampar District, Riau Province referring the decree of the Head of National Land Agency number 133/HGU/BPN/2004 dated November 2nd 2024. It has been extended for 25 years since December 31st 2024.
- Plantation Business Permit for Cultivation (*IUP-B*) Referring the decree of Kampar Regent number 525 / DISBUN / 514 / 2007 dated September 26th 2007 in term of the issuance of permit of plantation business permit for cultivation of PT Sekar Bumi Alam Lestari, for **6,200 Ha** with the type of palm oil plants and plantation business permit for processing referring the decree of Kampar Regent with processing capacity up to **30 Ton of FFB/Hour** for POM.

There are records of boundary pole inspection in form of Checklist of Boundary Pole (2nd Semester). For example:

- Estate of Tapung Kanan 1: there are 72 identified poles (minus 2 poles).
- Estate of Tapung Kanan 2: there are 23 identified poles (minus 5 poles).
- Estate of Tapung Kanan 3: there are 46 identified poles.

There are 141 installed and identified poles of the 148 planned poles (95 %)

The boundary pole inspection is conducted routinely (each semester) and the boundary pole maintenance is conducted by cleaning the area nearby boundary poles.

According to the result of field visit to National Land Agency poles in TK 2 Estate: BPN113, BPN116, BPN128, BPN 134, and BPN 136. PT. SA has composed National Land Agency pole re-paint. It will have been finished on the 1st week of March 2015. PT. SA has reported to Riau Province National Land Agency by sending letter number 060/SA-UM/KPB/II/2015 dated February 23rd 2015 (it was received by National Land Agency on February 25th 2015). It reports that there are 9 missing poles such as pole number 70, 71, 111, 120, 126, 127, 130, 44, 103. They propose for the re-measurement of cadastral to recognize the boundary of the Land Use Title (HGU) and the re-installation of the found/missing Land Use Title (HGU) poles.

There are evidence of the records of socialization and meeting with the House of Dolok Saribu. For example:

- Warning letter number 001/KM-KTK/SA/II/2015 to the owner of the building, cottage, house, barracks, plants, etc to dismantle their properties within a week since January 21st 2015.
- Record of the result of meeting in number 027/SM-TKE/SA/II/2015 dated January 31st 2015. The meeting between the company and the House of Dolok was accompanied by the Head of Police Sector on January 29th 2015.

According to the field visit to Block 99 H, Division 2B of Tapung Kanan 1 Estate, the chipping and digging of planting hole have been conducted.

According to the result of consultation with several agencies in Kampar District (Plantation Agency, Forestry Agency, National Land Agency, Manpower Agency and National Land Agency) and the result of consultation with the local stakeholders in Trimanunggal and Kota Garo Village, there is no customary land within PT SA area. The process of compensation has been conducted at the beginning of estate establishment.

Status: Complied

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.

According to the interview with the management and the result of public consultation with the associated agencies (plantation agency, forestry agency, environment agency, manpower agency and national land agency) of Kampar District and the result of consultation with the local stakeholders of Trimanunggal and Kota Garo Village, the company does not annex the land of the locals.

Status: Complied

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.

PT. Sekarbumi Alamlestari has 7 years plant related to estate and mill long term plant (2014/2015 to 2020/2021). It overs; area hectareage, FFB production, CPO production, production cost, revenue and profit.

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Luas Area (Ha)	5140	5140	5140	5140	4676	3450	1995
FFB Crop (Ton)	137949	136282	134165	129948	114202	83904	49763
Oil Produced (Ton)	28125	27977	26890	23505	17125	10013	7657
Production cost (Rp/mt CPO)	225000	245000	265000	285000	305000	325000	405000
Revenue (dalam juta rupiah)	196873	195836	188229	164534	119872	70091	53600
Profit (dalam Juta rupiah)	115483	112704	103705	80068	43357	12197	-23454

According to the 7 years plan, the replanting program is planned to be conducted on 2018/2019. However, the company is not able to show the replanting program along with the block and its annual analysis. **It becomes NCR Number 2015.02**

Minor 3.1.2. **Status: NCR No.2015.02**

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

There is SOP of RSPO of PT Sekarbumi Alamlestari. It was legalized by the Senior Manager on April 12th 2012 as well as the technical guidance of plantation of PT KLK Agriservindo (No. Polis: GP/AGRIC/OP) on November 25th 2004. It covers several programs. For example:

Replanting covers the zero-burning land preparation (written on the SOP 4 in term of replanting and GP/AGRIC/OP7), nursery (GP/AGRIC/OP7 part of replanting 7), block identification (GP/AGRIC/OP9), road and drainage construction (GP/AGRIC/OP10), land maintenance including weed control (GP/AGRIC/02), SOP in term of nutrition/manuring (SOP 12 Estate and GP/AGRIC/03), there is recommendation of manuring from PT AARI and the safe manuring method written on SOP point 10; SOP of IPM (SOP 7 Estate and GP/AGRIC/OP5); soil and water conservation (GP/AGRIC/OP5); erosion control (SOP 13. Estate); HCV identification and management (SOP 15. Estate), land acquisition and compensation (SOP 27. Estate). There is also procedure of estate OHS. It was legalized by the Senior Manager on November 1st 2011 (SOP/Safety Operational Procedure). It describes the safety work procedure for the FFB harvesting, FFB dispatch to POM, chemicals storing, chemicals transporting, manuring, heavy equipment operator, nursery work and etc.

There is Standard Operating Procedures For Mill Operation PKS Tapung Kanan. It was legalized by Mill Manager. The

procedure cover the SOP of weighbridge station, palm oil processing in each station (Loading Ramp Station; Sterilisation Station, Hoist and Threshing Station, Digester Station, Press station, Depicarper stasion, Nut Craker Station, Kernel Silo, Boiler House, Power station and CPO Despatch).

The programs of operational inspection and monitoring conducted by the company are for example, monthly account inspection conducted by the internal auditor for POM and estate. There is also internal audit inspection at POM in term of security and safety, stocks dan stores, management dan administration. The internal audit at the estate cover the operational such as security, stock and stores.

Record of the result of TK Estate operational is written on the Estate Progress Report for monthly period. It describes total crop, FFB Crop Declaration, cost of production, Mature Oil Palm (Weeding, Spraying Asystasia, manuring, pruning, harvesting and Collection), EFB Mulching Records, Rainfall Record, Key Performance Area, Employees distribution, Rekapitulasi Tenaga Kerja, Fertilizer Application, Capital Expenditure, FFB Yield Statistic, Bunch Number data For Yield Improvement Project, Yield Improvement Plan. Meanwhile, the record of the result of mill operational is written on the POM Progress Report for monthly period. It describes Production report (FFB Statement, Production Quality and Cost Of Production), Proses Performance (Sterilizazion, Digestion and Pressing, Clarification Station, Nut and Kernel Station, Boiler and Power House and Water Treatment Plant, Subordinate Staff Leave status, Rainfall record, general workforce and Machinery report. According to the result of field visit to estate and mill, the estate and mill operational have been conducted by referring the SOP.

	Status: Complied	
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4.2

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

The company has conducted several regular analysis. For example:

- Soil analysis. It was conducted by AAR as written on the Field Assessment Note for 2014/2015. The tested parameters are Horizon, pH in water, Org. C, N, P, Acid fl soluble, exchangeable cations K, H, Ca, Mg, C.E.C NH₄OAC: XL.
- Leaf analysis. Foliar Analysis Result for 2014/2015 on each block. It covers the analysis of major elements (Ash, N, P, K, Ca dan MG), Minor Element: Born (ppm)
- Visual analysis. It was conducted by AAR as written on the Field Assessment Note 2014/2015. It covers Canopy Size Assessment, Nutrient Deficiency and palm circle assessment.

There is document of *Oil Palm Manuring Recommendation* 2014/2015. It was issued by Agronomist on April 22nd – 24th 2014. It describes the manuring recommendation referring the result of leaf analysis on each estate, soil analysis and visual analysis.

The programs to maintain and improve the soil fertility conducted by PT SA are the manuring program, EFB application and land application.

- Document of manuring realization in TK 1 Estate as written on annual oil palm fertilizer programme.
- There is a record of Land Application on the recapitulation of effluent utilization for the estate (Land Application).
- There is a record of EFB application for period of 2014 – 2015.

According to the result of field visit, visual condition of the leaf shows the symptoms of soil nutrient deficiency. The manuring program has been well conducted by the employees under the guidance of the foreman and assistant.

	Status: Complied	
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4.3

Practices minimize and control erosion and degradation of soils.

There is a Tentative Detail Soil Map which describes the soil type within PT Sekarbumi Alamlestari area. The soil type is consisted of:

- Peat: Peat
- Type A Lowland: sandy clay, flat
- Type A* Lowland: sandy clay, flat
- Type A Highland: sandy clay, wavy
- Type* Highland: sandy clay, wavy
- Type B: Alluvium; clay
- Type B*: Alluvium; sandy
- Type C: sandy clay
- Type D: sandy clay
- Type D highland: sandy clay

In order to manage the slope area, the company has strategies. For example:

- KLK Good Agricultural Practice (GAP) which describes the planting on terrace area (Policy number GP/Agric/OP7, Replanting – 4 edition on July 29th 2005).
- KLK Good Agricultural Practice (GAP) which describes terrace construction (Policy number GP/Agric/OP5, Conservation – 4 edition on June 3rd 2005).
- SOP 12. Management over the soil fertility for optimum productivity. It was approved by Senior Manager (Ng Yee Hong) on April 12th 2012.
- SOP 34. Planting on mineral soil (revision on August 1st 2013) page 4. Terrace construction

Program of road maintenance in PT SA for period of 2015 is consisted of mechanical road maintenance (grader) and road hardening (2 rotation). According to the result of field visit. The road condition is well maintained.

According to the result of analysis of PT Applied Agricultural Resources Indonesia (AAR), there is shallow peat in TK 3 Estate for 75 Ha in 4 blocks (94D, 97E, 99G, 01H) which are the spots and most of it are mineral water. Therefore, the water management is not crucial.

According to the fertility boundary factor, the company compose the SOP of optimal soil fertility management for optimum production (SOP 12). The SOP was approved by Senior Manager (Ng Yee Hong) on April 12th 2012. It describes:

- Marginal – sandy, low organic nutrient, podzolik and peat soil management.
- Technical application such as EFB application for the sandy soil, low organic nutrient soil and the construction of silt pit for the podzolik soil.
- Water level management, water gate to control water level between 50 – 75 cm as written on agronomy manual are conducted by the company to manage the peat soil.
- Monitoring the water level at the water gate and the trench.
- Making peatland map
- The peatland > 3 m is not planted with palm oil plant.
- Flowing the exceeding water capacity during the rain season.
- Prohibition to burn
- Application of CuSO₄, ZnSO₄ to fill the lack of trace elements.

Trench cleaning.

Status : Complied

4.4

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

In order to protect the waterway and wetland including the riparian area, PT SA has composed several SOP and document of programs plan such as SOP of riparian area protection, SOP of underground and surface water quality, SOP of palm oil plant planting on the peatland area, annual water management plan, HCV area management plan which contains the plan of

riparian area management.

According to the result of field visit to riparian area such as Paloge (TK 3 Estate) and Tapung River (TK 3 Estate, Division 4A, block 99G), there are several attempts to protect riparian are conducted by the company such as the installation of signboards and woody plants planting.

According to the result of the test for the BOD and COD substance in several rivers flows within estate, the BOD and COD is still below the quality threshold. Meanwhile, the result of pH shows indicator on number 5 or less. It is caused by the acidity of the swamp area.

According to the result of field visit to several housing complexes of mill, staff, security officer, employees in TK 3 Estate, division 4A and 4B and TK 2 Estate, division 3A and 3B, there are several arthesian well. According to the interview with the employees, the well from arthesian well is used to fulfill the domestic needs..

According to the result of document review and interview with the company, there is no arthesian well water quality test yet as well as the result of the water distributed from WTP. The result of the arthesian well water is referring the quality threshold (mg/L) of class II water referring Government Regulation 82 year 2001. According to its purpose, the test should be held by referring the Health Ministry Regulation number 416 year 1990 in term of requirements and monitoring of water quality at 1st and 2nd attachment. **Minor nonconformance raised 2015.03**

According to the result of effluent test for period of October 2014 – January 2015, the BOD was still below the quality threshold referring the Government Regulation number 35 year 2007 and Decree of Environment Ministry number 28 year 2003. Therefore, it could be applied to the land.

According to the data of water usage total for the last 1 year, the the mill needs 127,414 MT and the domestic needs 72,576 MT. the average of water usage for period of 2014 was 1.5 MT of water/MT FFB and it refers to the planned budget.

Minor 4.4.1. Status: NCR 2015.03

4.5

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

The company has conducted the documented IPM program. For example:

- Census of bagworm (each semester).
- Census of rat (each semester).
- Census of Ganoderma (annually).

There is monitoring of barn owl box. According to the field visit, there is no indication of bagworm and rat attack. The condition of the barn owl box is also well maintained.

The company has conducted IPM program and the hectarage of the biological and chemist control is written on the Upkeep of Mature and Immature areas. It informs the plan and realization of pesticide application which cover the target of application area, total of the unrealized application area, total application area and type of the pesticide used by the company. For example, TK 3 Estate, division 4B, the usage of Glyphosat isopropilamina was 160 liter for 382 Ha and Metil metsulfuron was 8 Kg for 382 Ha (0.021 Kg/Ha) or period of January 2015. Another example, TK 2 Estate, division 3B, the usage of paraquat dichloride was 66.5 liter for 264 Ha (0.25 liter/Ha), Methyl Metsulfuron was 2.225 Kg for 204 Ha (0.011 Kg/Ha).

The IPM training held by the company at TK 3 Estate on June 10th 2012 was attended by 4 IPM officers. However, there is no new training nor evaluation over the held training yet until 2013. **Minor nonconformances raised 2015.04**

Minor 4.5.2. Status: NCR 2015.04.

4.6

Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

The company shows the document of the usage of pesticide list which informs the pesticide name and pesticide registration number in pesticide commission. The name of the pesticide used by the company is available at the PT SA Agrochemicals warehouse. For example:

No	Trademark	Active Ingredient	Registration Number	Permanent Permit
1	Top Zone 276 SL	Paraquat Dichloride	RI.01030120072992	October 17 th 2017
2	Gramoxone 276 SL	Paraquat Dichloride	RI.010301197436	March 18 th 2016
3	Supretox 276 SL	Paraquat Dichloride	RI.01030120042037	October 17 th 2017
4	Pointer 276 SL	Paraquat Dichloride	RI.01030120062184	March 18 th 2016
5	Supremo 480 SL	Isoprophilamin glyphosat	RI.01030120021712	October 17 th 2017

The usage of pesticide is referring the proper target of species and dosage. It is written on the Costing Book of each division which is composed and analyzed by the assistant routinely (monthly). It informs the block of application, hectareage of application, the ingredient used by the company and the dosage as well. For example, TK 3 Estate, division 4B, the usage of Glyphosat isopropilamina was 160 liter for 382 Ha and Metil metsulfuron was 8 Kg for 382 Ha (0.021 Kg/Ha) or period of January 2015. Another example, TK 2 Estate, division 3B, the usage of paraquat dichloride was 66.5 liter for 264 Ha (0.25 liter/Ha), Methyl Metsulfuron was 2.225 Kg for 204 Ha (0.011 Kg/Ha).

There is a MSDS (Material Safety Data Sheet) for pesticide and fertilizer. It describes the trademark, active ingredient, first aid action, fire handling action, action over the spillage and leakage, ingredient storing and handling, prevention over, action over the fire and explosion, storing, specific condition of ingredient storing, control of pemanjanaan and PPE (glasses, respirator, apron, gloves, boots, long sleeve and pants outfit), physical and chemical property, reactivity and stability, toxicology information.

Training of the limited pesticide training for the sprayer has been held. It was held on December 14th 2012 for 81 employees (18 foremen and 63 sprayers) in PT SA mess. It was taught by PT Dharma Guna Wibawa (Paraquat Producer). It was also witnessed by the representative of Province Plantation Agency (Mr Indra Fuadi). According to the result of interview with the spraying foreman on behalf Dewi of TK 3 Estate, division 4B, she is not following the training of pesticide usage yet. Therefore, she cannot understand the type of pesticide and spraying technique.

It becomes Major NCR 2015.05

Verification 16 April 2015

Root Cause: Companies are not aware that the newly appointed foreman spraying must participate trained in pesticide spraying limited

Corrective Action: Do the survey of the entire power sprayers new and old who have not received pesticide training certificate is limited then given training by the Pesticide Commission. Attached is evidence that training has been carried out on April 7, 2015 last.

Preventive Action: Sprayers will be given training on a regular basis every tahunnya

Conclusion Auditor:

The Company has conducted training parawuat operator with PT. Kenzo Indonesia and the Department of Agriculture &

Animal Husbandry Riau Province and attended by the Chairman of the Commission of the Fertilizer and Pesticide Riau Province on April 7, 2015 (in the attached attendance and training documentation). Based on the evidence of these improvements, the indicator is fulfilled.

The agrochemicals waste including the pesticide containers are managed by referring the applied regulation (Government Regulation number 18 year 1999). It is stored at the licensed hazardous waste storage at Tapung Kanan POM and Tapung Kanan 1 Estate. It will be then transported by PT Primanru Jaya (licensed hazardous waste collector. According to the document review and field visit, all hazardous waste managements are referring the applied regulation.

The company is still showing the commitment to reduce the paraquat usage for the estate operational. For example, 5,344 liter of the paraquat was targeted to be used on 2014. However, the company was only using 3,233 liter of paraquat at the same period.

Medical check up for the operator was held on December 23rd 2014 by cooperating with Thamrin Clinic of Pekanbaru. The medical check up conducted by the company were physical, cholinesterase (blood), colour blindness for all the high-risk workers.

Observation

Procedure of pregnant women worker identification is written on the book of pregnant and breastfeed. There is a pregnant manurer on behalf of Mrs Marline in TK III Estate, division 4B. according to the letter of medical service recommendation, the fetus age is about 12 – 14 weeks. The mutation was conducted on January 2015. According to the record of pocket check roll, the worker has been mutated to the manual maintenance on December 21st 2014. The company has opportunity to evaluate the pregnancy detection for the women workers working with chemicals to immediately move them to the higher job.

Minor 4.6.3.	Status : Opportunity for Improvement	
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4.7

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

Workers OHS policy has been legalized by Group Plantation Director on January 10th 2005. It describes:

- Complying all statutes and regulations in term of workers OHS.
- Ensuring all OHS procedures to be implemented and updated.
- Holding comprehensive, informative and guidance of the training in term of OHS aspect.
- Ensuring all workers have aware of their responsibility to work safely.

There are programs of OHS for period of 2014. For example:

- Training programs in term of technical of OHS, environment, manpower and RSPO.
- PPE usage, OHS Guiding Committee Assembly.
- Medical check up
- Noise test
- Emergency response
- First aid kit
- Fire fighter simulated
- OHS/RSPO assessment
- OHS risk analysis
- Work accident report

There is procedure of mill OHS. It was legalized by Mill Controller on December 1st 2011 (SOP/Safety Operational Procedure). It describes safety work stages for the operationals at stations of weighbridge, loading ramp, sterilization, hoist and threshing, digester, press, depicarper, nut cracker, kernel silo, boiler, power plant and CPO dispatch. There is procedure of

estate OHS. It was legalized by Senior Manager on November 1st 2011 (SOP/Safety Operational Procedure). It describes the work stages for the estate operational such as FFB harvesting, FFB dispatch to POM, chemicals storing, chemicals transporter, manuring, heavy equipment operator, nursery workers and etc.

The company has OHS Guiding Committee in POM and Estate. It was legalized by Manpower Agency in several decrees. For example:

- Decree of Manpower Agency number 700/DSTK-PHI/2013/27 dated November 6th 2013 (Sekarbumi Alam Lestari POM) with the Head of POM named Hendry Warsito and secretary of POM named Agus Heryanto,SE).
- Decree of Manpower Agency number 700/DSTK-PHI/2013/31 dated November 18th 2013 (PT Sekarbumi Alam Lestari, Tapung Kanan Estate) with the Head of the Estate named Ng Yee Hong and Secretary of the Estate named Agus Heryanto,SE).

The report of OHS Guiding Committee reported to Kampar District Manpower Agency. For example:

- There is an evidence of report handover (quarter-based report) of Tapung Kanan OHS Guiding Committee for period of November – December 2014 dated January 22nd 2015.
- There is an evidence of report handover (quarter-based report) of PT SA POM OHS Guiding Committee for period of October – December 2014 dated December 24th 2014.

There are records of labour social assurance payment for period of November 2014. For example:

- POM: The company shows the evidence of labour social assurance payment to 112 POM workers for the programs of death insurance, retiree insurance and work accident insurance. The payment is conducted via bank transfer (Bank of Mandiri) with account number 141203113059 on December 9th 2014 and dues receipt number D005511 dated December 9th 2014.
- Estate: The company shows the evidence of labour social assurance payment to 943 estate workers for the programs of death insurance, retiree insurance and work accident insurance. The payment is conducted via bank transfer (Bank of Mandiri) with account number 141203113647 on December 5th 2014 and dues receipt number D000633 dated December 9th 2014.

Record of labour social assurance for period of December 2014.

- POM: The company shows the evidence of labour social assurance payment to 112 POM workers for the programs of death insurance, retiree insurance and work accident insurance. The payment is conducted via bank transfer (Bank of Mandiri) with account number 14126748394 on December 22nd 2014 and dues receipt number D005511 dated December 22nd 2014.
- Estate: The company shows the evidence of labour social assurance payment to 943 estate workers for the programs of death insurance, retiree insurance and work accident insurance. The payment is conducted via bank transfer (Bank of Mandiri) with account number 141217759067 on December 22nd 2014 and dues receipt number D000633 dated December 22nd 2014.

Medical check up for the operator was held on December 23rd 2014 by cooperating with Thamrin Clinic of Pekanbaru. The medical check up conducted by the company were physical, cholinesterase (blood), colour blindness for all workers.

- TK 1 Estate: there were 104 examined workers consisted of sprayer, manurer, daycare person in charge, loosen fruit picker, warehouse Officers and harvester. According to the result of the medical check up, 8 workers experienced hypertense and the rest of the workers were considered healthy.
- TK 2 Estate: there were 65 examined workers consisted of sprayer, manurer, daycare person in charge, loosen fruit picker, warehouse Officers and harvester. According to the result of the medical check up, 2 workers experienced hypertense and the rest of the workers were considered healthy.
- TK 3 Estate: there were 60 examined workers consisted of sprayer, manurer, daycare person in charge,

loosen fruit picker, warehouse Officers and harvester. According to the result of the medical check up, 1 worker experienced hypertense and the rest of the workers were considered healthy.

- POM: there were 31 examined workers consisted of warehouse officer, waste officer, mechanic officer, power plant officer, officers of kernel station, press station, water treatment plant and laboratory. According to the result of the medical check up, 2 workers experienced hypertense and the rest of the workers were considered healthy.

According to the document verification, the latest audiotometri check up was held on 2011 for the POM workers. Specifically the workers who work on stations of press, hosting crane, kernel, engine room. The noise-risk station workers examination were not audiotometri check up instead of otolaryngology check for period of 2014. It was not proper with SOP number 22 in term of medical check up. The check up for the boiler operator was not able to be proven. **It becomes NCR Number 2015.6**

There are documents of danger source identification and risk assessment. For example:

- Tapung Kanan Estate. There is a document of OHS danger sources identification and risk assessment with the estate operational. It was updated on December 20th 2012. The danger sources identification are at the operational of nursery, replanting, spraying, pest control, manuring, road maintenance, transportation, EFB application, harvest, workshop, diesel fuel and chemicals warehouse, material warehouse, generator station, housing complex and hazardous waste storage and office.
- Tapung Kanan POM. There is a document of OHS danger sources identification and risk assessment with the mill operational such as maintenance, workshop area, laboratory, office and warehouse (hazardous waste storage, hazardous material warehouse and material warehouse). It was updated on September 1st 2013.

The company has opportunity to add noise risk analysis in boiler station and snake bite risk analysis on the manual maintenance. It becomes **Opportunity for Improvement (OFI)**

Record of OHS trainings:

- The company has 2 paramedics. Both paramedics have participated on hyperkes training for paramedics. The training was held by Hygiene Division of Jakarta Government Manpower Agency OHS on December 17th – 21st 2012. The certificate was issued by Manpower Ministry on February 2013 on behalf of:
- Supiani, A.Md. Keb (15.008/PM-I/13).
- Winda, A.Md. Kep (15.005/PM-I/13).
- Training of load and crane operator:

Tapung Kanan POM

Name	License / Certificate	Valid Period	Operator
Edi P.	09.2115/OTC/KK/XI/2009	November 9 th 2014	Load and Crane (OTC)
Edi Santoso M.	09.2116/OTC/KK/XI/2009	November 9 th 2014	Load and Crane (OTC)

TK Estate has sent 66 load and crane operator to participate of OHS of load and crane operator training. For example:

Name	License / Certificate	Valid Period	Operator
Mardot M.	12.16024-OPK3-PAA/XI/2012	November 30 th 2017	Load and Crane (Dump truck)
Tonang G.	12.16021-OPK3-PAA/XI/2012	November 30 th	Load and Crane (Backhoe)

		2017	Loader)
Frangki E.	12.16056-OPK3-PAA/XI/2012	November 30 th 2017	Load and Crane (Dump truck)

- Boiler operator training

Name	License / Certificate	Valid Period	Operator
Kaswir	No. 124/BNDP/OB-I/XI/95		Boiler
Teopilus Sihotang	No. 6495/SCF/OB-I/X/2000		Boiler
Sulowiyoto	12.3587 OPK3-PUBT-B.I/XII/2012	December 7 th 2017	Boiler
Hendro	12.3588 OPK3-PUBT-B.I/XII/2012	December 7 th 2017	Boiler
Junianto	12.3589 OPK3-PUBT-B.I/XII/2012	December 7 th 2017	Boiler
Supartono	12.3590 OPK3-PUBT-B.I/XII/2012	December 7 th 2017	Boiler

Socialization / training of OHS at workplace

- KTK 1. There is a record of socialization of safety spraying equipments and OHS training. It was attended by 12 participants on June 10th 2013.
- KTK 2. There is a record of socialization of OHS & SOP of manuring. It was attended by 13 participants on September 11th 2013.
- PKS. There is a record of socialization of ISPO and PPE implementation. It was attended by 17 participants on October 2013.
- Training of work technical and OHS for division of maintenance. It was attended by 15 participants on November 6th 2014. The training was taught by Assistant of maintenance
- Training of work technical and OHS for division of maintenance. It was attended by 20 participants on November 24th 2014. The training was taught by the Assistant of laboratory
- Socialization and simulation of emergency response team. It was attended by 16 participants of the POM emergency response team on February 20th 2015. It was taught by Senior Mill Manager.

Observation

The company has opportunity to register the unregistered SIO of boiler

The emergency response procedure is available for several things. For example:

- Fire: fire signs, evacuation method, handling method and emergency telephone number
- Beast attack (available in form of Flowchart).
- Chemicals/diesel fuel/waste spillage and leakage: it signs, evacuation method, handling method and emergency telephone number.
- Work accident: first aid, further medical action to clinic, hospital action (if needed), investigation, reporting and emergency telephone number.
- Fire emergency response as written on SOP of RSPO 29. Estate: incident signs, fire team and fire handling, policy of zero burning action, map of fire-potential area and water source and fire monitoring.
- There is procedure of the identified natural disaster. It was the flood on December 19th 2012. It was legalized by Senior Manager.
- There is evacuation route and meeting point in office, POM and housing complex.

According to the result of interview with the workers in POM and Estate and the worker's wives in housing complex, they all

have aware of the emergency response procedure.

Record of PPE provision**Record of PPE provision**

- Tapung Kanan POM, Boiler operator has received gloves, masker, safety boots and ear plug; power plant operator has received masker, gloves, safety boots, ear plug; heavy equipment operator has received helm and safety boots.
- Estate, the harvesters have received helmet, safety boots, cutter gloves.

Record of first aid kit monitoring

1. TK 1 Estate. There are 11 first aid kits (the content of the first aid kit is routinely inspected). It was inspected on February 16th 2015. First aid kit is the responsibility of the foreman who has participated on first aid Officer training.
2. TK 2 Estate. There are 13 first aid kits (the content of the first aid kit is routinely inspected). It was inspected on January 13th 2015. First aid kit is the responsibility of the foreman who has participated on first aid Officer training.
3. TK 3 Estate. There are 7 first aid kits (the content of the first aid kit is routinely inspected). It was inspected on February 14th 2015. First aid kit is the responsibility of the foreman who has participated on first aid Officer training.
4. POM. There are 13 first aid kits (the content of the first aid kit is routinely inspected). It was inspected on February 10th 2015. First aid kit is the responsibility of the foreman who has participated on first aid Officer training.

According to the field visit, the first aid is still consistently monitored by the company. For example, first aid kit in TK 1 workshop area, TK 2 daycare, POM workshop, and POM electricity station.

There is a record of fire monitoring on the record of checklist of fire potential area monitoring which is routinely conducted. According to the result of public consultation with the stakeholders, there is no issue of fire or if the company use fire in housing compex.

The company has fire extinguishing equipments and facilities which are consisted of:

- 2 unit of Farm Tractors
- 2 unit of trailer fires extinguishers
- 4 unit of water tanks
- 1 unit of shibahuran machine type TF516MH (Jet pump)
- 1 unit of robin machine
- 1 unit of Stick 2"
- 3 unit of vacuum hose 3"
- 10 roll of @ 20 meter hose 2"
- 12 unit of glasses
- 12 unit of yellow helmets
- 1 unit of fire extinguishing machine (Kohler)
- 1 unit of 1,5 inch hose
- 1 unit of 1,5 inch stick
- 1 inch 10 roll @ 30 meter hose
- 22 fire extinguishers

The record of fire handling/extinguishers facilities monitoring during period of 2014 has been shown.

TK POM fire extinguishers facilities

- 8 unit of Hydrant boxes in size 2,5 "
- 24 fire extinguishers

The record of fire handling/extinguishers facilities monitoring during period of 2014 and January – February 2015
However, according to the field visit, there are several facts found. For example:

1. Placement of fire extinguishers in chemicals warehouse is not appropriate, the label is a spill kit and not fire extinguishers and there is a spill kit under. The indicators shows the fire extinguishers is in recharge condition
2. Hydrant valve hose inside box number 7 in boiler area is not well functioned
3. Housekeeping for fire extinguishers in processing station is not routinely conducted
4. Maintenance over the panel box and water pump in WTP is not consistently conducted yet.
5. There are still a lot of cigarette found in workplace such as in transfer carriage and sterilizer area

It becomes NCR Number 2015.07

According to the field visit, there are still workers whom are not using PPE. For example, the loosen fruit picker. According to the information from the management unit, the company is not providing the PPE for the workers yet. Auditor verification (February 23rd 2015):

The evidence of the PPE provision for the loosen fruit pickers such as boots given on February 21st 2015 has been shown. According to the field visit, all employees have used PPE. **Nonconformity CAR number 2014.02 is closed.**

According to the document review, there is no work accident during period of 2014/2015. However, according to the interview with the medical assistant in policlinic, there are 10 work accidents:

1. The maintenance worker experienced scratch on left arm on February 9th 2015.
2. The harvester from division 1B his eye experience debris from the FFB on February 13th 2015.

According to the data, the record of work accident reporting is not available in OHS Guiding Committee. **It becomes NCR Number 2015.08**

Minor 4.7.2; Minor 4.7.6. Minor 4.7.8.	Status: Non Compliance No. 2015.06; 2015.07; 2015.08	
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4.8

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

The company has training program for period of 2014 and 2015. For example:

- Tapung Kanan POM
 1. November 2014. Training of work technical and OHS for Operator
 2. January 2015. Socialization of KLK sustainability policy for Operator
 3. February 2015. Simulation of fire team and evacuation team for Operator
- TK 3 Estate
 1. October 2014. Socialization in term of prohibition to employ the underage workers and burn the land on January 18th 2015.
 2. Socialization of KLK sustainability policy for Operator

Furthermore, PT SA has record of each personnel whom follow the training. For example:

- Harvester foreman of TK III Estate on behalf of Mr Suhairin. According to the record of training assessment, the worker has followed 2 trainings in 2014 such as training of immature FFB, pruning and frond arrangement and socialization of zero burning and prohibition to not employ the underage workers.
- Tapung Kanan POM boiler operator on Shift 1 on behalf of Mr Kaswir. According to the record of training assessment, the worker has followed 4 trainings within 2012 – 2014 such as technical work training on boiler station and training of OHS on November 19th 2012, socialization of PPE on March 15th 2014.

PT SA is consistently cooperating with the well trained contractor as shown by several supporting documents. For example:

Company Profile of PT. Anugerah Bintang Abadi, contractor of Vickers Boiler routine service in letter number 04/ABA-SA/II/14:

The company has appointment letter of the OHS service company in decree number 163/PPK-PNK3/VI/2010. Furthermore, the mechanic (welder) has has welding expert certificate from Manpower Ministry on behalf of Mr Mardiono number S.166/JL/KK/89

Status: Complied

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.

There is no changes on the estate business hectarage (6,200 Ha) and mill capacity (30 Ton of FFB/Hour). The company has reported the implementation of environmental management and monitoring plan to Kampar District Environment Agency routinely.

The company also has conducted routine reporting of environment management. The company has composed the report of its implementation for period of 2014 in form of report of environmental management and monitoring effort in 1st and 2nd semester of 2014. It is reported to the Kampar District Environment Agency.

According to the field visit to block 99H (inspection was conducted nearby coordinate of N 0° 43' 44,738" ; E 101° 15' 32,349"), there are area planned for replanting program for 40 Ha (according to the company's information). According to the planned area condition, chipping of the old plant has been conducted and the stake has also been installed.

According to the result of verification, the report of environmental management and monitoring effort in 2nd semester of 2014 is not attaching all matrix of management and monitoring effort. Furthermore, the replanting program as described on indicator 5.1.1 is not followed up by the company by revising the document of environmental management and monitoring effort or composing the document of impact analysis caused by replanting program. **It beomces NCR Number 2015.09 and NCR Number 2015.10**

NCR 2015.09 verified 21 April 2015

Root Cause:

Companies are not aware that there must be a document analyzes the environmental impact of replanting activity.

Corrective Action:

Carried out remedial actions to prepare a document analyzing the environmental impact of replanting activity at PT. Sekarbumi Alamlestari.

Preventive Action:

All changes will be made replanting activities such as impact analysis document.

Conclusion Auditor:

The management unit has conducted a study replanting by internal team, the document has been informed Identifying Environmental Impact and Risk Assessment. And has no action to reduce the risk of replanting activities.

In addition there are also efforts to manage and monitor social impact and environmental impact of replanting activity. Then report on the implementation and monitoring of the management of social and environmental impacts of replanting activities will be reported each semester to Riau Province BLH, BLH Kampar, and BKPMD.

Based on the results of these improvements, the discrepancy can be fulfilled.

NCR 2015.10. verified on 21 April 2015

Root Cause:

Companies are not aware that the reporting of the implementation of environmental management and monitoring efforts are not sufficient if you follow the advice and input from the Environment Agency alone but must be adapted to the matrix in the UKL / IPL.

Corrective Action:

Corrective action in the form of a revised document reporting the implementation of appropriate environmental management and monitoring matrix in UKL-UPL. This document has been sent back to the BLH with the receipt attached.

Preventive Action:

Reporting the implementation of UKL-UPL will always refer to the matrix in the UKL-UPL.

Conclusion Auditor:

Auditor memeverifikasi revision report on the implementation of UKL-UPL second semester 2014 such as by managing and monitoring the impact of civil unrest, erosion, water quality and aquatic biota Right Tapung river waters, existence of wildlife, public unrest over the river water quality and the health of the factory workers.

Attached interviews with the public, the results of water quality analysis Tapung River and checklist of important species.

The management unit also has however to aquatic biota analysis results recently completed on 21 April 2015 and report the results of recently completed erosion rate on May 27, 2015 (attached letter No. 040 / AL / LAB-KL / IK / IV / 2015 from Laboratory of Chemistry Sea, University of Riau dated 16 April 2015.

Based on the letter from the University of Riau associated with the test results there is no result, then the Major indicators 5.1.2. fulfilled.

In order to ensure the EIA document, the company is cooperating with the regulator in term of the usage of EIA document in term of the area hectarage. It becomes **Opportunity for Improvement**

Major 5.1.1	Status: OFI	
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5.2

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

The result of identification of the endanger, rare, or nearly-extinct species and the HCV area is still referring the report of HCV identification of PT Sekarbumi AlamLestari. The report which was composed on 2012. It has identified the protected species such as Sumatera Tiger (*Panthera tigris sumatrae*), Sumatera Elephant (*Elephanus maximum sumateranus*), Tapir, sunda pangolin, sunbear, deer, clouded leopard. Meanwhile the identified HCV area are HCV 1, 3, 4, and 6 with hectarage for 1,364.2 hectare.

Several HCV area protection are by installing signboard or plank of HCV area and prohibition to hunt, to fish, and to harvest the plant illegally; installing the signboard which informs the list of the several endanger species; socialization of the SOP of wildlife handling to the internal and external stakeholder; planting the woody plants in HCV area. All the stages have referring the statute of the endanger species and HCV area protection. Furthermore, the company should socialize the HCV to the locals more frequently. It becomes the **Opportunity for Improvement**

According to the document verification, there is evidence that the company has realized the conservation program by giving the endanger species called "Southern pig tail macaque" to the Riau Conservation Agency on Pekanbaru:

1. Official record of the endanger animal hand over (Southern pig tail macaque) to the conservation agency. It was signed by the company and the Riau Conservation Agency Officer on February 26th 2015.
2. Release of Southern pig tail macaque to the natural habitate.

However, the company is not realizing the HCV area management and monitoring training yet (it should have been held on August 2014). **It becomes the NC number 2015.11.**

Minor 5.2.1.	Status:	
Minor 5.2.2.	OFI	
	NCR No.2015.11	

5.3

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

The company has shown the result of waste identification including the waste source in form of document of Identification of Waste and Contamination Sources & Plan to Reduce the Pollution. The document is separately composed for the estate and mill unit on December 18th 2011. It describes the type of the waste, waste source, the generated waste volume estimation, the action, target and the person in charge.

Plan of waste management is conducted based on waste type. For example:

1. The hazardous waste is taken by the licensed contractor. The oil leakage is accommodated on the oil tank.
2. Effluent is used on *Land Application*
3. The methane gas shall be captured by using methane capture
4. EFB is applied to the estate
5. Smoke and dust are managed by monitoring and and analysis to ensure the solid particle referring the requirments.
6. Fiber and shell are used as boiler fuel, boiler ash is applied to the estate.
7. The metal crap is sold to the metal crap collector.
8. The domestic waste is transported to the landfill in each division routinely twice a week and it will be hoarded.

The company has had SOP of RSPO 17 in term of hazardous waste management. The agrochemicals containers are managed by referring the Government Regulation number 18 year 1999 (it is stored at the licensed hazardous waste storage in TK 1 Estate and Tapung Kanan POM). The company also has cooperated with the contractor to collect all the hazardous waste (PT Primanru Jaya). However, the medical waste is not yet disposed or incinerated by the company, it is caused by the unavailability of the waste collector. **It becomes the NCR number 2015.12**

The company has reported the hazardous waste to the Kampar District Environment Agency in Bangkinang, RI Environment Ministry, Sumatera Ecoregion Management Center and Riau Province Environment Agency routinely (each quarter). Furthermore, the waste is managed by referring SOP.

Minor 5.3.1.	Status: Non Compliance. NCR 2015.12.	
5.4 Efficiency of energy use and use of renewable energy is maximized.		
<p>According to the result of assessment result, during period of October 2013 to January 2015, Tapung Kanan POM has average efficiency of renewable energy for 0.85 per MT CPO when using of shell and fiber. The company does not has target of the renewable energy usage due to the FFB production instability.</p> <p>During period of October 2013 to January 2015, Tapung Kanan POM was generally generating 37,895.10 MT CPO. The average power usage was 35,467.50 KWH and the average of diesel fuel usage was 14,058.78 liter. Efficiency of diesel fuel usage for Tapung Kanan POM during that period was 6.15 liter/ton of CPO and the efficiency of electricity usage was 15.53 KWH/ton of CPO.</p>		
	Status: Complied	
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.		
<p>There is SOP 04 in term of Replanting. It was approved by Senior Manager (Ng Yee Hong) on April 12th 2012. It describes:</p> <ul style="list-style-type: none"> Land clearing based on the result of EIA/environmental management and monitoring effort. All replanting stages shall be conducted mechanically "Zero Burning" <p>PT SA plans to conduct replanting on the budget period of 2017/2018</p> <p>The company has had emergency response structure for mill and estate.</p> <p>There is an evacuation route, meeting point and layout of emergency response. For example, the evacuation route in TK 1, 2 offices and in housing complex.</p> <p>There are also evidence of emergency response handling events. For example:</p> <ul style="list-style-type: none"> Socialization and simulation of estate emergency response team. It was attended by 17 Tapung Kanan Emergency Response Teams on February 20th 2015. Simulation of emergency response to the madams of POM housing complex. It was attended by 15 participants on December 3rd 2011. <p>There is a record of fire monitoring on the record of checklist of fire potential area monitoring which is routinely conducted. According to the result of public consultation with the stakeholders, there is no issue of fire or if the company use fire in housing complex.</p> <p>The company has fire extinguishing equipments and facilities which are consisted of:</p> <ul style="list-style-type: none"> 2 unit of Farm Tractors 2 unit of trailer fires extinguishers 4 unit of water tanks 1 unit of shibahuran machine type TF516MH (Jet pump) 1 unit of robin machine 1 unit of Stick 2" 3 unit of vacuum hose 3" 10 roll of @ 20 meter hose 2" 12 unit of glasses 12 unit of yellow helmets 		

- 1 unit of fire extinguishing machine (Kohler)
- 1 unit of 1,5 inch hose
- 1 unit of 1,5 inch stick
- 1 inch 10 roll @ 30 meter hose
- 22 fire extinguishers

The record of fire handling/extinguishers facilities monitoring during period of 2014 has been shown.

TK POM fire extinguishers facilities

- 8 unit of Hydrant boxes in size 2,5 “
- 24 fire extinguishers

The record of fire handling/extinguishers facilities monitoring during period of 2014 and January – February 2015.

There is record of monthly fire extinguishing equipments inspection. According to the result of the field visit, the facilities of fire extinguishing have been well maintained and ready use.

Status: Complied

5.6

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

The company has document of pollution and emission source identification in palm oil mill in form of matrix entitle: “Identification of Waste and Contamination Sources & Plan to Reduce the Pollution”. According to the document, the palm oil mill has 19 items of waste and contamination including the estimation of waste volume such as emission and pollution. For example, boiler smoke, dust from the boiler chimney, methane gas from the waste ponds, effluent, domestic waste water from the housing complex, etc.

The company has monitored the emission quality from the pollution and emission source for period of 2014 over the ambient air and emission air. Furthermore, the test over the vibration is also conducted by the company. The test of air emission and air ambient is conducted in Research Center and Industry Standardization of Padang, while the vibration test is conducted by Hyperkes and Work Safety Center of West Sumatera Province Manpower Agency or Sumatera Barat Health and Environment Service Agency.

According to the result of ambient air quality test in front of the office, inside the mill and the housing complex of the employees, there is no parameter which exceeding the quality threshold of Government Regulation number 41 year 1999 or Kep-50 MENLH/11/1996 odour level.

According to the result of air monitoring of boiler emission number 1 and number 2, there is no parameter which exceed the quality threshold of Environment Ministry Regulation number 07 year 2007, attachment 1 and Environment Ministry Regulation number 13 year 2009. Furthermore, the result of vibration monitoring is not exceeding the quality threshold of Environment Ministry Regulation number Kep.49/II/1996, Lamp. II.

The company has had SOP 18 in term of mill waste management and has had daily/monthly debit monitoring of the POM effluent as well. For example, the total of the flowed effluent debit for period of July to December 2014 was 46,532 m³. According to the document review, the daily effluent debit was not exceeding the permitted maximum debit (258.51 m³/day). The company also has conducted monthly effluent quality test in the laboratory of Riau Material Test with accreditation number LP-750-IDN. According to the test result, the BOD is less than 5,000. Therefore, it could be applied to the land.

Effluent management operational has been reported to the company in form of the quarter-based report of effluent for period of October – December 2014.

Status: Complied

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.

PT Sekarbumi Alamlestari has had document of social and environment impact assessment. It consisted of:

1. Document of environmental management and monitoring effort at the beginning estate establishment. It was composed by the consultant.
2. Document of social impact assessment which was composed Aksenta on September 2012. The document describes the general description of the analysed area, stakeholder analysis, estate positive and negative impacts, social issues within company's internal and the company's action, social issue / external impact and company's action, recommendation over the conflict management and other aspects.

PT Sekarbumi Alamlestari has had monitoring and management plan. For example, program of community empowerment (solidifying the CSR program) on 2012 – 2015 and plan of management and monitoring of physical and social environment management program on 2012 – 2015.

There is no changes on the estate business hectarage (6,200 Ha) and mill capacity (30 Ton of FFB/Hour). The company has reported the implementation of environmental management and monitoring plan to Kampar District Environment Agency routinely. There are evidence of the reporting and receipt of environmental management and monitoring plan implementation on 2nd semester of 2013.

Realization of KKPA planting

- Planting year of 2003 : 55Ha
- Planting year of 2004: 97 Ha
- Planting year of 2005: 651 Ha
- Planting year of 2006: 247 Ha
- Planting year of 2010: 244 Ha, total of the planted plants are 1,294 Ha. The certified one has reached 1,050 Ha

On its progress, Sahabat Lestari Cooperative Unit wants to cultivate the land by themselves for 4 blocks (Block 01, 10, 11 and 15) for 162 Ha. It is written on the cooperative agreement letter. For example, agreement letter number 006/KOPNI-KG/PRWT/X/2014. According to the agreement, the cooperative unit has obligation to harvest, picking the loosen fruit, pruning, circle spraying / harvesting path spraying, termit control. However, it is still monitored by the company especially for its quality.

Status: Complied

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.

There is no changes over the SOP 19 in term of the communication, consultation and socialization with the stakeholders during surveillance 2.

According to the document review, PT SA has conducted socialization to the stakeholders. For example:

- Socialization at the Office of Chief of Kota Baru Village in term of ISPO which cover the procedure of information request, complaint delivery procedure and conflict resolution procedure. It was attended by the secretary of village and the company representatives on October 16th 2013.
- Socialization at the Office of Chief of Tri Manunggal Village in term of ISPO which cover the procedure of information request, complaint delivery procedure and conflict resolution procedure. It was attended by the Chief of Tri Manunggal Village and the company representatives on October 14th 2013.
- There was minutes of meeting of the coordination meeting between PT SA with Sahabat Lestari Cooperative Unit on

January 27th 2015. The meeting was attended by 30 participants consisted of Senior Manager, Manager of KKPA, the Head of Cooperative Unit.

PTSA has had the list of stakeholders. For example, 1 law agency, 3 labour unions, 10 hospitals or medical centers, 4 buyers, 6 units of car services, 2 electronics, others are 89 units. 13 stakeholders from the locals, 1 contractor, 4 NGOs and 2 security units.

There are documentations of the cooperative unit request to cultivate the land, there is minutes of meeting of the assembly between PT SA with Sahabat Lestari Cooperative Unit on January 27th 2015. The meeting was attended by 30 participants consisted of Senior Manager, Manager of KKPA, the Head of Cooperative Unit.

According to the document review, there is additions of the person in charge of the consultation and communication with the locals referring the document of "The List of RSPO Aspect Person in Charge". It was approved by Mr Chong Kong Fat (Mill Controller). It describes that Mr Hendy W and Mr Supramaniam are the persons in charge of consultation and communication with the locals on Tapung Kanan POM. Meanwhile, the person in charge of the consultation and communication to communicate with the locals are the Managers of each estate. The list of the RSPO aspect persons in charge is approved by Mr Ng Yee Hong (Senior Manager).

Status : Complied

6.3

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

In order to handle the complaint and solving the dispute, the company has had several SOP. For example:

- SOP 2 In term of land acquisition and compensation
- SOP 20 in term of complaint handling procedure
- SOP 26 in term of dispute negotiation procedure
- SOP 27 in term of land acquisition and compensation

There is a Land Use Title (HGU) area in block 99H which is claimed by several group of the communities which suing PT SA. According to the decree of Bangkinang Court number 36./Pdt.G/2009/PN.Bkn dated April 20th 2010, the prosecution of the group of the community was rejected. However, according to the fact, the area is not able to be managed yet due to the communities action. There is no evidence of the record of complaint.

Verification on February 23rd 2015

There are evidence of records in form of:

- Letter number 001/KM-KTK/SA/I/2015 to the owners of the building, cottage, barrack, plants, etc to destruct their properties a week from January 21st 2015.
- Record of the result of meeting number 027/SM-TKE/SA/I/2015 dated January 31st 2015. The meeting between the company and the house of Dolok was accompanied by the Head of Police Sector on January 29th 2015. It generated several agreements. For example:
 - a. The House of Dolok Cs request the company to reconsider the disputed land along with the building and plant destruction.
 - b. The request must be coordinated with the Managers in Pekanbaru.
 - c. The meeting was attended by 15 participants.

The record of the complaint handling in block 99H is now available. However, during the observation of surveillance-2, several complaints expressed by the locals and the employees are found. For example.

- The warehouse Officer is complaining the wage and employees status increase.
- One of the harvester in TK 2 Estate, division 3B was asking about the provision of specific religion cemetery.
- Complaint from the community of Kota Garo Village in term of the land cultivated by the locals which is taken over by the

company.

- During the trench cleaning program, the digging was too narrow with the estate of the locals. Therefore, it was threatening the plants of the locals. According to the data of the location for 3.2 Km of the cemetery or covering 8 blocks.

It becomes consistent NC; See Major NCR number 2014.01

Verification 29 April 2015

- Against the warehouse personnel, the company has a promotion mechanism for all employees. If accomplished, it will likely to be promoted.
- Related to the tomb, the company has been providing TPU for all employees.
- Related to the complaints / issues of the community lands appropriated by the company. Actually it is a land in the CEC I Division 2B on the claim by Dolok Saribu Cs. Results Bangkinang District Court and won by PT. Sekarbumi Alamlestari (dated May 6, 2010).
- Corporate communication with village residents complaints related to issues of public premises as a result of leaching trenches, but there is no such issue. This is evidenced by the statements of representatives of the village suarat Tri Manunggal that no complaint related to the laundering of the trench.
- Unit management has responded to complaints from employees by improving the septic tank and weatherproofing on March 8, 2015 (photo attached evidence of improvements and fixes the official report).

Based on the evidence of these improvements, the indicator is fulfilled.

Status: Complied

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.

PT Sekarbumi Alamlestari has had procedure of land acquisition and compensation (SOP Number 2). It describes:

- The future compensated land identification by coordinating with the community figures.
- Reviewing the aspect of the land legality and administration.
- Reviewing the document of agreement between the land owner and the company.
- Reviewing the facts over the future compensated land.
- Compensating the land by referring the agreed agreement.
- Declaration letter of the land for the handover of state land, customary land, village land, group or personal owning land.
- Proposal of fund request for compensating the land.
- Reviewing and verifying the payment document.
- Supporting document of the land handover witnessed by the government officials, official record of the location observation, official record of cadastral measurement, document of compensation payment.

According to the interview with the management and the result of consultation with several agencies (Plantation Agency, Forestry Agency, Environment Agency, Manpower Agency and National Land Agency) in Kampar District and the consultation with the local stakeholders in Trimanunggal and Kota Garo Village, there is no extension nor new planting in PT SA estate area.

Status: Complied

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.

The company implements wage system based on the minimum wage determined by the government (Governor Regulation number 29 year 2014) for IDR 1,875,000 per month = IDR 75,000/day. It is supported by the circular from PT SA director on June 9th 2014 number 164/SA/Edar/VI/2014 in term of daily employees wage. The wage is determined as follow:

- Permanent daily workers for IDR 1,755,000/month or IDR 58,500/day exclude the rice allowance for IDR 120,000 (15 Kg x IDR 8,000) referring the letter of BKS-BPS number 24/BKS-PPS/2014 on April 10th 2014

- Temporary daily workers wage for IDR 1,875,000/month or IDR 75,000/day

According to the result of document verification of the PT SA director circular number 001/SA-Pers/Edar/VI/2014 dated June 30th 2014 to respond the policy of wage increase referring the management decree number 001/Kep/Dir/Pnt/SA/VI/2014 that the wage and late-paid wage for monthly employees is started to be implemented on February 1st 2014. However, according to the wage list of the monthly employees before the wage increase, there are still several employees whom receives understand wage. Therefore, the employees shall not receives late-paid wage for period of January 2014. For example, employee on behalf of Marwanto (IDR 1,674,689) and Basyarudin (IDR 1,652,501). According to the document verification of the loosen fruit report of TK 2 Estate, division 3B on behalf Adelisa (loosen fruit picker), the total wage is still below the minimum wage standard. For example, on August 2015 the wage is IDR 1,229,856 (**below the minimum wage standard**).

The total gross wage received by te POM employees is above the minimum wage standard. However, the component of the basic salary received by the POM employees is still below the determined minimum wage standard. It has impact over the determination of the given overtime wage. The given overtime wage is not suitable with the applied regulation which is 1/173 from the wage received by the employees. For example, employee on behalf of M. Nurdin YS who receives overtime wage for IDR 9,921/hour.

Major NC 2015.13.

Verified on 22 April 2015

Root Cause:

Companies are not aware that the placement of nominal basic wage component must comply with the minimum wage.

Corrective Action:

Corrective action where basic wage component has been adapted to the agricultural sector minimum wage. So also with the formula of calculation of overtime wages adjusted to the Decree No. 102 2004 Article 10. Enforcement of wage and overtime pay for the period from January 2015 (refer to the Circular of the Director). It also agreed with the Union that the imposition of wage Barudan new calculation of overtime wages will begin in January 2015.

Preventive Action:

Nominal basic salary and overtime pay calculations will be monitored each year must be in accordance with the applicable minimum wage.

Conclusion Auditor:

Auditor verifies:

1. Circular of the Director of PT. SA No: 002 / SA / Circulation / IV / 2015 which is about the new wage employees who are tailored to the prevailing regulations, namely Riau Governor Decree No. Kpts. 244 / III / 201 and BKS-PPS No. 25 / BKS-PPS / 2015 were effective on January 1, 2015.
2. Circular of the Director of PT. SA No: 003 / SA / Circulation / IV / 2015 relating to the calculation of overtime wages that are tailored to Decree No. 102 / MEN / VI / 2004, which will be implemented starting January 1, 2015 in accordance with an agreement with the union based on the Minutes dated February 27, 2015.
3. Wholesale SPK example No. ST 01 / KB / SPB / CEC / III / 2015 concerning employment agreement picker contract.

Based on the evidence of these improvements, the NC can be met. And will continue to be observed at the next surveillance

The PT SA regulation for period of 2014 - 2016 referring the decree of the Kampar District Manpower Agency number KPTS.560/DSTK-PHI/2014/05. It was legalized on April 21st 2014. The regulation is valid for 2 years (until April 21st 2016). Meanwhile, for the agreement between the Sumatera Estate Company Cooperative Institution with the Indonesia Labour

Union is still using BKS-PPS which is registered based on the decree of Director General of Industrial Relation Guidance and Labour Social Assurance number KEP.191/PHIJSK-PKKAD/PKB/XII/2012. It valid for 2 years (November 14th 2012 to November 13th 2014).

There are employees welfare facilities. For example:

- 1 unit of clinic.
- 3 unit of daycares.
- Elementary School follows Kota Garo dan Kota Baru Elementary School; Secondary School in Kota Garo; Kota Baru, Kota Bangun, Alamanda, Kota Garo Vocational School, Kota Bangun High School and Alamanda High School. The company provides 5 units of school buses.
- 1 unit of ambulance.
- Employees housing complex: 638 doors, number of Estate workers are 401 and POM workers are 116, the working employees wife is only 1 women, 3 single. Therefore, the number of the house is still enough. The number of the mosque is 1 and the mushola is 7.
- Rain house: 6 units
- School bus: 4 units.

According to the field visit, there are several facts found. For example, the water source for TK 2 Estate housing complex barrack in division 3A and 3B is not well maintained as well as the domestic waste water way. It is supported by the complaint of Mrs Mesi. Furthermore, there is no enough garbage bin to meet the production of domestic waste.

Minor NCR 2015.14

The company has had cooperation with the contractor as written on the cooperative agreement letter. According to the agreement lettet, the contractor must comply the regulations of safety, environment safety and the workers safety. For example:

- All workers are ordered to prioritize the safety during workhours.
- All workers must be equipped with proper PPE.
- Hazardous waste (used oil) must be collected and transported to the SA company.
- The workers must be insured, given with province minimum wage standard. Furthermore, they must be trained.

Violation over the requirements shall cause the contract termination.

Minor 6.5.3.	Status: Non Compliance. NCR 2015.04.
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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.

PT Sekarbumi Alamlestari has policy in term of the freedom to unite. It was legalized by the regional director on October 1st 2011. It states that the company gives freedom to its employees to unite based on the statute. According to the result of PT SA labour union, the company has implemented the policy. According to the interview with the workers, they are also allowed to get involved on the labour union.

There is a record of the minutes of meeting of the assembly between PT SA labour union with the company on April 21st 2014. It was signed by Mr Mawardi (the company manager) and Mr Agus Haryanto (the secretary of OHS Guiding Committee) in PT SA head office. It was attended by 7 representatives of the labour union and the company. The discussed issues were the forming of new labour union structure and socialization of labour union existence. The forming of Bipartite cooperative institution for period of 2015 – 2017 is can be seen on the record of the organization structure proposal. It was received by Mr Sitohang (Kampar District Manpower Agency. It was also verified by Manpower Agency, the company and the employees representatives on February 11th 2014.

Status: Complied

6.7

Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.

There is policy in term of the underage workers. It was signed by the Director on October 1st 2011. The company has commitment for not employing the underage workers (< 18 years old).

There is SOP 21 in term of the management and the workers. It was signed by Senior Manager (Ng Yee Hong) on December 18th 2012. It describes the requirements of workers recruitment. For example:

- The minimum workers age is 18 years old.
- Review of the workers personal data.

There is list of employees. It shows the employees name, status, tribe, gender, date of birth, religion and date of first work. According to the result of document review, the youngest employees on behalf of Erly Adri (NIK. 362 as harvester) was born on May 25th 1995 and was starting to work on July 21st 2013 (18 years 2 months). According to the result of field observation and interview with the POM workers (boiler operator, engine room operator, WTP) and estate workers (sprayers, manurer, harvester), there is no underage workers.

Status: Complied

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.

There is policy in term of the equal treatment and opportunity. It was signed by the Director (Tan Kei Yoong) on October 1st 2011. It describes that the company shall treat the employees fairly regardless the tribe, religion, race, caste, nationality, gender, sexual orientation and union membership. The company also has SOP 21 in term of the management and the workers. It was signed by the Senior Manager (Ng Yee Hong) on December 18th 2012. It describes the requirements of workers recruitment. For example:

- There is no discrimination over the workers based on caste, nationaly, religion, disability, gender, sexual orientation, labour union, political party or age.
- In term of the temporary labour or the newcomer labour, the practices are not discriminative, there is no contract handover, orientation program in term of language, security, manpower statute, local wisdom, etc.

According to the result of observation, the tribes working on PT SA are consisted of bataknese, melayu, nias, java, ambonese, maduranese, minangese, sundanese and acehnese. According to the result of observation the religion followed by employees are consisted of Islam, Evangelish and Christian.

Status: Complied

6.9

Policy to prevent sexual harassmt and all other forms of violence against women and to protect their reproductive rights is developed and applied.

There is a policy in term of sexual harassmt. It was signed by Tan Kei Yoong on October 1st 2011:

- The company does not tolerate the sexual harassmt at workplace.
- The sexual harassmt is a serious issue and it will cause heavy punishment to its suspect.
- The management unit should be a role figure to prevent the sexual harassmt.

There is policy of women reproduction rights protection. It was signed by Tan Kei Yoong on October 1st 2012:

- The company shall complies all law requirements that have to do with reproduction rights.
- The gender committee shall be formed to conduct and monitor the policy.

There is SOP 21 in term of the management and the workers. It was signed by the Senior Manager (Ng Yee Hong) on December 18th 2012. It describes:

- Childbirth day off – each women employees has childbirth day off for 45 days before and after the childbirth.
- The breastfeeding women workers are not allowed to work with chemicals.

- Menstruation day off – each women workers has menstruation day off for 2 days referring the clinic's recommendation.

There is SOP 25 in term of specific complaint handling. The procedure of sexual harassment complaint was approved by the Senior Manager (Ng Yee Hong) on April 12th 2012. It describes:

- The disturbed workers or witnessing the sexual harassment must report it to the gender committee or to the company.
- The complaint is allowed to be expressed when the event is occurred within and without mill and estate area.
- The complaint shall be maintained secretly.
- The sexual harassment complaint shall be investigated immediately through gender committee manager or member.
- The action over the suspect shall be taken by referring the regulation.

The gender committee is led by Holidina Fiddin S. The gender committee is legalized by the Senior Manager (Ng Yee Hong). The member of gender committee is placed in each division representatives, TK Estate office and POM office. The work programs of the gender committee for period of 2015 have been composed. For the period of May and November 2015, the gender committee will hold several programs. For example:

- Socialization and discussion over the menstruation (H1) and childbirth day off (H2).
- Socialization of the sexual harassment handling procedure.
- Socialization of the work system for the pregnant and breastfeeding women.
- Observation on the drugs availability on the first aid kit.
- Observation on the daycare facilities and the comparison between the number of the baby sitter and the children.

Observation:

The company has opportunity to improve socialization in term of gender committee to all employees.

According to the result of interview with several women workers, the company has implemented the policy properly.

Minor 6.9.3. Status: OFI

6.10

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

Management unit determines the smallholder's FFB based on the letter from Riau Province FFB pricing team. The FFB price is informed to the cooperative units which are cooperating with PT SA. For example:

- Letter number 010/SA-UM/II/2015 dated January 7th 2015 in term of the KKPA FFB price for period of December 2014 to the head of Tani Sahabat Lestari Cooperative Unit of Kotagaro Village. According to the letter, there was information of FFB price for TM VII, TM VI, TM V and TM II. According to the data, the FFB price determined by PT SA was higher than the price determined by the government. For example, during the period of December 24th – 30th 2014 for TM VII the FFB price was IDR 1,621.20/Kg. Meanwhile, the price determined by the province was IDR 1,506.02/Kg

The management unit is referring the price determined by the Riau Province FFB pricing team to determine the FFB price. For example:

- Official record of the result of FFB pricing team meeting number 08/TPH TBS-II/2015 for period of February 25th – March 3rd 2015.

No	Plant Age (year)	FFB price (IDR/Kg)
1	3	1,291.76
2	4	1,442.49
3	5	1,543.56
4	6	1,588.98
5	7	1,649.62
6	8	1,701.05
7	9	1,755.68

8	> = 10	1,804.62
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The management unit has conducted cooperation with the 2nd parties as follow:

- Cooperative Agreement Letter number 005/SPK-KTK/SA/XI/2014 dated November 4th 2014 between PT SA with Abdul Jhonson Aritonang (Jl. Kurma II No. 297 RT/RW: 001/005 Kenantan Village, Tapung Sub-District, Kampar Riau District) for cleaning and cutting (chipping) estate land for 38 Ha and heavy equipments mobilization (2 Excavator units) to Division 2B.
- Cooperative Agreement Letter number 007/SA-PS/PSK/VIII/2003 dated June 30th 2003 between PT SA with Tan Hwi Pin (Jl. Ahmad Yani No. 66-A Pekanbaru) for transporting Palm Kernel (PK) with six wheels truck.
- Cooperative Agreement Letter number 003/SPK-KTK/H/III/2014 dated March 18th 2014 between PT. SA with Hery (Jl. Kulim No. 219 RT.03/07, Pekanbaru Riau) for:

No	Description	Unit Price (IDR)	Note
1	Excavator Usage	305,000/HM	
2	Trench cleaning size 1x1 m ²	5,000/m ²	
3	Trench cleaning size 1,5x1,5 m ²	6,500/m ²	
4	Trench cleaning size 2x2 m ²	10,800/m ²	
5	Construction of trench size 1x1 m ²	8,500/m ²	
6	Construction of trench size 1,5x1,5 m ²	12,500/m ²	
7	Construction of trench size 2x2 m ²	15,300/m ²	
8	Construction of trench size 3x3 m ²	26,000/m ²	
9	Construction of trench size 4x4 m ²	41,000/m ²	

Status: Complied

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

The management unit is able to show the record of CSR for period of 2014 as follow:

- Assistance for honorarium for Kota Gari and Kota Aman chief and secretary of village during period of 2014 (routinely).
- Assistance of the student school funds for the secondary school 3 of Kota Gari Village.

According to the Progress Report of KKPA of PT Sekarbumi Alamlestari (KOPNI Sahabat Lestari) on January 2015 (4th Month of Financial Year), the mature plants have been realized for 1,294 Ha and no KKPA area extension.

According to the result of interview with Mr Jufrizal (the board of KOPNI Sahabat Lestari), there is 1,294 Ha of the realized land, th land credit shall be finished on 2019. Furthermore, according to the new agreement, the result received by KOPNI is 15% of the received output since Januari 2015 (referring the coordination assembly which was attended by 25 community's representatives and 5 company representatives on January 27th 2015).

The management unit is able to show the evidence of tax payment. For example:

- Property tax payment for period of 2014 in number SPPT 14.06.042.007.900.0007.1 referring the evidence of payment on October 10th 2014 via bank transferr of Bank of Riau Kepri.
- Income tax 21 payment on October 2014. It was paid on November 19th 2014 via bank transferr of (Bank of Permata).

Industrial surface water quality during period of April – August 2014. It was paid via bank transferr on December 19th 2014

(Bank of HSBC).		
	Status: Complied	
PRINCIPLE #7 Responsible development of new plantings		
7.1		
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
<p>There is no changes on the operational scope, estate hectarage and mill capacity until S-1 assessment. The palm oil planting is conducted gradually. Most of them were planted before November 2005 and the rest were planted after November 2005. According to the fact that there is no changes on estate area and operational. Therefore, the environment document became the authorized reference. It is supported with the social impact assessment. The social impact assessment was composed on 2012.</p> <p>According to the regulation of environment management and monitoring plan on 1995. PT SA has monitored and managed environment regularly. The report of the monitoring and management is routinely reported to the regional environment agency (each semester). For example, the routine reporting of the report in form of environmental management and monitoring effort (UKL/UPL) on 2nd semester of 2013 to the Kampar District Environment Agency on February 10th 2014. The report of environmental management and monitoring plan contains the management and monitoring actions composed by the company.for example:</p> <ul style="list-style-type: none"> • Emission and ambient air quality and vibration • Tapung River water quality • Monitoring well water quality • Effluent application quality on the land application. <p>The company has conducted planting since 1992 and the latest planting has been conducted on 2010.the hectarage of area after 2005 is 102 Ha. According to the document verification and the interview with the company, there is no development or extension of new estate.</p> <p>According to the Progress Report of KKPA of PT Sekarbumi Alamlestari (KOPNI Sahabat Lestari) on January 2015 (4th Month of Financial Year), the mature plants have been realized for 1,294 Ha and no KKPA area extension.</p> <p>According to the result of interview with Mr Jufrizal (the board of KOPNI Sahabat Lestari), there is 1,294 Ha of the realized land, th land credit shall be finished on 2019. Furthermore, according to the new agreement, the result received by KOPNI is 15% of the received output since Januari 2015 (referring the coordination assembly which was attended by 25 community's representatives and 5 company representatives on January 27th 2015).</p>		
	Status: Complied	
7.2		
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
<p>PTSA does not extend or establish new estate beyond the Land Use Title (HGU).</p> <p>There was an area of palm oil plant planting after 54 Ha (TK-1 Estate). It is now conducted on the determined HCV area.</p> <p>There is soil map (nucleus and KKPA) in scale 1:100,000 (datum WGS84). It was composed by PT. AAR.</p> <p>The existed drainage class are the well drained, moderately well, poorly drained, imperfectly drained and very poorly drained. Most of the class are well drained class.</p> <p>Meanwhile for the fertility status are very low fertility, low fertility, medium fertility, high fertility and very high fertility. Most of the fertility status are dominated by very low fertility.</p> <p>According to the fertility boundary factor, the company compose the SOP of optimal soil fertility management for optimum production (SOP 12). The SOP was approved by Senior Manager (Ng Yee Hong) on April 12th 2012. It describes:</p> <ul style="list-style-type: none"> • Marginal – sandy, low organic nutrient, podzolik and peat soil management. • Technical application such as EFB application for the sandy soil, low organic nutrient soil and the construction of siltpit for the podzolik soil. 		

- Water level management, water gate to control water level between 50 – 75 cm as written on agronomy manual are conducted by the company to manage the peat soil.
- Monitoring the water level at the water gate and the trench.
- Making peatland map
- The peatland > 3 m is not planted with palm oil plant.
- Flowing the exceeding water capacity during the rain season.
- Prohibition to burn
- Application of CuSO₄, ZnSO₄ to fill the lack of trace elements.

Trench cleaning.

Status: Complied

7.3

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

Generally, the area planted by PT SA is suitable with the spatial purpose due to the coverage of Land Use Title (HGU) issued by National Land Agency at the beginning of estate establishment. Furthermore, it is not the new are and is still covered on the scope of SEIA (*Social and Environmental Impact Assessment*).

Document of environmental management and monitoring effort indicates that the estate of PT SA was not established on the primary forest. Furthermore, according to the planting year map overlay and HCV spread identification map, the planted area since November 2005 was not on the HCV identified area. Riparian area is determined as HCV area and no chemicals maintenance for the palm oil plants in the area.

According to the result of planting area visit to TK 1 Estate, division 2B, block 10A and 6A on 2010, the area is no primary forest and not HCV area.

Status: Complied

7.4

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

According to the map of topography, the area of PT SA is located within the low land along Tapung River. The land topography is generally dominated by flat and wavy land such as TK 1 Estate, division 2A. according to the field observation, there is no land with extreme slope (>40%) which is able to cause significant erosion. In several small hill at the riverbank, the company constructs silt pit and arrange the frond along with the contour.

According to the field observation and soil map study, there are several estate part which is dominated by sandy soil such as in TK 1 Estate, division 2A and 2B. There is a trend of erosion despite the slope is not too extreme. The area is then enriched by the company by planting woody plants such as bamboo (*Bambuseae*) and green cottonwood (*Hibiscus tiliaceus*) and no chemicals application in the area.

According to the field visit, the company has planted woody plants in riparian area as the protection of water availability and water quality and to prevent erosion and sedimentation. However, most of the woody plants do not make it (< 50%) due to the flood. According to the HCV coordinator, the dead plant inserting shall be conducted on the rain season with more intense management.

Status: Complied

7.5

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

According to the interview with the management and the result of public consultation with the associated agencies (plantation agency, forestry agency, environment agency, manpower agency and national land agency) of Kampar District and the result of consultation with the local stakeholders of Trimanunggal and Kota Garo Village, there is no new planting in PT SA estate area.

Status: Complied

7.6

Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

PT Sekarbumi Alamlestari does not develop new estate beyond the scope of Land Use Title (HGU) certificate for 6,200 Ha.

There is evidence of the record of the result of the compensation receivers at the beginning of estate establishment:

Example : List of soil, plants and other business inventory in order to compensate the area for PT SA. For example, letter number 05 dated May 14th 1991 on behalf of Sidal (40 years of) from Sekijang Village, Siak Hulu Sub-District for 2 Ha with the type of the plants is rubber plant (13 plants) and well maintained soil. The data has been accepted, approved, and supported by the owner/cultivator; the company representatives; officer of national land agency; officer of regent office; officer of plantation agency; officer of micro economy agency; officer of sub-district and officer of village.

Status: Complied

7.7

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

There is SOP 04 in term of Replanting. It was approved by Senior Manager (Ng Yee Hong) on April 12th 2012. It describes:

- Land clearing based on the result of EIA/environmental management and monitoring effort.
- All replanting stages shall be conducted mechanically "Zero Burning"

PT SA plans to conduct replanting on the budget period of 2017/2018

The company has had emergency response structure for mill and estate.

There is an evacuation route, meeting point and layout of emergency response. For example, the evacuation route in TK 1, 2 offices and in housing complex.

There is a map of fire potential area in TKI and III Estate. There are 6 fire potential area in TK I Estate. Those are the division office, generator station, employees housing complex of division 1A; division office, generator station, employees housing complex of TK 1 Estate; division office, generator station, employees housing complex of division 2A; division office, generator station, employees housing complex of division 2B; and the dump area. There are 5 fire potential area in TK III Estate. Those are housing complex and generator station of division 4A; housing complex and office of TK III Estate; the dump area of division 4B; housing complex of division 4B; and peatland area of division 4A.

Monitoring of the fire potential area. For example:

- TK 3 Estate on December 2014 in 8 location (there is no hotspot).

During period of 2014, there were land fire at estate. For example:

- TK I Estate area, division 4A, block 99F for ±4 Ha in February 11th 2014
- TK III Estate area, division 4A next to block 97E for ± 5 Ha in March 6th 2014.
- TK III Estate area, division 4A next to block 97E and 94D for ± 5 Ha in March 13th 2014

The company has fire extinguishing equipments and facilities which are consisted of:

- 2 unit of Farm Tractors
- 2 unit of trailer fires extinguishers
- 4 unit of water tanks
- 1 unit of shibahuran machine type TF516MH (Jet pump)
- 1 unit of robin machine
- 1 unit of Stick 2"
- 3 unit of vacuum hose 3"
- 10 roll of @ 20 meter hose 2"
- 12 unit of glasses
- 12 unit of yellow helmets

- 1 unit of fire extinguishing machine (Kohler)
- 1 unit of 1,5 inch hose
- 1 unit of 1,5 inch stick
- 1 inch 10 roll @ 30 meter hose
- 22 fire extinguishers

The record of fire handling/extinguishers facilities monitoring during period of 2014 has been shown.

TK POM fire extinguishers facilities

- 8 unit of Hydrant boxes in size 2,5 “
- 24 fire extinguishers

The record of fire handling/extinguishers facilities monitoring during period of 2014 and January – February 2015.

Status: Complied

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

The company has composed plan to reduce paraquat usage in the document of paraquat dichloride monitoring for the last 5 years. It was legalized by the General Manager. The paraquat is targeted to be reduce up to 10% (6,241 liter) in period of 2013; the paraquat usage is targeted to 5,548 liter on 2014; the paraquat usage is targeted to 4,855 liter on 2015; the paraquat usage is targeted to 4,162 liter on 2016; the paraquat usage is targeted to 3,469 liter on 2017.

Environment Impact:

The company has composed HCS training program with the third party on August 2014 to improve the awareness of manager/assistant/HCV officer to manage and monitor HCV area. Furthermore, the company has programs to update the HCV signboard, the statute-protected species, DCC painting on June 2014.

Social Impact:

Fixing and repainting the housing complex of the employees on 2014, improving the mosquitos fogging program, consultation with the external stakeholder (October 2014).

There is a document of the ST-2 assessment follow up. It describes the corrective actions follow up conducted by management unit of PT Sekarbumi Alamlestari, there are 12 followed up Minors and 22 followed up OFI.

Report of RSPO Internal Audit by Team of Sustainability of Mandau Central Lab (Florida Hutasoit & Ifanly Simorangkir) on November 18th 2013.

There is a Assistant Mill Adviser Report on KKS- Tapung Kanan, Period of 2012 – 2013. It describes the information of mill operational for the last 1 year and the recommendation of the adviser as part of sustainable corrective action referring the RSPO standard (it is described in the end of the report).

Management unit has followed up the result of surveillance-1 assessment. It contains the corrective action follow up conducted by PT. Sekarbumi Alamlestari. There are 2 followed up Minor. Report of RSPO internal Audit by Team of Sustainability of Mandau Central Lab (Florida Hutasoit) on November 2014.

Status: Complied

3.2. Summary of Assessment Report of Supply Chain

Clause	(Module E) CPO Mills - Mass Balance Requirements
1	Documented procedures
1.1	<p>The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements. 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 facilities procedures for the implementation of this standard.
	<p>Sekarbumi Alamlestari Palm Oil Mill has had procedure of supply chain operation which describes:</p> <ol style="list-style-type: none"> Origin of FFB Documentation for Sustainable Crude Palm Oil (Sustainable CPO), consisted of : FFB receipt daily report, CPO production classified as CSPO daily report, recapitulation of CPO sale (RSPO/ISCC), record of the stock reconciled with FFB receipt, monthly production and sales and annual recapitulation. Documentation for untuk Sustainable Palm Kernel (Sustainable PK), consisted of : record of FFB delivery and then calculation of sustainable PK daily production, record of PK classified as sustainable PK daily production, monthly recapitulation of sustainable PK sale, record of stock reconciled with record of FFB receipt, monthly production and sales and annual recapitulation. <p>Responsibility of management (mill manager) and internal audit to ensure the SOP requirements sustainable implementation on the certified palm oil mill.</p>
	Status: Complied
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>
	<p>Sekarbumi Alamlestari Palm Oil Mill has had procedure which regulates:</p> <ol style="list-style-type: none"> FFB receipt on each security post and weighbridge station. <ul style="list-style-type: none"> FFB sent by RSPO-certified internal supplier. FFB sent by non-certified RSPO external supplier. Detail of the supplier and result of weighing will be input on the computer. Production and storage tank – Plant & Storage Tanks <ul style="list-style-type: none"> CPO supply (POM which is still implementing MB model need to provide separated sheet to calculate the quantity of the daily produced CSPO quantity. It generates calculation of total of CPO multiplied with % of FFB from internal supplier). The produced MB quantity is then recorded daily on the book of record of actual production on metric tonnes. FFB sent by RSPO-certified estate must be stamped “RSPO” on the weighbridge ticket. No different on the recording of Sustainable PK as sustainable CPO. Sales & Despatch to refinery <ul style="list-style-type: none"> Sustainable CPO & PK All contract are directly sent to POM from KLK head office in Ipoh, Malaysia, refer to the SCCS module (MB). KLK shall comply the procedure refer to RSPO guideline on communication and claim if they sell CSPO. No different on Sustainable PK sales just like sustainable CPO sales. <p>Model of the now-implemented supply chain is Mass Balance (description of product is written on the document of PK sales.</p>

For example invoice on MB).

Management unit has list of the FFB supplier sent the FFB to Tapung Kanan POM, it consisted of TK 1 Estate, TK 2 Estate, TK 3 Estate as internal supplier and scheme smallholder of (KKPA) Sahabat Lestari of Kota Garo Village as external supplier.

Status: Complied

2 Purchasing and goods in

2.1

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

Management unit has record in term of FFB receipt from nucleus estate and the non-certified estate (KKPA) as follows:

1. Report of production statistic for period of April 2014 to February 21st 2015. Total of the certified FFB volume was that TK 1 Estate: 35,584.32 ton; TK 2 Estate: 36,666.45 ton; TK 3 Estate: 31,950.80 ton. Volume of the non-certified (KKPA) FFB was : 14,914.60 ton.
2. Report of production for period of January 2015. Total of the certified FFB volume was that TK 1 Estate: 3,038.23 ton; TK 2 Estate: 3,370.430 ton; TK 3 Estate: 2,802.78 ton. Volume of the non-certified (KKPA) FFB was 4,420.19 ton.

According to the result of observation in weighbridge, the document of Delivery Advice Internal (Internal FFB Covering Letter) has not yet stamped with RSPO, it does not comply the owned SOP on point B in term of production and storage tank (plant and storage tank). **It becomes nonconformity, See NCR 2015.16.**

Root Cause:

A lack of understanding weight bridge operator

Corrective Action:

Ensuring that all operations associated with the SCCS can be run in accordance with the SOP.

Preventive Action:

Improved understanding of the SOP SCCS to all key employees.

Observation of March 11, 2015

The management unit has made the application of SOP with RSPO stamp on TBS weigh tickets nucleus. While the weigh tickets from KKPA not given stamp RSPO.

As an example:

Tickets weigh No. 039 098 of Division 3A dated March 5, 2015, No. BM 8026 AH police truck with a net weight of 5,190 Kg TBS (stamped RSPO).

Tickets weigh No. 039 099 City of KKPA Garo dated March 5, 2015, No. Police trucks BM 8540 DU with a net weight of 7,170 Kg TBS (not stamped RSPO).

Conclusion Auditor:

Based on the evidence of improvement with the addition of RSPO stamp on the weigh tickets from nucleus, then the discrepancy SCCS Clausul 2.1. Version 2011 has been fulfilled.

Status: Complied

2.2

The facility shall inform the CB immediately if there is a projected overproduction.

According to the procedure management unit shall informs the CB if the production of CSPO exceeding the quantity of CSPO written on RSPO certificate.

During Surveillance 2, management unit has the data of actual production for period of April 2014 to February 21st 2015 as follows:

- FFB of TK 1 Estate: 35,584.32 ton
- FFB of TK 2 Estate: 36,666.45 ton
- FFB of TK 3 Estate: 31,950.80 ton
- CPO: 21,957.17 ton
- PK: 5,422.21 ton

Attachment of surveillance 1 certificate claim:

- FFB of TK 1 Estate: 42,406 ton
- FFB of TK 2 Estate: 43,718 ton
- FFB of TK 3 Estate: 37,280 ton
- CPO: 25,853 ton
- PK: 6,491.05 ton

According to the data, the actual production is still below the projection on period of 2014.

Status: Complied

3 Record keeping

3.1

The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.

According to the SOP of supply chain of Sekarbumi Alamlestari POM, entire record shall be maintained for at least 10 years refer to the law requirements. For example:

- Form of FFB, CPO, and PK weighing
- Travel document
- Copy of Delivery Order
- Recapitulation of CPO and PK production since 2013.

According to the result of observation to document maintaining room (weighing form and travel document), the documents are maintained based and organized based on month.

OFI: Management unit has an opportunity to improve document maintenance.

**Minor
3.1.1**

Status: Opportunity for Improvement

3.2

Retention times for all records and reports shall be at least five (5) years.

According to the SOP implemented by POM, all document related to SCCS shall be maintained for at least 10 years refer to the law requirements.

According to the result of observation to document maintaining room (weighing form and travel document), the documents are maintained based and organized based on month. Meanwhile, document of DO and recapitulation of CPO and PK production is maintained on the chamber of head of administration with the administration staff in charge (Tina).

Status: Complied

3.3

- a. The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal 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 facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.

PT SA records entire quarter-based RSPO-certified FFB and PK receipt. Example of recapitulation for period of November 2014 untill January 2015:

Month	FFB Certified (Kg)	CS CPO (Kg)	CS PK (Kg)	Sale CS CPO (Kg)	CSPC Balance (Kg)	Sale CS PK (Kg)	CSPK Balance (Kg)
October'14	-	-	-	-	14,615,211	-	2,549,319
November'14	10,238,710	2,207,178	498,209	-	16,822,388	460,910	2,586,618
December'14	10,000,590	2,093,597	511,089	-	18,915,986	760,680	2,337,028
January'15	9,211,440	1,875,935	457,616	-	20,791,921	314,420	2,480,223

According to the result of result of field visit to weighbridge, there was 25,440 Kg of CPO delivery on February 17th 2015 and

there was 28,060 Kg of PK delivery on February 23rd 2015. Despite there is no claim of certified CPO product until now, but management unit is not able yet to show the record of positive stock for each CPO and and PK delivery. **It becomes nonconformity, NCR. 2015.17.**

Root Cause:

SCCS recording system is conducted every end of the month, so it can not track the number of incoming TBS and CPO / PK exit per day.

Corrective Action:

Mervisi recording system (book keeping) FFB and CPO incoming / outgoing PK.

Preventive Action:

Improved understanding of the administrators who do book keeping records.

Observation of March 27, 2015

The management unit has made changes to the recording of stock FFB, CPO and PK certified and non-certified. Based on the results of the calculation of the stock CSPO dated February 17, 2015 was 73.606 kg. As for the stock CSPK dated February 23, 2015 was 1,630,989 Kg (still in stock positive). In addition the unit can also show records management up to March 25, 2015 according to the latest format.

Conclusion Auditor:

Based on a record stock (book keeping) the latest. Then the discrepancy SCCS Clausul 3.3.c. Version 2011 has been fulfilled

Status: Complied

3.4

The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.

Management unit did not claim CPO as certified product in last 1 year. Management unit only claims certified PK.

Examples of CPO & PK sales contract are as follow:

1. CPO Sales from PT. SA (Ref#: SBIC/00442-S/CPO) to PT. Kreasijaya Adhikarya (Jl. Datuk Laksamana Komplek Pelindo Dumai), dated February 17th 2015 for 187 Metric Tonnes of CPO.
2. CPO Sales from PT. SA (Ref#: SBI/00686-CPO-USEPA) to PT. Wilmar Nabati Indonesia (Gedung B&G Lantai 9 Jl. Putri Hijau No. 10, Kesawan, Medan Barat, Medan) for 500 Metric Tonnes of CPO with US EPA Segregation.
3. PK sales from PT. SA (Ref#: SBI/00442-PK-MB) to PT. Adei Plantation&Industry (Ref# :ADEI/PK-MB/0215/21) dated February 17th 2015 for 100 MT of Sustainable Palm Kernel (Mass Balanced).

Status: Complied

3.5

In cases where a mill outsources activities to an independent 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.

Sekarbumi Alamlestari Palm Oil Mill only sell PK to PT Adey Plantation & Industry which is still under one umbrella (holding) from Kuala Lumpur Kepong Berhad (Indonesia). There is sales cooperation agreement written on the document of Local Delivery Contract, Sellers PT Sekarbumi Alamlestari (Date: June 6th 2013, Ref # : SBI/00366-PK-MB) with Buyers: PT Adey Plantation & Industry (Ref # : ADEI/PK-MB/0813/2).

Status: Complied

4

Sales and goods out

4.1

The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information:

- (a) The name and address of the buyer
- (b) The date on which the invoice was issued
- (c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)
- (d) The quantity of the product delivered
- (a) Reference to related transport documentation

Management unit did not claim CPO as certified product in last 1 year. Management unit only claims certified PK.

1. Palm Kernel (PK)

Name and Address of Buyer: PT Adei Plantation & Industry, Alamat Kompleks Pertokoan Taman Anggrek Blok B2 – B5, Pekanbaru-Riau. (Mandau Kernel Crushing Plant)

Date: February 17th 2015

Description of product: Mass Balanced (stamp on weighbridge ticket)

Quantity: 100 MT

Reference of transportation documents: there are travel document, weighbridge ticket, and DO. Delivery on February 17th 2015 was using truck with police number BM 8602 LT and driven by Feroz E. H. Sihombing (Driving License: 840207220089), total 100,000 Kg (FFA: 1.4%; Moisture: 6.00%; Dirt: 6.05%).

According to DO Number 0013/SA-S/PK/15 and contract number SBI/00439-PK-MB.

2. CPO

Name and Address of Buyer: PT Wilmar Nabati Indonesia Gedung B & G Lantai 9 Jl. Putri Hijau No. 1, Kesawan, Medan Barat, Medan Sumatera Utara.

Date: January 28th 2015

Description of product: it did not claim certified CPO, it only claims for using United State Environment Protection Agency (US EPA Segregation).

Quantity: 1,000 MT

Reference of transportation documents: there are travel document, weighbridge ticket, and DO. CPO delivery is conducted gradually. For example, delivery on February 9th 2015 with total of quantity was 25,520 Kg (FFA: 4.48%; Moisture: 0.32%; Dirt: 0.024%). was using truck with police number BK 8194 BF and driven by Bobby Rambe (Driving License: 680809160588).

Based on Do No. 0016/SA-S/CPO/15 with contract No. SBIC/00033-S/CPO/USEPA.

Status: Complied

5 Training

5.1

The facility shall specifies and provides the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.

Management unit has training program for period of 2015 for entire staff and operator on March 2015. Meanwhile, the realization of SCCS training for period of 2014 shall be held gradually:

1. Training for staff and management was held on January 8th 2014. It was attended by 10 participants and it was taught by Master Stephen Tiong.
2. Training for entire employee in each station was held on January 13th 2014.
3. Training for transporter which was held on February 25th 2015. It was attended by 4 transporters.

According to the document review, SCCS training was held on January 2014. However, according to the result of interview with security and weighbridge operator, they were still not aware of the implementation of Module E (Mass Balance) supply chain model. **It becomes nonconformity, NCR. 2015.18.**

Root Cause:

Unaware that security personnel scales and some lack of understanding regarding the certification system of supply chain.

Corrective Action:

Do retraining to personnel associated with supply chain activities in the scales and security officers.

Preventive Action:

Retraining will be conducted for all relevant personnel annually.

Observation of March 11, 2015

The management unit for training on supply chain SOP on March 5, 2015, followed by security and krani scales as many as 5 people.

Conclusion Auditor:

Based on the evidence SCCS SOP training on March 5, 2015, the discrepancy SCCS Clausul 5.1. Version 2011 has been fulfilled.

Status: Complied

6

Claims

6.1

The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.

Sekarbumi Alamlestari – POM is now able to show the usage of claim supporting RSPO-certified CPO refer to RSPO Guidelines for Communication and Claims written on Sales Contract, Delivery Order, Sales Invoice and Invoice (PT. SA now uses certified palm kernel claim only).

Status: Complied

3.3. Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-01	Tapung Kanan POM PT Adei Plantation & Industry has had approval / permit to use the certificate with the number MUTU-RSPO/025 and Confirmation Letter "Sertifikat RSPO dan Aturan Penggunaan Logo".	√
	Status: Complied	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-01	During the Surveillance Tapung Kanan POM and its supply base does not use the logo on-product and off-product.	√
	Status: Complied	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-01	During the Surveillance Tapung Kanan POM and its supply base does not use the logo on-product and off-product.	√
	Status: Complied	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-01	During the Surveillance Tapung Kanan POM and its supply base does not use the logo on-product and off-product.	√
	Status: Complied	

3.4. Summary of RSPO Partial Certification.

Total companies observed: Total management unit observed ($0.8\sqrt{Y}$), where Y is the total units in the management of listed companies that have not been RSPO Certified. 1. PT. Karya Makmur Abadi, Sub District of Mentaya Hulu, District of East Kotawaringin, Province of Central Kalimantan, Indonesia. 2. PT. Satu Sembilan Delapan, Sub District of Gunung Tabur, District of Berau, Province of East Kalimantan, Indonesia. Observation date: February 27 th , 2015		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	PT. Karya Makmur Abadi East Kotawaringin Regent Decree No. 188.45/265/Huk-Ek.SDA/2014 dated July 21 st , 2014 on amendment to East Kotawaringin Regent Decree No. 525.26/604/VIII/EK.BANG/2006 on Business Plantation Permit on behalf of PT. Karya Makmur Abadi. PT. Satu Sembilan Delapan Berau Regent Decree No. 23 of 2006 dated January 24 th , 2006 about Business Plantation Permit (For Estate) on behalf of PT. Satu Sembilan Delapan. Berau Regent Decree No. 550 of 2007 dated December 6 th , 2007 about Business Plantation Permit (For Estate) on behalf of PT. Satu Sembilan Delapan. Berau Regent Decree No. 663 of 2008 dated December 30 th , 2008 about Business Plantation Permit (For Mill) on behalf of PT. Satu Sembilan Delapan.	√
	Status: Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	PT. Karya Makmur Abadi Cadastral measurements carried out by the National Land Agency of Republic Indonesia – Sub Directorate (<i>Batas Bidang Tanah Direktorat Penetapan Batas Bidang Tanah dan Ruang Deputy Bidang Hak Tanah dan Pendaftaran Tanah</i>) of 2006 dated November 2 nd , 2006. The results of Cadastral measurements that's: <ul style="list-style-type: none"> - Results of circumference measurement are 14,778.076 ha. - Results of circumference measurement (netto) worth roads and overlap locations with PT. Minera Bumi Reksa Perdana are 13,236.500 ha. PT. Satu Sembilan Delapan Head of National Land Agency RI Decree No. 16-HGU-BPN RI-2009 dated January 22 nd , 2009. That is based on the results of the measurement by (<i>Panitia B East Kamimantan Province</i>) and the status of land requested by PT. SSD is State Land, and wholly within the Non Forest Cultivation Areas according to RTRWP East Kalimantan (Synchronization of 1999) and land with area 27 hectares of which is through payment of compensation. Land Use Title area 5,676.61 hectares is located in the Village of Tasuk, Village of Gunung Tabur, and Village of Gunung Sari, Sub District of Segah, Berau District, East Kalimantan Province. The Concession is valid for 35 years.	√
	Status: Compliance	
6.3	There is a mutually agreed and documented system for dealing with complaints and	X or√

	grievances, which is implemented and accepted by all parties.	
	PT. Karya Makmur Abadi SOP No. 1 about information request and response on December 1 st , 2013. It's described regarding request for information/complaints about environment, social and legal issues. PT. Satu Sembilan Delapan SOP No. 1 about information request and response on December 1 st , 2013. It's described regarding request for information/complaints about environment, social and legal issues.	√
	Status: Compliance	
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.	X or√
	PT. Karya Makmur Abadi SOP No. 26 for resolution and land disputes, dated December 1 st , 2013 is described Land Disputes/Bordering; Land Occupation, and Social Issues. PT. Satu Sembilan Delapan SOP No. 26 for resolution and land disputes, dated December 1 st , 2013 is described Land Disputes/Bordering; Land Occupation, and Social Issues.	√
	Status: Compliance	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	PT. Karya Makmur Abadi Based on document Identification and Analysis of High Conservation Value (HCV) conducted by PT. Jump Consulting in 2010. There are identified HCV1.2, HCV1.3, and HCV4.1. area 136.86 hectares located in Riparian of Kawan Batu River, Riparian of Hai River and Riparian of Sapiri River. Than identified HCV3 and HCV4.2 area 15 hectares is located in Riparian of Kawan Batu River. There's no new planting after November 2005 in Primary forests and HCV. PT. Satu Sembilan Delapan Base on document Identification and Analysis of HCV by PT. Jump Consulting in 2011. There's un identified HCV on PT. Satu Sembilan Delapan.	√
	Status: Compliance	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	PT. Karya Makmur Abadi The Company has conducted land compensation to the land owners previous from 2005 to 2014. Company also can indicated recording land compensations: <ul style="list-style-type: none"> - Land has compensations in 2012 areas 1,049 ha - Land has compensations in 2013 areas 4,363.13 ha - Land has compensations in 2014 areas 2,563.30 ha PT. Satu Sembilan Delapan The Company has conducted land compensation to the land owners previous for 14 plots land by	√

Notary Susilawati, SH which has lowered the status of land certificate.			
No	No. Certificate	Area (M2)	
1.	14	19.999	
2.	22	6.583	
3.	25	20.000	
4.	18	14.898	
5.	19	20.000	
6.	20	15.113	
7.	23	11.597	
8.	21	12.384	
9.	33	20.000	
10.	41	20.000	
11.	43	20.000	
12.	46	20.000	
13.	17	20.000	
14.	26	13.351	
Status: Compliance			
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√	
<p>PT. Karya Makmur Abadi</p> <p>The Company has conducted land compensation to the land owners previous from 2005 to 2014. Company also can indicated recording land compensations:</p> <ul style="list-style-type: none">- Land has compensations in 2012 areas 1,049 ha- Land has compensations in 2013 areas 4,363.13 ha- Land has compensations in 2014 areas 2,563.30 ha <p>PT. Satu Sembilan Delapan</p> <p>The Company has conducted land compensation to the land owners previous for 14 plots land by Notary Susilawati, SH which has lowered the status of land certificate.</p>		√	
No	No. Certificate		Area (M2)
1.	14		19.999
2.	22		6.583
3.	25		20.000
4.	18		14.898
5.	19		20.000
6.	20		15.113
7.	23		11.597
8.	21		12.384
9.	33		20.000
10.	41		20.000
11.	43		20.000
12.	46		20.000
13.	17		20.000
14.	26		13.351
Status: Compliance			

3.5 Finding Identification, Corrective Action, Observation, Opportunity for Improvement and Noteworthy Positive Component.

3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-01

CAR No.	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.01	Minor 6.3.1	<p>There are records, complain mechanism/objections.</p> <p>There is an HGU area in Block 99 H, which is claimed (owned) by some community groups. The accusation has been delivering to PT SA. Based on Bangkinang Court decision No. 36. /Pdt.G/2009/PN.Bkn on 20 April 2010, it is stated that the accusation is rejected, and the community groups are lose. However, in fact, until now this area can't be managed by the company because some community groups don't want to received the court's decision. There is no complaining mechanism document available.</p>	PT SA	Minor	S-2	<p>The company should be able to present the record of complain mechanism/objection in Block 99 H.</p>	<p>Root Cause: Less aware that recording on problem solving land conflicts ex-Dolok should be made despite the de jure land already won in court by Sekarbumi.</p> <p>Corrective Action: Do Dialogue with community groups Doloksaribu last date 01/29/2015 (Refer to evidence the minutes and the attendance list dialog) We have already done the overthrow of the existing oil plants in the land for the next replanted by the company.</p> <p>Preventive Action: All complaints / lawsuit resolved by recording the evidence of each step / dialogue conducted in the form of news events, photograph, signature, etc.</p> <p>Observation Verification of February 23, 2015 There is recorded evidence in the form of: - Notification No.001 / KM-CEC / SA / I / 2015 to the owners of buildings, houses, huts, barracks, plants etc. to do the</p>	Closed	29 April 2015

CAR No.	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>demolition with a time of one week from the date of January 21, 2015</p> <ul style="list-style-type: none"> - Recording the results of meetings with No.027 / SM-TKE / SA / I / 2015 dated January 31, 2015. The meeting between the companies, families Cs Dolok accompanied by police chief on January 29, 2015. - For recording the handling of complaints / objections in Block 99 H are met. However, at the time of observation surveillance-2 found several complaints both from employees and the surrounding community, for example: <ul style="list-style-type: none"> - Officers warehouses have a complaint against an increase in salaries and employee status - One employee harvest in CEC 2, Division 3B asks the provision of a particular religion tomb - Complaints from community Rural Urban Garo community about arable land being taken over by the company - There were complaints when washing activities trenches, digging too close to the community garden. So that citizens are threatened uprooted palm. According to available data locations along the 3.2 Km from the grave or include 8 blocks - Based on interviews with harvesters division 4B CEC 3, complained about the lack of decent septic tanks and leaky 		

CAR No.	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>roofs.</p> <ul style="list-style-type: none"> - Related to this Indicator is still unmet. <p>Verification 29 April 2015</p> <ul style="list-style-type: none"> - Against the warehouse personnel, the company has a promotion mechanism for all employees. If accomplished, it will likely to be promoted. - Related to the tomb, the company has been providing TPU for all employees. - Related to the complaints / issues of the community lands appropriated by the company. Actually it is a land in the CEC I Division 2B on the claim by Dolok Saribu Cs. Results Bangkinang District Court and won by PT. Sekarbumi Alamlestari (dated May 6, 2010). - Corporate communication with village residents complaints related to issues of public premises as a result of leaching trenches, but there is no such issue. This is evidenced by the statements of representatives of the village suarat Tri Manunggal that no complaint related to the laundering of the trench. - Unit management has responded to complaints from employees by improving the septic tank and weatherproofing on March 8, 2015 (photo attached evidence of improvements and fixes the official report). <p>Based on the evidence of these</p>		

CAR No.	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							improvements, the indicator is fulfilled.		
2014.02	Minor 4.7.6	<p>The provision of occupational health and safety(OSH).</p> <p>Based on field visit, there are still some personnel that unwearing the PPE, for instance is the harvesting officer. The explanation from the management unit, the company not provides the PPE for this officer.</p>	Estate	Minor	S-2	The company should provide the PPE for the entire personnel.	<p>Root Cause: Unaware that the collector brondolan also be provided PPE</p> <p>Corrective Action: PPE for brondolan collector provided (refer Recording Receipts APD)</p> <p>Preventive Action: Provision of PPE in accordance with K3 and Risk Assessment Register APD for various activities</p> <p>observation: Verification Auditor (February 23, 15): Has shown evidence of record spending PPE for this type of work quotation berondolan with a given type of PPE is Shoes / Boots on February 21, 2015. Will be back on field trips</p>	Closed	23 February 2015

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA 02

No.	Ref Std	Nonconformity	Grade	Location	Deadline	Corrective Action	Observation and Date	Status	Closed Closed
2015.01	Major 2.1.1	<p>Comliance over the associated law.</p> <ul style="list-style-type: none"> - According to the result of document review and interview with temporary daily fruit picker, they have been working for 21 day for 3 months and no promotion proposed for them. 	Major	PT.SA	April 29 th 2015	<p>Company must ensure that entire requirement of law compliance. For example:</p> <ul style="list-style-type: none"> - Company must follow up the status of workers in term of temporary daily labour or contract workers refer to decree of Manpower Ministry Number 100 Year 2004. 	<p>Root Cause: Companies are not aware that the work done brondolan citations in bulk must be provided a letter of agreement</p> <p>Corrective Action: Employment Agreements provide Wholesale (Wholesale SPK) to work brondolan citation signed by both parties on the stamp (evidence attached)</p> <p>Preventive Action: All work is contracted or supplied diborongkan SPK)</p> <p>Observation of March 31, 2015 The management unit shows an example of the Letter of Agreement No. Wholesale ST 011KB / SPB / CEC III / III / 2015 dated March 17, 2015 between PT. SA with Siti Gholizah to work from March to kutib berondolan September 2015 in Division 4A, 97E, 99F, 99G and PN06 Rp. 200 / Kg. to the head</p>	Close d	31 March 2015

							<p>contractor to get additional (premium) 5% of the total payment. In addition there is an employment contract agreement related to the regulation of Safety, Health, Environment and Labour (7 points); one of the points mentioned that the worker must be insured, following the Standard Minimum Wage Riau and experienced / trained.</p> <p>Conclusion Auditor: Based on the evidence of these improvements, the ketidakseuaian Major 2.1.1. met with a note:</p> <p>1. It should be interviewed during the visit of subsequent audit contractors to ensure the contents of the contract agreement TSB.</p> <p>2. It should be assessed on the evaluation of the company towards pemenenuhan required in the SPK, especially 7 Point Agreement safety regulations, Health, Environment and Labor.</p>		
2015.02	Minor 3.1.2	Annual replanting program is re-evaluated. According to the result of	Minor	Kebun	S-3	Company must able to show the replanting program for at least next	Root Cause:	Open	

		document review of the 7 years plan composed by company, the replanting program is not yet fully described (describing block and annual evaluation).				5 years supported with annual evaluation.	Corrective Action: Preventive Action:		
2015.03	Minor 4.4.1	Record of water management program implementation Company cannot shows the result of clean water nor community well water test yet.	Minor	Estate and Mill	S-3	Company must test community well water to ensure the quality threshold complies the Health Ministry Regulation Number 416 year 1990 in term of requirements and monitoring of water quality on attachment I and II.	Root Cause: Corrective Action: Preventive Action:	Open	
2015.04	Minor 4.5.2	Record of IPM and IPM training According to the result of document review, IPM training has been held since 2012. However, there was no more IPM training nor evaluation over the result of held training since 2013 untill now.	Minor	Estate	S-3	Company must show the evaluation over the held training to determine whether training needs to be held again or not.	Root Cause: Corrective Action: Preventive Action:	Open	
2015.05	Major 4.6.3	Evidence of the usage of agrochemicals applied by the well trained officer. According to the result of field visit and interview with spraying foreman named Dewi (TK 3 Estate, division 4B), she was not able to use agrochemicals and she was	Major	Estate	April 29 th 2015	Company must ensure the agrochemicals usage is applied by the well trained officer.	Observation of 16 April 2015 Root of the Problem: Companies are not aware that the newly appointed foreman spraying must participate trained in pesticide spraying limited Corrective Action: Do the	Closed	16 April 2015

		not included on agrochemicals usage training.					<p>survey of the entire power sprayers new and old who have not received pesticide training certificate is limited then given training by the Pesticide Commission. Attached is evidence that training has been carried out on April 7, 2015 last.</p> <p>Precautions: Power sprayers will be given training on a regular basis every tahunnya</p> <p>Conclusion Auditor: The Company has conducted training parawuat operator with PT. Kenzo Indonesia and the Department of Agriculture & Animal Husbandry Riau Province and attended by the Chairman of the Commission of the Fertilizer and Pesticide Riau Province on April 7, 2015 (in the attached attendance and training documentation). Based on the evidence of these improvements, the indicator is fulfilled.</p>		
2015.06	Minor 4.7.2	<p>Regular medical check up for the workers working on high-risk stations.</p> <p>According to the document review, the latest auditometri</p>	Minor	Mill	S-3	Company has to show the evidence of auditometri check up held regularly for the high-risk workers.	<p>Root Cause:</p> <p>Corrective Action:</p>	Open	

		check up was held on 2011 for POM workers working on press station, hosting crane station, kernel station, engine room. On 2014, medical check up for the workers work in noise area was only physical otolaryngology check up (audiotometri was not included). It is not comply SOP number 22 in term of medical check up. Medical check up for boiler operator did not has enough evidence.					Preventive Action:		
2015.07	Minor 4.7.6	Evidence of the OHS equipment provision in workplace. According to the field visit, there are several acts that: <ol style="list-style-type: none"> 1. Placement of fire extinguisher in chemicals warehouse is no suitable with the label. Furthermore, the pressure indicator shows that the fire extinguisher is in recharge condition. 2. Hydrant valve hose inside box number 7 in boiler area is not well functioned. 3. Housekeeping for fire extinguishers in processing station is not routinely conducted. 	Minor	Mill	S-3	The company has to show te evidence of the OHS equipments provision in workplace.	Root Cause: Corrective Action: Preventive Action:	Open	

		<p>4. Maintenance over the panel box and water pump in WTP is not consistently conducted yet.</p> <p>5. There are still a lot of cigarette found in workplace such as in transfer carriage and sterilizer area</p>							
2015.08	Minor 4.7.8	Report of Work Accident According to the document review, there is no work accident during period of 2014/2015. However, according to the interview with the medical assistant in polyclinic, there are 10 work accidents.	Minor	Estate	S-3	The company must be able to show the report of work accident.	Root Cause: Corrective Action: Preventive Action:	Open	
2015.09	Major 5.1.1.	Documentation and Impact Analysis. The company is not showing the document of environment impact assessment which cover the replanting program yet.	Major	Estate	April 29 th 2015	The company must be able to show the document of environment impact assessment which cover the replanting program.	Root Cause: Companies are not aware that there must be a document analyzes the environmental impact of replanting activity. Corrective Action: Carried out remedial actions to prepare a document analyzing the environmental impact of replanting activity at PT. Sekarbumi Alamlestari.	Closed	21 April 2015

							<p>Preventive Action: All changes will be made replanting activities such as impact analysis document.</p> <p>Conclusion Auditor: The management unit has conducted a study replanting by internal team, the document has been informed Identifying Environmental Impact and Risk Assessment. And has no action to reduce the risk of replanting activities. In addition there are also efforts to manage and monitor social impact and environmental impact of replanting activity. Then report on the implementation and monitoring of the management of social and environmental impacts of replanting activities will be reported each semester to Riau Province BLH, BLH Kampar, and BKPMMD.</p> <p>Based on the results of these improvements, the discrepancy can be fulfilled.</p>		
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2015.10	Major 5.1.2	Reporting of environment management The company is not reporting the implementation of environmental management and monitoring effort (especially the report in 2 nd semester of 2014) referring the matrix of environmental management and monitoring on document of environmental management and monitoring effort.	Major	Estate	April 29 th 2015	The company must conduct the effort of management and monitoring referring the matrix of environmental management and monitoring effort (especially the report in 2 nd semester of 2014).	Verified on 21 April 2015 Root Cause: Companies are not aware that the reporting of the implementation of environmental management and monitoring efforts are not sufficient if you follow the advice and input from the Environment Agency alone but must be adapted to the matrix in the UKL / IPL. Corrective Action: Corrective action in the form of a revised document reporting the implementation of appropriate environmental management and monitoring matrix in UKL-UPL. This document has been sent back to the BLH with the receipt attached. Preventive Action: Reporting the implementation of UKL-UPL will always refer to the matrix in the UKL-UPL.	Closed	21 April 2015
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							<p>Conclusion Auditor:</p> <p>Auditor memeverifikasi revision report on the implementation of UKL-UPL second semester 2014 such as by managing and monitoring the impact of civil unrest, erosion, water quality and aquatic biota Right Tapung river waters, existence of wildlife, public unrest over the river water quality and the health of the factory workers.</p> <p>Attached interviews with the public, the results of water quality analysis Tapung River and checklist of important species.</p> <p>The management unit also has however to aquatic biota analysis results recently completed on 21 April 2015 and report the results of recently completed erosion rate on May 27, 2015 (attached letter No. 040 / AL / LAB-KL / IK / IV / 2015 from Laboratory of Chemistry Sea, University of Riau dated 16</p>		
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							April 2015. Based on the letter from the University of Riau associated with the test results there is no result, then the Major indicators 5.1.2. fulfilled.		
2015.11	Minor 5.2.2	Well-Trained HCV Officer The company is not realizing the plan of HCV area monitoring and management that should be conducted on August 2014.	Minor	Estate	S-3	The company must hold proper training as the plan, especially for the HCV officer.	Root Cause: Corrective Action: Preventive Action:	Open	
2015.12	Minor 5.3.1	Plan of Hazardous Waste Management The company is not able to show the document of medical waste burning (infectious waste) cooperation with the waste collector.	Minor	Estate	S-3	The company must be able to show the document of medical waste burning cooperation with the waste collector.	Root Cause: Corrective Action: Preventive Action:	Open	
2015.13	Major 6.5.1	Employees Wage The wage adjustment for the monthly employee has been started since February 1 st 2014. However, there are still underpaid employees. Therefore, the company is not totally adjust the wage based on the decree of Riau Governor number 29 year 2014	Major	PT.SA	April 29 th 2015	The company has to give the basic salary to the employee based on the regulation. The wage of the contract workers must be adjusted with regulation of the minimum wage (Manpower Ministry Regulation Number 01	Verified on 22 April 2015 Root Cause: Companies are not aware that the placement of nominal basic wage component must comply with the minimum wage. Corrective Action:	Closed	22 April 2015

		<p>which has been issued on January 1st 2014.</p> <p>According to the document verification of the report of TK 2 Estate, division 3B loosen fruit, the loosen fruit picker was only receiving IDR 1,229,856 in period of August 2014.</p> <p>The gross income received by POM employees is above the minimum wage standard. However, the components of the basic salary received by the POM employee is still below the determined minimum wage. It has impact on the calculation of overtime salary per hour.</p>				<p>year 1999)</p> <p>Overtime payment should be paid based on the applied regulation (Decree of Manpower Ministry Number 102 year 2004)</p>	<p>Corrective action where basic wage component has been adapted to the agricultural sector minimum wage. So also with the formula of calculation of overtime wages adjusted to the Decree No. 102 2004 Article 10. Enforcement of wage and overtime pay for the period from January 2015 (refer to the Circular of the Director). It also agreed with the Union that the imposition of wage Barudan new calculation of overtime wages will begin in January 2015.</p> <p>Preventive Action: Nominal basic salary and overtime pay calculations will be monitored each year must be in accordance with the applicable minimum wage.</p> <p>Conclusion Auditor: Auditor verifies: 1. Circular of the Director of PT. SA No: 002 / SA / Circulation / IV / 2015 which is</p>		
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							<p>about the new wage employees who are tailored to the prevailing regulations, namely Riau Governor Decree No. Kpts. 244 / III / 201 and BKS-PPS No. 25 / BKS-PPS / 2015 were effective on January 1, 2015.</p> <p>2. Circular of the Director of PT. SA No: 003 / SA / Circulation / IV / 2015 relating to the calculation of overtime wages that are tailored to Decree No. 102 / MEN / VI / 2004, which will be implemented starting January 1, 2015 in accordance with an agreement with the union based on the Minutes dated February 27, 2015.</p> <p>3. Wholesale SPK example No. ST 01 / KB / SPB / CEC / III / 2015 concerning employment agreement picker contract.</p> <p>Based on the evidence of these improvements, the NC can be met. And will continue to be observed at the next</p>		
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							surveillance		
2015.14	Minor 6.5.3	Settlement Facilities - Water source for the bathroom of TK 3 Estate housing complex (division 3A and 3B) is not properly provided and the distribution pipe of domestic water is not well maintained. It is supported by the information from the settlement. Furthermore, the housing complex is not supported with adequate garbage bin. - According to the result of interview with harvester of division 4B of TK 3 Estate, the septic tank is not well functioned and the are many leak roof at the house.	Minor	Estate	S-3	The company has to provide the proper settlement for the employees.	Root Cause: Corrective Action: Preventive Action:	Open	
2015.15	Minor 6.10.2	The agreed payment must be conducted in time. According to the result of interview with the contractor of KKPA FFB transport, the payment is always conducted lately. (date 20 th).	Minor	Estate	S-3	Management unit must ensure that the payment is conducted on time.	Root Cause: Corrective Action: Preventive Action:	Open	
2015.16	SCCS Clausul 2.1. Versi	Facility must verifies and documents the volume of the received FFB (certified or non-certified).	Major	POM	March 29 th 2015	Management unit must ensure that FFB covering letter from internal estate has been	Root Cause: A lack of understanding weight bridge operator	Closed	11 March 2015

	2011	According to the result of observation in weighbridge, the document of Delivery Advice Internal (Internal FFB Covering Letter) has not yet stamped with RSPO, it does not comply the owned SOP on point B in term of production and storage tank (plant and storage tank).				stamped as "RSPO".	<p>Corrective Action: Ensuring that all operations associated with the SCCS can be run in accordance with the SOP.</p> <p>Preventive Action: Improved understanding of the SOP SCCS to all key employees.</p> <p>Observation of March 11, 2015 The management unit has made the application of SOP with RSPO stamp on TBS weigh tickets nucleus. While the weigh tickets from KKPA not given stamp RSPO. As an example: Tickets weigh No. 039 098 of Division 3A dated March 5, 2015, No. BM 8026 AH police truck with a net weight of 5,190 Kg TBS (stamped RSPO). Tickets weigh No. 039 099 City of KKPA Garo dated March 5, 2015, No. Police trucks BM 8540 DU with a net weight of 7,170 Kg TBS (not stamped RSPO).</p> <p>Conclusion Auditor:</p>		
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							Based on the evidence of improvement with the addition of RSPO stamp on the weigh tickets from nucleus, then the discrepancy SCCS Clausul 2.1. Version 2011 has been fulfilled.		
2015.17	SCCS Clausul 3.3.c. Versi 2011	Facility is able to deliver MB sales from positive stock. Facility is able to sell lower quantity. According to the result of result of field visit to weighbridge, there was 25,440 Kg of CPO delivery on February 17 th 2015 and there was 28,060 Kg of PK delivery on February 23 rd 2015. Despite there is no claim of certified CPO product until now, but management unit is not able yet to show the record of positive stock for each CPO and and PK delivey.	Major	POM	March 29 th 2015	Management unit must ensure MB sales from positive stock.	Root Cause: SCCS recording system is conducted every end of the month, so it can not track the number of incoming TBS and CPO / PK exit per day. Corrective Action: Mervisi recording system (book keeping) FFB and CPO incoming / outgoing PK. Preventive Action: Improved understanding of the administrators who do book keeping records. Observation of March 27, 2015 The management unit has made changes to the recording of stock FFB, CPO and PK certified and non-certified. Based on the results of the calculation of the stock CSPO dated February 17, 2015 was 73.606 kg. As for	Close d	27 March 2015

							<p>the stock CSPK dated February 23, 2015 was 1,630,989 Kg (still in stock positive). In addition the unit can also show records management up to March 25, 2015 according to the latest format.</p> <p>Conclusion Auditor: Based on a record stock (book keeping) the latest. Then the discrepancy SCCS Clausul 3.3.c. Version 2011 has been fulfilled</p>		
2015.18	SCCS Clausul 5.1. Versi 2011	<p>Facility must provides training for entire staff refer to the obligation to implement the requirements of Supply Supply Chain Certification System.</p> <p>Accoding to the document review, SCCS training was held 2014. However, according to the result of interview with security and weighbridge operator, they were still not aware of the implementation of Module E (Mass Balance) supply chain model</p>	Major	POM	March 29 th 2015	Management unit must ensure that entire training for staff have complied the need of training to support SCCS implementation effectively.	<p>Root Cause: Unaware that security personnel scales and some lack of understanding regarding the certification system of supply chain.</p> <p>Corrective Action: Do retraining to personnel associated with supply chain activities in the scales and security officers.</p> <p>Preventive Action: Retraining will be conducted for all relevant personnel annually.</p>	Closed	11 March 2015

							<p>Observation of March 11, 2015</p> <p>The management unit for training on supply chain SOP on March 5, 2015, followed by security and krani scales as many as 5 people.</p> <p>Conclusion Auditor:</p> <p>Based on the evidence SCCS SOP training on March 5, 2015, the discrepancy SCCS Clausul 5.1. Version 2011 has been fulfilled.</p>		
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3.5.3 Opportunity for Improvement

No	Ref.Std	Description
1	Minor 4.6.3	The company has an opportunity to evaluate pregnancy detection for women workers working with chemicals in order to immediately mutate the women to other position away from chemicals.
2	Minor 4.7.3	The company has an opportunity to add noise risk analysis on boiler station and snake bite risk analysis on plant maintenance.
3	Minor 4.7.4	The company has an opportunity to register the unregistered Boiler SIO.
4	Major 5.1.1	The company ensures the regulation of EIA usage document associated with area hectarage by cooperating with regulator.
5	Minor 5.2.1	The company needs to socialize HCV area to the nearby community due to the restricted scope of HCV socialization on 2012 to only staff and village apparatus.
7	Minor 6.9.3	The company has an opportunity to improve socialization in term of gender committee to entire employee.
8	SCCS Clause 3.1. Version 2011	Management unit has an opportunity to improve fragmentation over the maintained documents.

3.5.4 Noteworthy Positive Components

No	Ref.Std	Deskripsi/Penjelasan
1		Company has achieved RSPO Certificate on 2013
2		Company has implemented Renewable Fuel Standart (RFS) refer to United States Environment Protection Agency (USEPA)
3		Company has established scheme smallholder in order to improve nearby community welfare
4		Company commitment to implement sustainable palm oil estate management principles
5		Company has achieved ISCC Certificate on 2014

3.6 Summary of the issues from public, management and auditor responses



Issue from Public (Institution/ NGO / Community)	Management Response	Auditor Response
<p>Kampar District Environment Agency</p> <p>Positive Issues:</p> <ol style="list-style-type: none"> 1. The company reports effluent routinely (each quarter). 2. The company reports hazardous waste routinely (each quarter). <p>PT SA has 2 hazardous waste storage in estate and mill and both of them have permit.</p> <ol style="list-style-type: none"> 3. The company reports the implementation of environmental management and monitoring effort routinely (each semester). 4. Officer of Environment Agency shows the book of report receipt checklist for the monitoring of report receipt sent by company to Environment Agency. 5. Environment Agency conducts routine monitoring to company 4 times a year and shall encourage company to conduct corrective action when trouble found. 	<ol style="list-style-type: none"> 1. Companies will always perform its obligations and will continue to improve its performance in the future. 2. The Company will always perform its obligations and will continue to improve its performance ahead 3. The Company will always perform its obligations and will continue to improve its performance ahead 4. The Company will always perform its obligations and will continue to improve its performance ahead 5. All entries and comments from BLH followed up and implementation of evidence reported in the implementation of the UKL / UPL each semester. 	<p>Companies can stay more consistent in the delivery of reporting to the relevant agencies.</p>

<p>Kampar District Manpower Agency.</p> <p>Positive Issues:</p> <ol style="list-style-type: none"> 1. The company reports the report of OHS Guiding Committee routinely (each quarter). The latest report was received on December 2014. <p>Company is always participating on month of OHS and blood donors held by Manpower Agency.</p> <ol style="list-style-type: none"> 2. The company has composed annual report of workers. The report is handed over every march of the year. 3. The company always reports the work accident at workplace. 4. The company applies Kampar District minimum wage standard for IDR 1,918,000. According the information from Manpower Agency, the company does not applies sectoral minimum wage standard. 5. The company applies collective labour agreement of BKKPPS and no PP. the collective labour agreement will have been ended on April 2015. 6. There is labour union named BUN Labour Union 3 led by Marganis in the Company. <p>There is cooperative institution of bipartite formed based on ministry circular at the end of 2014.</p> <p>There was a manpower dispute over walking paper involving tripartite cooperative institution on 2014.</p> <ol style="list-style-type: none"> 7. Company has permit of boiler, generator, and electricity grid usage issued by Manpower Agency and the test conducted by OHS Service Company. The permit is updated annually. 8. OHS trainings which involves Manpower Agency are: Inhouse Training of Operator Problem, Socialization of regulation. 9. According to the data of workers report, there is no underage workers. <p>Negative Issues:</p> <ol style="list-style-type: none"> 1. The company has registered their employees to BPJS program. Several KKPA employees are not registered to BPJS program yet. According to the company perception, the employees (KKPA) is should be registered by village cooperative unit. 2. There is misunderstanding between labour union with the company due to the applied collective labour agreement is based SPO – 4000-BKKPPS Medan <p>For Example Mutuagung Lestari for Tapung Kanan POM – PT. Sekarbumi Alamlestari (Kuala Lumpur Kepong Bhd)</p> <ul style="list-style-type: none"> - Calculation of overtime. 	<ol style="list-style-type: none"> 1. The Company is committed to continue to meet its obligations and will continue to improve its performance in compliance with laws and regulations 2. Do annually 3. The Company is committed to continue to meet its obligations and will continue to improve its performance in compliance with laws and regulations 4. The Company is still awaiting the decision of the Governor of Riau on UMSP 2015. While still using UMSP 2014 and if UMSP 2015 has been accepted will be implemented starting in Jan'15. 5. Not True. Currently the company is no PP. PKB is going to expire in Apr'15 <ol style="list-style-type: none"> 1. Registration of employees becoming members BPJS already made, including for employees KKPA. 2. The calculation of overtime wages conducted so far is based on Decree No. 102 of 2004 article 10 point 2. However, these complaints have been followed up to management. a target completion: Apr'15 3. All foreign workers there IMTA (Permit hiring Foreign Workers). 4. There has been a meeting between the company and the board of Sustainable Farmers' Cooperative Companion 6th Sep'14. Minutes of the meeting has been delivered to 	<ol style="list-style-type: none"> 1. Companies can stay more consistent in the delivery of reporting to the relevant agencies. 2. Companies can implement the system of remuneration in accordance with the legislation. 3. The company uses the PP and the PKB, for PKB will expire can be renewed before it expires. <ol style="list-style-type: none"> 1. The auditor has verified evidence BPJS online registration. 2. The Company has changed its system of calculation of overtime wages in accordance with the legislation, and has shown evidence of improvement over the current discrepancy found surveillance-2. 3. The auditor has verified the entire Permits Employing Foreign Workers Kera, the entire foreign employee has permission. 4. Proof of reporting to the Office of Manpower has been verified by the audit team.
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<p>Kampar District Plantation Agency</p> <p>Positive Issues:</p> <ol style="list-style-type: none"> 1. The company obligation shall always be fulfilled. 2. The company needs to facilitates community in term of CSR program. 3. There are anger villagers. However, those are the villagers outside the nearby villages. 4. Report of LKUP sent by the company to the Plantation Agency each semester and there is no late report so far. 5. There was a fire occurred in Tapung Hilir. The agency is asking the company to form fire team, install fire signboard, and others. 6. There is 1,568 Ha of scheme smallholder in Kota Garo Village, Tapung Estate. <p>Negative Issue:</p> <ol style="list-style-type: none"> 1. Company is cooperating with village cooperative unit and now the trouble does occurred. 	<ol style="list-style-type: none"> 1. Companies can stay more consistent in the delivery of reporting to the relevant agencies. 2. Companies can realize the whole CSR program that was created. 3. The company must be able to manage all social issues of local communities. 4. Proof reporting has diverikasi LKUP 2014 by a team of auditors. 5. The Company may increase the monitoring, prevention and control of fires. 6. The auditor has verified reports of plasma development. <p>1. there is an internal problem in the management of KKPA.</p>	<ol style="list-style-type: none"> 1. Companies can stay more consistent in the delivery of reporting to the relevant agencies. 2. Companies can realize the whole CSR program that was created. 3. The company must be able to manage all social issues of local communities. 4. Proof reporting has diverikasi LKUP 2014 by a team of auditors. 5. The Company may increase the monitoring, prevention and control of fires. 6. The auditor has verified reports of plasma development. <p>1. Companies can facilitate management related to internal conflicts KKPA.</p>
<p>Kampar District National Land Agency</p> <ol style="list-style-type: none"> 1. There is no new location permit in the company. 2. There is no Land Use (HGU) Title expansion. 3. There is a land conflict. However, National Land Agency never receives complaint expressed by the community. 	<ol style="list-style-type: none"> 1. True 2. True no additional new area. 3. True 	<p>Auditors has verified all legality document.</p>
<p>Forestry Agency</p> <p>Positive Issue</p> <ol style="list-style-type: none"> 1. Forest Agency is not able to describe the permit of area lease or area overlap. It will be described once the map of company Land Use Title (HGU) shown. <p>Negative Issues:</p> <ol style="list-style-type: none"> 1. According to the agency, there is a report of overlap informed by community. 2. There is land belongs to community included within estate area. 	<p>1. True</p> <p>1. There is no overlap in the area of the company with the community land.</p> <p>2. Not true.</p>	<p>1. Based on the consideration of the concession decree, PT area. SA has been in accordance with the Spatial Plan.</p> <p>1. The results of the field visit, PT SA has managed in accordance with the concession, this is evidenced by palm trees located in the concession area.</p>

<p>Trimanunggal Village</p> <p>Positive Issues:</p> <ol style="list-style-type: none"> 1. Openness of the job opportunity. There are 30 villagers who are recruited to be employees and temporary daily labour. 2. Community gains adding value by utilizing mushroom to be consumed daily. The percentage of the community utilize mushroom is 60%. 3. Grader was borrowed by company to repair road at the beginning of 2013. 4. There is MoU of the bridge construction agreement connecting cemetery and community hall construction agreement. <p>Negative Issues:</p> <ol style="list-style-type: none"> 1. Village must communicate with the company through letter and directly visits company. 2. The company is never socializing CD program to village and there is no program related to social aspect. 3. HCV and protected flora and fauna socialization to village or community is not yet conducted by the company. 4. There is a cemetery in Trimanunggal Village before the existence of company. The hectareage of the cemetery was 1 Ha. The hectareage of the cemetery is now only 20 M2 due to the cemetery land annexation conducted by company. 5. During the trench cleaning, the trench digging was much to narrow with community estate. Therefore, community estate is threatened to fall. According to the data, the location is located 3.2 Km away from cemetery and covers 8 blocks. 6. There is road access from village to village of KotaGaro pass the trench-constructed area of PT SA. Community is always installing plywood bridge but the plywood bridge is always disconstructed by the company. <p>The community wants the bridge to be constructed at that place due to the nearest access used by many people. If the company concern about the security factor, a portal could be installed and the village community ready to cooperates or involved on its security.</p>	<ol style="list-style-type: none"> 1. True 2. True 3. True 4. True <ol style="list-style-type: none"> 1. It is not clear 2. It has to be disseminated dated 05.02.2015 3. Already socialization dated 12/01/2012 and will be disseminated over. 4. This tomb is actually the land corporation and is not currently processed by the company 5. Washing trenches carried the knowledge of the the community and are still in the area of the concession company. 6. We have already provided access to two-wheeled vehicles. This is because the area is prone area gunsmith / theft of Fresh Fruit Bunches (FFB). 	<ol style="list-style-type: none"> 1. Companies can improve relationships with surrounding communities. <ol style="list-style-type: none"> 1. Companies can communicate with the surrounding communities in accordance with SOPs owned. 2. Companies can socialize entire CD program to the surrounding community, as well as can be done in a participatory way in making the program. 3. The Company may undertake dissemination to all stakeholders HCV regularly every year. 4. The results of the field visit by the audit team, no planting in the area around the tomb. 5. Companies can save the recording in response to all complaints submitted by stakeholders. 6. Companies can respond in writing all complaints of stakeholders.
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<p>Kota Garo Village</p> <p>Positive Issues</p> <ol style="list-style-type: none"> The existence of company gives positive impacts. For example: <ul style="list-style-type: none"> Workforce absorption, there are 35 employees recruited by company excluding temporary daily labour. Company always assists village. For example: <ol style="list-style-type: none"> Road repairment Mosque construction School construction Village administration government communicates with the company by using letter. Routine programs conducted with the company are: <ul style="list-style-type: none"> Maternal and baby clinic Assistance of road repairment Assistance of building materials Assistance of security by sending security reinforcement from company if needed. Company was conducting socialization. For example: <ul style="list-style-type: none"> Fire handling Blood donor (each semester). Security issue HCV socialization including the protected flora and fauna on 2014 and prohibition to chop down the tree along riparian area. There is no area overlap between community and the company. <p>Negative Issues</p> <ol style="list-style-type: none"> Planting is conducted on riparian area and it should be recognized by Environment Agency. There is indication of planting beyond Land Use Title (HGU) area (direction to Pencing). There is community land taken over by the company. Community was asking for empty fruit bunch for organic fertilizer. However, the request is not responded by the company yet. 	<ol style="list-style-type: none"> True True It will be followed up True True <ol style="list-style-type: none"> The area has been used as DSS and DSS boundary marked with red paint in the principal form of oil. Not really Not true. <ol style="list-style-type: none"> The management policy that bunches are not given to the community because it is a waste. 	<ol style="list-style-type: none"> The Company may increase the positive impact on the surrounding community and mengurami potential negative impact the company's operations. perusahaan should be able to save all records of communication and response from the surrounding community. Companies can realize the whole CSR program that was created. Companies can further enhance dissemination to the public around. The Company has been managing the land in accordance with the concession. <ol style="list-style-type: none"> The company must remediate the entire border river of oil that has already implanted when replanting. The Company manages the land in accordance with the concession. The results of field visits to some sample stakes HGU, it is known that no planting outside the concession. Companies can socialize entire policy to all stakeholders.
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4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Adei Plantation and Industry Bhd. Management Representative</p>  <p><u>Tan Kei Yoong</u> Friday, May 8th, 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> Friday, May 8th, 2015</p> </div> </div>

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

No	Institusi/LSM/Masyarakat	Alamat	Telepon/Email	Bentuk komunikasi	Tanggal	Respon	
						Ya	Tidak
1	Environmental Body	Kampar District, Riau Province	(0762)20262	Interview	23 Februari 2015	√	
2	Labour Agency	Kampar District, Riau Province	Jl. DR. A. Rahman Saleh, Bangkinang (28411) - RIAU	Interview	23 Februari 2015	√	
3	Plantation Agency	Kampar District, Riau Province	-	Interview	23 Februari 2015	√	
4	Forestry Agency	Kampar District, Riau Province	-	Interview	23 Februari 2015	√	
5	National Land Agency	Kampar District, Riau Province	-	Interview	23 Februari 2015	√	
6	WWF of Riau Province	Pekanbaru, Riau	(0761)34266	Interview	23 Februari 2015		√
7	NGO (Hakiki)	Pekanbaru, Riau	hakiki@indonet.et.id	Email	16 Februari 2015		√
8	NGO (Sawit Watch)	Bogor, West Java	info@sawitwatch.or.id	Email	16 Februari 2015		√
9	NGO (WALHI)	Jakarta	info@walhi.or.id	Email	16 Februari 2015		√
10	NGO (WWF-Indonesia)	Jakarta	Wwf-indonesia@wwf.or.id	Email	16 Februari 2015		√
11	Trimanunggal Head and community leaders	Tapung Hilir Sub district, Kampar District, Riau Province	-	Interview	24 Februari 2015	√	
12	Kota Garo Village Head and community leaders	Tapung Hilir Sub district, Kampar District, Riau Province	-	Interview	24 Februari 2015	√	