

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

Stage-1 Stage-2 Surveillance Re-Certification

Plantation Management/Owner : **PT Swadaya Andika –
Sime Darby Plantation Sdn Bhd.**

Plantation Name : **Selabak Factory – Selabak Estate; Randy
Estate; Sangkoh Estate (PT Swadaya Andika)
dan Lanting Estate (PT Langgeng
Muaramakmur)**

Location : **Pamukan Utara Sub District, Kotabaru District,
South Kalimantan Province, Indonesia**

Certificate Code : **MUTU-RSPO/015**

Date of certificate issue : **16 March 2012**

Date of expiry of certificate : **15 March 2017**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ASA-3	17 – 20 February 2015	Taufik Margani (Lead Auditor), Abdul Rahman, Nanang Mualib, Warsito, and Muhammad Amarullah	Octo Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	5 May 2015

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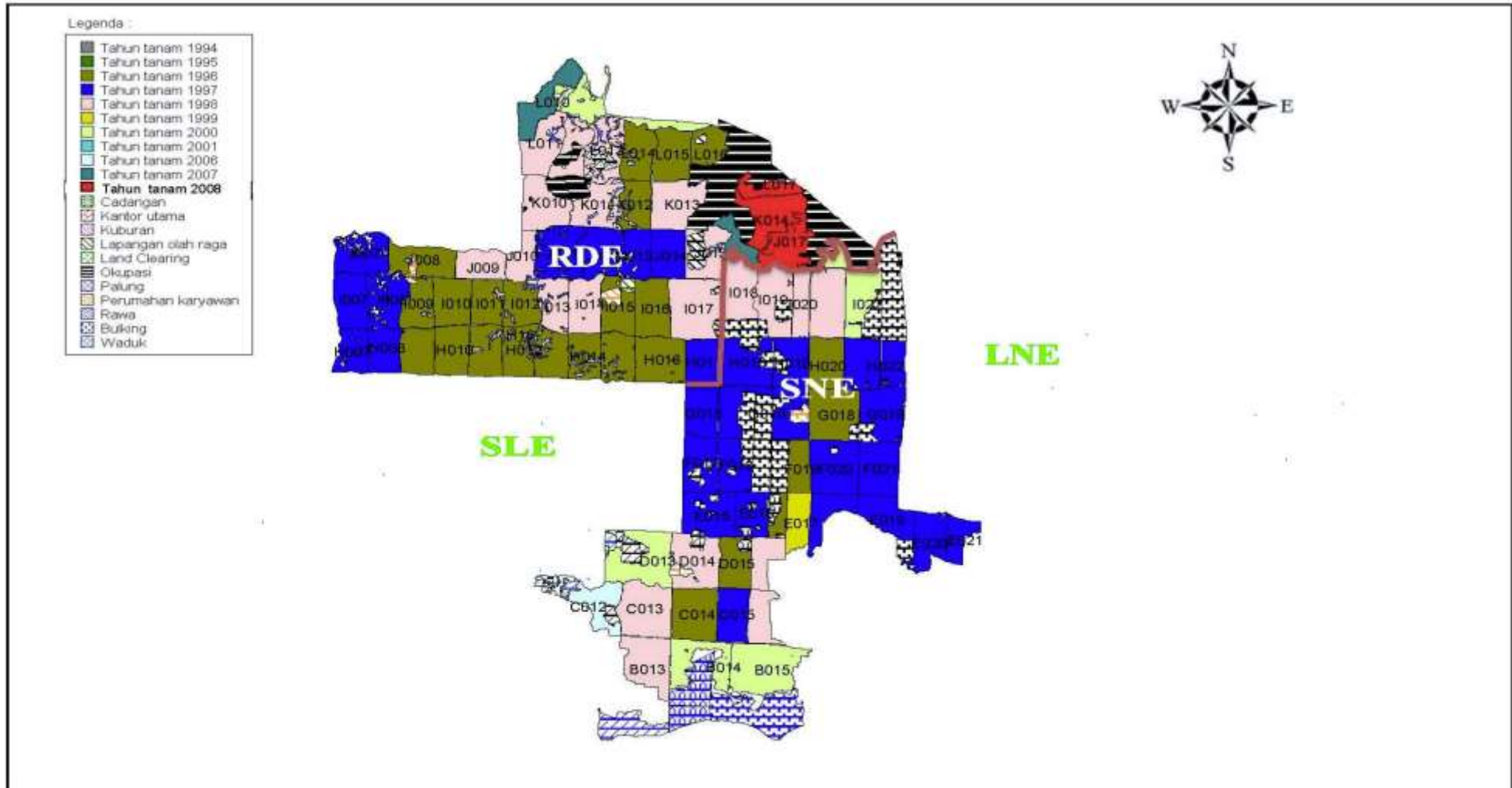
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Figure 1. Location Map of PT. Swadaya Andika



Figure 2. Operational Map of PT. Swadaya Andika



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	National Interpretation Used	<i>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.</i>	
1.2	Organization Information		
1.2.1	Company Name	SWADAYA ANDIKA - SIME DARBY Group	
1.2.2	Contact person	Men Kon Tang	
1.2.3	Company Address and Site Address	Head Office (Malaysia): No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301. Indonesia Office : The Plaza Lt. 36 Jl MH Thamrin Kav. 28-30 Jakarta 10350.	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Website	www.simedarby.com	
1.2.8	Company Status	Private	
1.2.9	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Minamas Plantation)	
1.2.10	Registered as RSPO member	1-0008-04-000-00– 7 September 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of management unit	1 (unit) mill namely Selabak Mill which has FFB source from 4 (four) estates namely Selabak Estate, Randi Estate, Sangkoh Estate, and Lanting Estate.	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT. Swadaya Andika	
1.4	Locations of Mill, Plantations and Area Statement		
1.4.1	Location of Mill		
	Name of Mill	Location	GPS
			Latitude Longitude
	Selabak Mill	Manunggul Lama Village, Sei Durian Sub District, Kotabaru District, South Kalimantan Province	2° 29' 86" LS 116° 12' 23" BT
1.4.2	Location of Supply Base		
	Name of Supply Base	Location	GPS
			Latitude Latitude
	Randi Estate	Manunggul Lama Village, Sei Durian Sub District, Kotabaru District, South Kalimantan Province	2° 31' 20" - 2° 24' 28" LS 116° 09' 35" - 116° 13' 31" BT

	Selabak Estate	Selabak Village, Sei Durian Sub District, Kotabaru District, South Kalimantan Province	2° 30' 07" - 2° 27' 46" LS	116° 08' 08" - 116° 13' 06" BT			
	Sangkoh Estate	Manunggul Lama Village, Sei Durian Sub District, Kotabaru District, South Kalimantan Province	2° 31' 20" - 2° 26' 17" LS	116° 12' 19" - 116° 15' 58" BT			
	Lanting Estate	Manunggul Lama Village, Sei Durian Sub District, Kotabaru District, South Kalimantan Province	2° 29' 26" - 2° 26' 09" LS	116° 15' 09" - 116° 20' 25" BT			
1.4.3	Tenure						
	• State			13,680.25 Ha			
	• Community						
1.4.4	Area Statement						
	• Total area			13,680.25 Ha			
	• Mature area			11,192.47 Ha			
	• Immature area			-			
	• Mill			14.21 Ha			
	• Infrastructure			453.97 Ha			
	• Emplishment			188.10 Ha			
	• Nursery			12.92 Ha			
	• Occupation			396.99 Ha			
	• HCV			1,112.70 Ha			
	• Others area			188.91 Ha			
	• Replanting 2015			113.13 Ha			
	• Port			6.85 Ha			
1.5	Description of Supply Base						
1.5.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes / year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Selabak Factory	30	123,909.06	26,583	21.49	5,793	4.64
	<i>*Source Production Data from February 2014 – January 2015</i>						
1.5.2	Description of Certified Estate(s)						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes / ha/year)	Supplied to Mill	
						TBS (ton/tahun)	%
	Selabak Estate	3,757.66	3,366.9	54,133.20	16.08	19,244.15	35,55
	Sangkoh Estate	3,787.98	2,595.55	45,837.77	17,66	44,003.16	96,00
	Randi Estate	2,885.33	2,461.62	51,182.32	20,79	14,444.86	28,22
	Lanting Estate	3,249.27	2,734.62	48,294.04	17,66	45,888.51	95,02
	Total	13,680.24	11,158.69	199,447.33	17,87	123,580.68	61,96
	<i>*Source Production Data from February 2014 – January 2015</i>						
1.5.3	FFB description from other source						

	Name of source(s)	Member(s)	Location	Supplied to Mill		
				FFB (tonnes/year)	FFB (tonnes/year)	
	KKPA Area Sungai Cengal (RSPO Certified)	Scheme Smallholders of Sungai Cengal	Binturung Village, Kotabaru District, South Kalimantan Province	416.24	-	
	TOTAL			416.24		
	<i>*Source Production Data from February 2014 – January 2015</i>					
1.5.4	Product categories		FFB/CPO/PK			
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage				
		Selabak Estate (Ha)	Sangkoh Estate (Ha)	Randi Estate (Ha)	Lanting Estate (Ha)	Total (Ha)
	1994	1,023.29	-	-	-	1,023.29
	1995	184.22	-	-	-	184.22
	1996	1,122.69	257.33	1,073.80	1,706.63	4,160.45
	1997	-	1,080.99	517.3	417	2,015.29
	1998	597.75	592.12	727.63	398.58	2,316.08
	1999	-	43.12	-	-	43.12
	2000	-	346.05	77.02	-	423.07
	2001	124.04	-	-	-	124.04
	2006	142.04	60.55	-	60.36	262.95
	2007	172.87	31.41	65.87	-	270.15
	2008	-	183.98	-	-	183.98
	2009	-	-	-	54.49	54.49
	2010	-	-	-	97.56	97.56
	TOTAL	3,366.9	2,595.55	2,461.62	2,734.62	11,158.69
1.6.2	New Planting area after January 2010		-		Ha	
1.6.3	Planting Cycle		1 st Cycle			
1.7	Approximate Tonnage Certified					
1.7.1	Past Annual Claim Certified Product		Previous Certificate Claim (tonnes/year)	Actual certified product (tonnes/year)		
	• FFB Production		109,137	110,806		
	• CPO Production		25,106	23,680		
	• Palm Kernel (PK) Production		5,457	5,163		
	<i>** Claim Certificate Period of March 16th, 2014 – March 16th, 2015</i>					
	<i>** Actual Claim Period of March 2014 – February 2015</i>					
1.7.2	Claim Certified of FFB					
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	

	Selabak Estate	3,757.66	3,366.9	57,452	17.18		
	Sangkoh Estate	3,787.98	2,595.55	35,000	13.48		
	Randi Estate	2,885.33	2,461.62	24,980	10.15		
	Lanting Estate	3,249.27	2,734.62	53,285	19.49		
	TOTAL	13,680.24	11,158.69	170,717	15.10		
1.7.3	Claim Certified of Palm Product						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Selabak Factory	30	170,717	37,558	22.0	8,536	5.0
1.8	Other Certifications						
	ISO 9001:2008		-				
	ISO 14001: 2004						
	OHSAS 18001:2007		-				
	ISCC		-				
	Others		ISPO (Certified number MUTU-ISPO/003) Since December 04 th , 2012 – December 03 rd , 2017.				
1.9	Time Bound Plan						
1.9.1	Time Bound Plan for Other Management Units						
	MANAGEMENT UNIT		Estate (Supply Base)	Time Bound	LOCATION	Status	
	P O M	Time Bound					
	Sekunzir. PT. Indotruba Tengah	Certified 2010	Sekunzir	Certified 2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified	
			Seruyan	Certified 2010			
	Manggala. PT. Tunggul Mitra Plantations	Certified 2010	Manggala 1	Certified 2010	Rokan Hilir District – Riau	Certified	
			Manggala 2	Certified 2010			
			Manggala 3	Certified 2010			
	PT. Sime Indo Agro	Certified 2010	PT. Sime Indo Agro	Certified 2010	Sanggau Distric t –West Kalimantan	Certified	
	Teluk Siak. PT Aneka Inti Persada	Certified 2011	Teluk Siak	Certified 2011	Pekanbaru, Siak District – Riau	Certified	
			Pinang Sebatang	Certified 2011			
			Aneka Persada	Certified 2011			
	Sungai Pinang. PT. Bina Sains Cemerlang	Certified 2012	Sungai Pinang	Certified 2012	Musi Rawas District – South Sumatera	Certified	
			Bukit Pinang	Certified 2012			
	Sukamandang.	Certified	Sukamandang	Certified 2011	Seruyan and	Certified	

PT. Kridatama Lancar	2011	Sapiri	Certified 2011	East Kotawaringin District – Central Kalimantan	
		Baras Danum	Certified 2011		
		Kuala Kuayan	Certified 2011		
Pematang. PT. Teguh Sempurna	Certified 2011	Pematang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Kawan Batu	Certified 2011		
		Hatan Tiring	Certified 2011		
		Batang Garing	Certified 2011		
Alur Dumai. PT Lahan Tani Sakti	Certified 2011	Alur Dumai	Certified 2011	Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	Certified 2011	Teluk Bakau	Certified 2011	Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	Certified 2011		
		Nusa Lestari	Certified 2011		
Mandah. PT. Bhumireksa Nusa Sejati	Certified 2014	Mandah	Certified 2011	Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	Certified 2011		
Angsana Mini. PT Sajang Heulang	Certified 2011	KKPA-1 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	Certified 2011		
Angsana. PT Ladangrumpun Suburabadi	Certified 2011	Angsana	Certified 2011	Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	Certified 2011		
		KKPA-4 PT.SHE	Certified 2013		
Mustika. PT Sajang Heulang	Certified 2013	KKPA-2 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan	Certified
		KKPA-3 PT.SHE	Certified 2013		
		KKPA-5 PT.SHE	Certified 2013		
Gunung Aru. PT Bersama Sejahtera Sakti	Certified 2011	Gunung Aru	Certified 2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemas	Certified 2011		
		Laut Timur	Certified 2011		
		Pantai Timur	Certified 2011		
Bebunga. PT. Langgeng Muaramakmur	Certified 2011	Sungai Cengal	Certified 2011	Kotabaru District – South Kalimantan	Certified
		Bebunga	Certified 2011		
		KKPA Sungai Cengal	2014		
Pondok Labu. PT Paripurna Swakarsa	Certified 2012	Binturung	Certified 2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	Certified 2012		
		Rampa	Certified 2012		
		Sesulung	Certified 2012		
Selabak. PT Swadaya Andhika	Certified 2012	Selabak	Certified 2012	Kotabaru District – South	Certified
		Randi	Certified 2012		

			Sangkoh	Certified 2012	Kalimantan	
			Lanting	Certified 2012		
Rantau. PT Laguna Mandiri	Certified 2012		Rantau	Certified 2012	Kotabaru Distric t – South Kalimantan	Certified
			Matalok	Certified 2012		
Betung. PT Laguna Mandiri	Certified 2014		Betung	Certified 2012	Kotabaru Distric t – South Kalimantan	Certified
			Sekayu	Certified 2012		
Ungkaya. PT Tamaco Graha Krida	Certified 2012		Ungkaya	Certified 2012	Morowali Distric t – Sulawesi Tengah	Certified
			Plasma TGK	2015		Non Certified
Ladang Panjang. PT Bahari Gembira Ria	Certified 2012		Ladang Panjang	Certified 2012	Muaro Jambi District - Jambi	Certified
			Plasma BGR	2015		Non Certified
Rantau Panjang. PT Guthrie Pecconina Indonesia	Certified 2012		Rantau Panjang	Certified 2012	Musi Banyuasin Distri ct – South Sumatera	Certified
			Bumi Ayu	Certified 2012		
			Karang Ringin	Certified 2012		
			Napal	Certified 2012		
			Mangun Jaya	Certified 2012		
			KKPA Sungai Jernih	2015		Non Certified
Blang Simpo. PT Perkasa Subur Sakti	Certified 2013		Tamiang (PT PPP)	Certified 2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
			Batang Ara ((PT PSK))	Certified 2013		
			Blang Simpo-01 (PT PPP)	Certified 2013		
			Blang Simpo-02 (PT PPP)	Certified 2013		
MAS. PT Mitra Austral Sejahtera	2020		MAS 1	2020	Sanggau Distric t – West Kalimantan	Non Certified
			MAS 1	2020		
			MAS 1	2020		
Lembiru. PT Sandika Nata Palma	Certified 2014		Lembiru	Certified 2014	Ketapang Distri ct – West Kalimantan	Certified
			Awatan	Certified 2014		
			Pelanjau (PT BAL)	2014		Non Certified
			Sungai Putih (PT BAL)	2014		
			Baturus (PT BAL)	2014		
<p>Sime Darby has achieved 39 management units in Malaysia and 21 Management Units in Indonesia those areaRSPO certified. There was change of the Time Bound Plan under Sime Darby because the Sime Darby postponed the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are unresolved social issue from the Smallholder Union (Serikat Petani Kelapa Sawit/SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress and MUTUAGUNG has consider that Sime Darby still complies with the RSPO requirement for partial certification.</p>						

1.9.2

Progres Sumber lain (petani rekanan dan kebun lain) terhadap standard sertifikasi

	<p>PT SAA – Selabak POM received FFB sent by KKPA Sungai Cengal. During ASA – 3, PT. SAA received FFB sent by KKPA Sungai Cengal (Smallholder scheme of Minamas Group). KKPA Sungai Cengal has been assessed on December 2014 and has received RSPO Certificate.</p>
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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
ASA-3	<ul style="list-style-type: none"> • Taufik Margani (Lead Auditor). 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. During the surveillance he assessed QMS, Environmental System, social and conservation aspects. • Abdul Rahman (Auditor). Bachelor of Environmental Engineering, Islamic University of Indonesia and Master of Management & Utilization of Waste, Gadjah Mada University. He has experience in mitigation of greenhouse gas emissions. He was listed as the Social Carbon Validator for a carbon project in Indonesia. During this time he was active in various seminars and forums for the development of standards and methodology of greenhouse gases in Indonesia. In addition he has experience as document drafting team effort Environmental Management and Environmental Monitoring Effort (UKL - UPL) for 1 year at CV. Bismat Consultant. He has been involved in water sampling methodology and analysis training, waste management training, auditor ISO 9001, ISO 14064 and ISO 14001 training also Technical expert OHSAS training. During this assessment he is assigned to verify of OSH and environmental aspects. • Nanang Mualib (Auditor). A bachelor of Forestry, Department of Forestry Technology, Faculty of Forestry, Bogor Agricultural University. He has a working experience in the forest concession company (HPH) from year 2000 to 2004 as technical assistant in the implementation of Sustainable Forest Management program, a collaboration between the Faculty of Forestry at Bogor Agricultural University and WWF-Indonesia since December 2006 to present. Professional experiences include: Social studies of HCVF in monitoring of the implementation of Sustainable Forest Management, involved in the identification of HCV in three oil palm plantation companies in Indonesia. Currently he works as a professional consultant and assessor of HCV. In the current ASA 3 activity, he conducted the assessment on the aspects of social, legal, and labour. • Warsito (Auditor). Sarjana Kehutanan,achelor of Forestry with Forest Management Major Study, Faculty of Forestry University of Nusa Bangsa, Bogor. Following training has been involved: Sustainable Forest Management Assessor Training (PHPL) and ISPO Auditor Training Course. Experienced and involved in several timber company for Environmental Monitoring and Management (RKL/RPL), Sustainable Forest Management Assessment (PHPL) and Ecolabeling Assessment, LEI scheme. During the assessment he is assigned to verify of Social and Workers Welfare. • Mohamad Amarullah (Auditor Trainee). Master in Wood Science and Technology from Universiti Putra Malaysia and Bachelor of Forestry from Forest Product Department, Bogor Agricultural University (IPB). Have six years professional experience as an Oil Palm Agronomist and Research Assistant in Indonesia and Malaysia. He took a part in Soil Correlation Tour and Yield Improvement Project on Peat Area during 2011-2014 as well as participate and passed several training such as, ISO 17021, ISO 17065, HCV, ISPO Auditor, ISO 9001:2008 in 2014 and RSPO Awareness in 2015.
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
ASA-3	Number of auditors: 5 auditors Number of days at site: 4 days Number of working days at site: 20 Working days

2.3.2	Detail process of assessment
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Swadaya Andika 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/or Scheme Smallholders October 2009) 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) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-4.</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2</p>
2.3.3	Locations of Assessment
ASA-3	<p>Selabak POM:</p> <ul style="list-style-type: none"> • Loading Ramp Station. Auditor observes the implementation of FFB grading. • Boiler Station. Auditor observes the implementation of OHS and manpower such as regular medical check up, PPE equipment, procedure of complaint, BPJS manpower insurance, etc. • Generator Station. Auditor observes the implementation of OHS and manpower such as regular medical check up, PPE equipment, procedure of complaint, BPJS manpower insurance, etc. • Workshop. Auditor observes the implementation of OHS and manpower such as regular medical check up, PPE equipment, procedure of complaint, BPJS manpower insurance, etc. • Hazardous Waste Storage. Auditor observes the implementation of environment management, specifically hazardous waste management. • Chemicals Warehouse. Auditor observes the implementation of OHS such as provision of MSDS, first aid kit, etc. • WTP Station. Auditor observes water processing to support boiler need. • WWTP Station. Auditor observes the implementation of environment management, specifically effluent management. <p>Selabak Estate:</p> <ul style="list-style-type: none"> • Block E08 Division I (identification on buffer zone area by using plant marked with yellow paint as the border. • Block F08 Division I (stacking/frond arrangement) • Block F05 Division I (harvest) • Block D04 Division I (Inspection on replanting area) • Block D5 Division IV (inspection on Barn Owl Box) • Block F02 Division IV nursery (inspection on palm oil nursery) • Block F17 Division III (spraying) • Block D20. Auditor observes HCV management (swamp) used for providing water source for Selabak POM. • Block D21. Auditor observes HCV management (forest). • Block E21/22. Auditor observes HCV management in Tandilang Riparian. • Block E 16. Auditor observes domestic waste management. • Block G1, G4, and G5. Auditor observes boundary pole maintenance (HGU). • Emplacement. Auditor observes facilities provision for employees welfare. <p>Sangkoh Estate:</p> <ul style="list-style-type: none"> • Block I32 Division I (inspection on Barn Owl Box) • Block G33 Division 2 (replanting and Mucuna planting) • Block E17 Division II (harvest)

	<ul style="list-style-type: none"> • Block H28 Division I (spraying) • Block G32 (inspection on BSS and hazardous waste storage) • Chemicals Warehouse • Block B22, B23, and B26/27. Auditor observes boundary pole maintenance (HGU). • Block G35. Auditor observes HCV management (forest), replanting program, and slope land management.
2.4	Stakeholder Consultation and Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT. Swadaya Andika was held by:</p> <p>Public Notification 14 days before assessment.</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples.</p> <p>Numbers of input from stakeholders were clarified by PT. Swadaya Andika.</p>
2.4.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.5	Determining Next Assessment
	The next visit Surveillance 4 will be determined one year after this Surveillance 3 (December 2015 - February 2016)

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of *Selabak POM – PT. Swadaya Andika, Sime Darby Sdn - Bhd* operation consisting of one (1) mill and four (4) estates.

During the assessment, there were three (3) nonconformities were assigned against Major Compliance and eight (8) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s). Those corrective action(s) taken that consist of *three (3)* Major non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that *Selabak POM – PT. Swadaya Andika, Sime Darby Plantation Sdn Bhd* complied with the requirements of RSPO Principles & Criteria and *National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011 for CPO Mill.*

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>PT SAA management unit has a procedure in term of information request on the document of SOP number 015/SAA-PIF/10dated July 1st 2010. According to the SOP, the procedure to respond information request sent by several parties (stakeholders) is described (supported with flow chart).</p> <p>PT SAA management unit also has procedure in term of document maintaining period written on SOP of information request respond number 056/SAA-JPI/12. The SOP was issued on June 15th 2012. According to the SOP, the document maintaining period for 5 is described.</p> <p>PT SAA management unit routinely conducts reporting to the associated agencies. For example:</p> <ul style="list-style-type: none"> • Report of environmental management and monitoring plan in 1st semester (January – June 2014) on November 5th 2014. • Report of investment for period of 2014 on January 12th 2015. • Report of plantation business for period of 2014 on January 15th 2015. • Report of Selabak POM manpower for period of 2014 on February 6th 2015. • Report of hazardous waste and effluent for period of 4th quarter on January 15th 2015. • Report of manpower for period of 2014 on February 6th 2015. • Report of OHS Guiding Committee for period of 4th quarter (2014) on January 30th 2015. <p>Estate and mill management units have documents of external communication logbook. The document contains information of entire incoming letter sent by external parties including the response. For example:</p>

Selabak POM :

Letter sent by Selabak mill manager number 159/SLF/Ext/IV/2014 dated April 19th 2014 in term of diesel fuel assistance regarding the letter of assistance request sent by the head of neighbourhood association 5 of Bekarangan, Manunggal Lama Village on April 19th 2014.

Selabak Estate :

Evidence of cash assistance for IDR 750,000 on May 30th 2014 for the pin money for student of Sungai Durian I Vocational School who took an internship at the company. It was a the letter for responding the letter of assistance request sent by the Head of Sungai Durian I Vocational School number 421.5/10-PKL/SMKNI SD/2014 in term of industrial work practice.

Sangkoh Estate :

Evidence of expenditure in form of 200 liter diesel fuel on July 1st 2014. It was the letter for responding the letter of assistance request sent by the head of neighbourhood association 6 of Bakau Village on June 26th 2014 in term of assistance request for the diesel fuel to support Nurul Yakin Mosque lighting.

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.

PT SAA management unit has procedure in term of information request on the document of SOP number 015/SAA-PIF/10dated July 1st 2010. According to the SOP, the type of publicly-accessed and classified information are described. For example:

Publicly-accessed documents

1. Hectarage of land clearing
2. Evidence of labour social assurance (jamsostek) payment
3. Evidence of employees medical payment
4. Public facilities for employees
5. Data of pest and disease attack
6. Data of heavy and light vehicle
7. Data of the supporting machines
8. Data of the conducted CSR
9. Data of bridge
10. Data of road length
11. Data of operational buildings
12. Data of public buildings
13. Data of school building
14. Type of the fertilizer used by the company
15. Type of the agrochemicals used by the company
16. Data of permanent employees
17. Data of student

The classified documents are:

1. Budget and finance
2. Corporate legal and permit
3. Record of Best Practice Operational
4. Medical and medical check up (early, regular and specific)
5. Tender, purchase and sales

Specific information request sent by several parties must refer to the procedure of *Code of Conduct* (440/HRM-COC/07) and procedure of guideline of sustainable estate management (724/TQEM-SPMS/09) and complies the applied regulation. Maintaining period of the information request record and response is 5 years.

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 SAA management unit is able to show the evidence of law compliance. For example:

Permit of Land Acquisition

- **Land Use Title (HGU) Certificate** Number 15 year 1997 dated December 1st 1997 refer to the letter sent by the Head of National Land Agency (BPN) number 131/HGU/BPN/1997 dated November 28th 1997 with hecтарage of 93,706,000 m² (9,370.60 Ha) and valid until November 22nd 2032.
- **Land Use Title (HGU) Certificate** Number 32 year 2002 dated March 26th 2002 refer to the Decree of the Head of Kotabaru District National Land Agency Number 7/HGU/BPN/2002 dated March 7th 2002 with hecтарage of 507.579 Ha and valid until September 24th 2037.
- **Land Use Title (HGU) Certificate** Number 33 year 2002 dated March 26th 2002 refer to the Decree of the Head of Kotabaru District National Land Agency Number 7/HGU/BPN/2002 dated March 7th 2002 with hecтарage of 483 Ha and valid until September 24th 2037.
- **Land Use Title (HGU) Certificate** Number 12 year 1997 dated October 28th 1997 refer to the Decree of the Head of Kotabaru District National Land Agency Number 133/HGU/BPN/1997 dated October 28th 1997 with hecтарage of 155,330,000 m² (15,533 Ha) and valid until November 22nd 2032. Hecтарage of Lanting Estate is 3,249.27 Ha.

Permit of Land Utilization Permit

- There is document of **Registration Letter of Plantation Business (SPUP)** number 459/Menhutbun-VII/2000, dated April 25th 2000 with hecтарage of 9,370 Ha and POM capacity of 60 Ton of FFB/Hour.
- There is a document revision of **Plantation Business Permit (IUP)** referring to the decree of Kotabaru Regent number 357 year 2006 in term of re-registration of plantation business permit of PT SAA in Kotabaru District on March 25th 2006 with hecтарage of 10,361.79 Ha and POM capacity of 60 of FFB/Hour.
- In 2009, the **Plantation Business Permit (IUP)** of PT. Swadaya Andika has been re-registered refer to Decree of Kotabaru Regent Number 188.45/387/KUM/2009, dated October 15th 2009 with hecтарage of 10,361.79 Ha and POM capacity of 60 of FFB/Hour.
- **Registration Letter of Plantation Business (SPUP)** which was issued by Department of Forest and Plantation Number 461/Menhutbun-VII/2000 dated April 25th 2000 with hecтарage of 15,533 Ha and POM capacity of 60 of FFB/Hour.
- There is revision of **Plantation Business Permit (IUP)** referring to the decree of Kotabaru Regent number 358 year 2006 in term of re-registration of **Plantation Business Permit (IUP)** of PT. Langgeng Muara Makmur in Kotabaru District on August 2006 with hecтарage of 15,533 Ha and POM capacity of 60 of FFB/Hour.
- **Plantation Business Permit (IUP)** of PT. Langgeng Muara Makmur (LMR) has been re-registered refer to the decree of Kotabaru Regent number 188.45/386/KUM/2009, dated October 15th 2009 with hecтарage of 15,533 Ha POM capacity of 60 of FFB/Hour.

Environment Permit

- **EIA.** There is EIA document (EIA, environmental management and monitoring plant) of estate and POM in North Pamukan, South Pamukan, and Sungai Durian Sub-District, Kotabaru District, South Kalimantan Province which was approved by agriculture ministry number 008/ANDAL/BA/II/95 dated February 27th 1995. Hecтарage of EIA study is 77,290 Ha consisted of 4 companies (PT. Langgeng Muara Makmur, PT. Paripurna Swakarsa, PT. Laguna Mandiri & PT. Swadaya Andika). Hecтарage of PT. Swadaya Andika is 11,250 Ha with POM capacity of 60 ton of FFB/Hour as written on the EIA document.
- **Land Application Permit.** The company has land application permit issued by Kotabaru Regent with permit number 188.45/447/KUM/2011 in term of effluent utilization in estate of PT SAA. The hecтарage of the applied area is 144 ha consisted of blocks E22, E23, F16, F17, F20, F21, G15, G16 and G17. According to the result of revision from Kotabaru Regent, the permitted area for land application is ± 144 ha consisted of blocks E22, E23, F16, F17, F18, F20, F21, G14, G15, G16 and G17.
- **Hazardous Waste Permit.** Permit letter of the hazardous waste storage was issued by Kotabaru Regent with letter number 188.45/126/KUM/2011 on March 8th 2011 for the location Selabak POM. Type of the allowed hazardous waste to be stored are used oil, used bulb, rag, used battery, medical waste, and ex-pesticide containers. The coordinate is South Latitude 02°29'50.1" dan East Longitude 116°12'10.6" for area of Selabak Estate, Sengkoh Estate, Randi Estate,

and Lanting Estate).

OHS and Manpower

- **Decree of Appointment of OHS Expert, Secretary of OHS Guiding Committee.** On behalf Mr. Agus F. Manalu. He has participated on the training of OHS expert and he has received decree of appointment as OHS expert with registration number 2576/PK3/AJ/62/2012/P0. Decree of appointment is valid until October 25th 2015.
- **Electrician Certification.** On behalf Mr Arjab T. Muarif. He has participated on the training of electrician on July 29th – August 1st 2013 which was held by Kotabaru District Manpower, Transmigration, and Social Agency with certificate number 566/1024/Disosnakertrans.
- **Welding Expert Certification.** On behalf Mr Sunaryo. He has participated on the training of welding on November 11th – 13th 2013 which was held by Kotabaru District Manpower, Transmigration, and Social Agency.
- **Crane and Loader Operator Certificate.** On behalf Mr Assanudin. He has participated on the training on October 16th – 19th 2010. SIO on behalf of Mr Assanudin with registration number 10.6634/OPF/KK/XI/2010 for loader operator which valid until November 12th 2015.
- **Steam Machine Operator Certificate.** On behalf Mr Sugeng Priadi. He has participated on the training of steam machine operator. SIO on behalf of Mr Sugeng Priadi with registration number 4520 OPK3-PUBT-B.I/VII/2013 is valid until July 9th 2018.

PT SAA management unit is able to show the evidence of the attempt on the adjustment of regulation changes. For example, adjustment on employee minimum wage standard for period of 2015 refer to the decree of South Kalimantan Governor.

Management unit is able to show the evidence of the documented system contains list of the must-complied government regulations. The document is evaluated annually. The latest evaluation was conducted on February 18th 2015.

Management unit is able to show the evidence of the documented system contains list of the must-complied government regulations. The document is evaluated annually. The latest evaluation was conducted on February 18th 2015.

The updated regulations are:

- Government Regulation Number 66 Year 2014 in term of environment health.
- Government Regulation Number 101 Year 2014 in term of hazardous waste management.
- Environment Ministry Regulation Number 05 Year 2014 in term of effluent quality threshold.

Status: Complied

2.2

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

PT SAA management unit is able to show the document of land acquisition referring to the applied statute regulation. For example:

1. PT SAA Location Permit consisted of;

- Location permit refers to the decree of the Head of Kotabaru District National Land Agency number 110/PL-460/199/KP-KTB in term of location permit granting for the establishment of palm oil estate for ± 10. 000 Ha on behalf PT. Swadaya Andika which was issued on May 20th 1997 in Rantau Buda, Manunggul Lama, Manunggul Baru, Sangkuh dan Bakau.
- Expansion I in Bakau Village which has been granted with location permit through the decree of the Head of Kotabaru National Land Agency number 460.2/014/98/KP-KTB for ± 500 Ha dated March 25th 1998.
- Rantau Buda was granted location permit through the decree of the Head of Kotabaru District National Land Agency number SK.460.2/02/98/KP-KTB for ± 500 Ha dated February 4th 1998 and the permit was extended on 1999 (February 4th 1999) through decree 460.2/2P/99/KP-KTB.

2. Location Permit of Lanting Estate: In form of land reserving permit which was issued by South Kalimantan Governor referring to the Decree of South Kalimantan Governor number SK.07/PL.84/1989/BPN-43 in term of land reserving permitin North Pamukan Sub-District, Kotabaru District for the estate of varies plants which has been managed managed by PT Langgeng Muara Makmur with hectarage of land reserving for 21,840 Ha dated May 31st 1989.

- 3. Forest Location Lease Permit.** According to the decree of Forestry Ministry number 583/Kpts-II/1994 in term of forest area lease from the forest area of Manunggal River and the location nearby which is located in Kotabaru District, South Kalimantan Province for 10,252 (ten thousand and two hundred and fifty two) hectare for palm oil estate on behalf PT. Swadaya Andhika dated December 20th 1994.
- 4. Land Use Title (HGU)/ Building Use Title (HGB)** consisted of;
- Land Use Title (HGU) Certificate Number 15 year 1997 dated December 1st 1997 refer to the letter sent by the Head of National Land Agency (BPN) number 131/HGU/BPN/1997 dated November 28th 1997 with hectarage of 93,706,000 m² (9,370.60 Ha) and valid until November 22nd 2032.
 - Land Use Title (HGU) Certificate Number 32 year 2002 dated March 26th 2002 refer to the Decree of the Head of Kotabaru District National Land Agency Number 7/HGU/BPN/2002 dated March 7th 2002 with hectarage of 507.579 Ha and valid until September 24th 2037.
 - Land Use Title (HGU) Certificate Number 33 year 2002 dated March 26th 2002 refers to the Decree of the Head of Kotabaru District National Land Agency Number 7/HGU/BPN/2002 dated March 7th 2002 with hectarage of 483 Ha and valid until September 24th 2037.
 - Building Use Title (HGB) number 2 year 2002 on March 21st 2003 refers to the decree of the Head of National Land Agency number 04-550.2-43-2003 dated February 28th 2003. NIB : 17.10.16.01.00006 the building area is 68.445 M². It is valid until March 20th 2033.
 - Lanting Estate (Legally included on the area of PT Langgeng Muara Makmur (Minamas Group). However, administratively is included on the area of PT SAA). There is document of Land Use Title (HGU) certificate number 12 year 1997 dated October 28th 1997 for 155,330,000 M² (15,533 Ha) which is valid until November 22nd 2032. The hectarage of Lanting Estate is 3,249.27 Ha.

Furthermore, there are also evidence of Land Use Title (HGU) proposal progress records over 62.96 ha area in Randi Estate as follows:

- Document of PT SAA Land Use Title (HGU) proposal number: 019/SAA/UM/PSD/II/09 dated February 16th 2009 to the Head of South Kalimantan Province National Land Agency for 62.96 ha of land which is located in Bakau Village, North Pamukan Sub-District, Kotabaru District, South Kalimantan Province.
- Document of letter sent by the Head of South Kalimantan National Land Agency to PT SAA on February 18th 2009 with letter number 540.2/35/139/BPN-43, the letter was sent to respond the proposal of PT SAA Land Use Title (HGU) for 62.96 ha.
- Letter sent by the Chief of Bakau Village (Abdul Kadir) on February 21st 2009. The letter states that the Land Use Title proposed by PT SAA is not customary land nor under conflict and the land is considered as non-forest states land.
- Document of proposal for approval sent by Department Legal & Administration Support of Minamas Plantation to GM PSD of South Kalimantan in term of cost of land measurer committee B of PT SAA.
- Document/evidence of slip/transfer of money for measuring PT SAA land on February 24th 2009 to the treasurer of South Kalimantan Province National Land Agency through BRI for IDR 14.551.000.
- Document of letter sent by South Kalimantan Province National Land Agency on March 5th 2009 with letter number 540.2/46/179/BPN-43, in term of : Field Research of Soil B on Behalf PT SAA for 62.96 ha.
- Letter Number: 104/SAA/PSD-Bjb/XI/2012 on November 13th 2012 in term of proposal of Land Use Title (HGU) on behalf PT SAA. The letter was sent to National Land Agency as the action to comply entire requirement to achieve Land Use Title (HGU) for 62.96 Ha in Randi Estate. The proposal is still being processed in South Kalimantan National Land Agency.
- Email sent by Public Service Department (PSD) Minamas Group in Banjarbaru, South Kalimantan Province on June 29th 2013 in term of Land Use Title (HGU) certificate proposal of PT SAA. South Kalimantan National Land Agency recommends the company to update the project proposal over the request.

The company is not able to show the progress of Land Use Title (HGU) after surveillance 2 and before surveillance 3 for 62.96 ha on land in Randi Estate. **Nonconformity. See number 2015.01.**

Generally, PT SAA has conducted land compensation to the former traditional right owner. The process of Land Use Title (HGU) compensation is derived from the sample of document of report of compensation for the occupied land and growing plant within PT SAA II estate area (Randi Estate) Manunggal Lama Village /Sungai Durian Sub-District for 10 Ha and

Bakau Village, North Pamukan Sub-District for 123.25 Ha. It is supported with the document of declaration letter of the waiver over the land. It was witnessed by village and sub-district officials, evidence of compensation handover (receipt), and official record of compensation process. Entire bundle of legal documents of the land acquisition is documented on the officer of RSPO secretariat of PT SAA (Copy).

PT SAA (Selabak Estate) has compiled book of National Land Agency pole monitoring for period of 2015 which contains:

- a. Result of National Land Agency pole monitoring (dated December 28th 2014)
- b. Map of coordinate of Land Use Title (HGU) pole with scale 160,000
- c. Coordinate of Land Use Title (HGU) and documentation

According to the document of book of National Land Agency pole monitoring for period of 2015 in Selabak Estate, there are 101 Land Use Title pole which consisted of:

Big Pole: 17 poles

Small Pole: 84 poles

According to the field visit to Selabak Estate (Big Land Use Title (HGU) pole number 2, 3, and 4 and small Land Use Title (HGU) pole number 5 for the small pole), there is one missing big pole at field (big pole number 4).

According to the document of book of National Land Agency pole monitoring for period of 2015 in Sangkoh Estate, there are 395 poles which is consisted of:

Big Pole: 89 poles

Small Pole: 306 poles

According to the field visit to Sangkoh Estate (Small Land Use Title (HGU) pole number 110, 111, 112, 114 and big Land Use Title (HGU) number 23 and 26), there is one unreached big Land Use Title (HGU) pole in HCV area (swamp).

The company has conducted corrective action over the Major Nonconformity Number 2015.01. For example:

Auditor Observation:

March 13th 2015

Management unit is able to show several evidence of corrective actions. For example:

- Letter sent by Kotabaru District Plantation Agency on March 4th 2014 for Director of PT. SAA Number. 522/148/TGH/2014. The content of the letter states that the area with hectarage of 62.96 Ha is located within the area of other usage. According to the attachment of Decree of Forestry Ministry Number 6018 Year 2013 in term of application of map of indicative of postponement of new permit granting for utilizing forest area, forest area usage and changes of forest area usage and other area usage proposed, the area of PT. SAA **is not** included on the map of indicative of postponement of new permit granting. Principally, Kotabaru District Forest Agency is able to process the request of PT SAA in term of land use title refer to the applied regulation.
- Letter sent by South Kalimantan Province National Land Agency number 894/9-63/XI/2014 dated November 17th 2014. The letter was sent to Director of PT. SAA. According to the content of the letter, PT SAA was requested to complete several files of Land Use Title (HGU) proposal. For example:
 1. Study conducted by the authorized technical agency over the attachment map of decree of Forestry Ministry number 435 Year 2009, President Instruction Number 10 Year 2011 jo. President Instruction Number 6 Year 2013, and map of geographical information system issued by South Kalimantan Province Mining and Energy Agency in term of area of mining business permit.
 2. Revision of Land Use Title (HGU) proposal refers to the mandate on Rules of Republic of Indonesia National Land Agency number 1 year 2010.
 3. ID Card of the requester.
 4. Procuration from management.
 5. EIA / environmental management and monitoring plan.
 6. Etc.

Response over the letter sent by South Kalimantan Province National land Agency is yet cannot be shown.

April 15th 2015

Management unit is able to show evidence of several corrective action. For example:

- Status of PT SAA Land Use Title (HGU) report process composed by Manager of PSD of South Kalimantan. According to the document, in order to respond letter sent by National Land Agency number 894/9-63/XI/2014 dated November 17th 2014, South Kalimantan PSD has informed the the progress and has been waiting the follow up from Jakarta PSD. According to the document, entire group of files shall be fragmented on May 2015 and they shall re-proposing the proposal.
- Map which describes the proposed area of Land Use Title (HGU) for 62.96.

Response over the letter sent by South Kalimantan Province National land Agency is yet cannot be shown.

April 16th 2015

PT SAA management unit is able to show the letter sent by Director of PT. SAA to the Head of South Kalimantan Province National Land Agency with letter number 228/SAA/UM/PSD/IV/2015 dated April 15th 2015 in term of completeness of PT SAA Land Use Title (HGU) proposal data for 62.96 Ha in Kotabaru District. The content of the letter was purposed to respond the letter sent by the Head of South Kalimantan National Land Use Title number 894/9-63/XI/2014 dated November 17th 2014. The summary of the letter are:

- According to point 1.A.1 of the letter sent by South Kalimantan Province National Land Agency, PT SAA must attach the document which declares the proposed land is the extension of the owned Land Use Title (HGU) and still within one area. We seek for the guidance of the procedure to achieve the purposed document, specifically the agency authorized to issue the document.
- Entire bundle of document of Land Use Title (HGU) requirements shall be informed immediately once we receive the complete documents from the authorized agency.

Auditor Conclusion:

Management unit is able to show the evidence of corrective action. Therefore, **Nonconformity number 2015.01 is closed.**

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 result of interview with the Chief of Manunggal Village and community figure of Bakau Village, there is no land conflict between PT SAA and the community until surveillance 3.

PT SAA has had Land Use Title (HGU) certificate, within the area of Land Use Title (HGU). There is land occupied by community for estate and other purpose. PT SAA has negotiated and paid the compensation before the land clearing as informed by the document of land compensation payment in form of: 1) Waiver of land which was written by land owner and witnessed by Village Apparatus, 2) Declaration letter which declare the acceptance of negotiation process, 3) Sketch of new land, 4) ID Card, 5) Photographs of compensation payment, 6) Receipt of compensation payment.

Entire bundle of legal documents of the land acquisition are documented in office of RSPO secretariat of PT SAA (Copy). For example, document of compensation of the occupied land and the growing plant within estate area of PT SAA II (Randi Estate), Manunggal Lama Village, Sungai Durian Sub-District for 10 Ha and Bakau Village, North Pamukan Sub-District for 123.25 Ha supported with document of declaration letter of waiver over the land witnessed by village and sub-district officials, evidence of compensation payment (receipt) and official record of compensation.

According to the field verification in blocks D17 - D21 of Selabak Estate, there is still unplanted Land Use Title (HGU) are of PT SAA due to the traditional right owner is not willing to lease the land. Hectarage of the unplanted area is 13 Ha, the condition of land are dominated by secondary forest area and plantation. According to the result of interview with land owner, the company does not force the land owner to sell the land.

According to the result of field visit to blocks D17 - D21, the forest area identified as HCV area on 2009 is the land owned by the traditional right owner (House of S.Diding) for ± 13 Ha. Land clearing has been conducted by the land owner. PT SAA management unit does not yet has the data of the area owned by traditional right owner. **Nonconformity. See**

Number 2015.02.

Due to the major nonconformity number 2015.02. The company shall attempt to conduct corrective actions. For example:

Auditor Observation:

March 13th 2015

Management unit is able to show the document of HCV potential monitoring dated February 24th 2015 which was composed by HCV officer and witnessed by Senior Assitant of Selabak Estate. According to the document, the areas identified still under traditional right ownership are:

- Mr Incuk and Mr Om Pit (House of S. Diding) own 12.35 Ha in block D21. The area owned by Mr Incuk is now a forest area and no land clearing conducted. Meanwhile the area owned by Mr Om Pit is now planted with rice and corn for 4 Ha. The area has been planted since the land clearing conducted by the company. Monitoring was conducted by the company on February 23rd 2015.
- Mr Kai Ampal owns 6 Ha of land in block F25 and 3 Ha of land in block G23/24. The area has been planted with rubber plant since the land clearing conducted by the company.

Map of the area under traditional right ownership cannot yet be shown.

March 18th 2015

Estate management unit is able to show the map of the area under traditional right ownership. The map was made on March 2015 with scale 1:60,000.

Auditor Conclusion:

Management unit is able to show the evidence of corrective action. Therefore, **Nonconformity number 2015.02 is closed.**

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 SAA management unit has document of long term work plan. For example:

Selabak POM

Statistical	2014/2015	2015/2016	2016/2017	2018/2019
FFB Process (Ton)	137,942	142,926	148,227	143,894
OER (%)	23.48	23.50	23.50	23.75
KER (%)	5.05	5.00	5.00	5.00
CPO Production (Ton)	32.390	33.588	34.833	34.175
PK Production (Ton)	6,966	7,146	7,411	7,195

Selabak Estate

Statistical	2014/2015	2015/2016	2016/2017	2018/2019
Planted Hectare (Ha)	3,359	3,359	3,359	3,353
Mature Hectare (Ha)	3,231	3,231	3,231	3,107
FFB Production (Ton)	68,330	66,526	67,497	65,468
Yield (Ton/Ha)	21.15	20.59	20.89	21.07

Estate management unit has also had work plan of replanting program for at least next 5 years. For example:

Sangkoh Estate

Replanting Year	Area Hectarage (Ha)
2013/2014	170.02
2014/2015	144.62

2015/2016	153.12
2016/2017	163.10
2017/2018	189.99
2018/2019	156.87
2019/2020	180.25

Selabak Estate

Replanting Year	Area Hectarage(Ha)
2017/2018	238.46
2018/2019	123.22
2019/2020	234.65
2020/2021	263.08
2021/2022	255.12
2022/2023	195.05

Status: Complied

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

Estate and Mill Management Unit has a procedure (SOP) of palm oil estate cultivation practice which is effectively documented as follow:

Procedure of Palm Oil Cultivation (started from land clearing to harvesting)

It is documented on the Agricultural Reference Manual (ARM) Policy No. 110/EST-ARM/13 which was signed by the Head of Indonesia Upstream Plantation (Mohd Ghozali Yahaya) on September 16th 2013. The SOP covers preparation of planting seed, nursery technique, replanting, land preparation, harvest density, first harvest, estate maintenance, manuring, manuring on immature plant, empty fruit bunch application, effluent application, canopy management, water management on the shore area and planting on peatland area, ablation, maturity standard, harvest cycle, loosen fruit picking, plant protection, weed control, planting of Leguminosae cover crop and record of precipitation.

Procedure of Palm Oil Processing (started from FFB receipt to CPO & PKO dispatch)

Documented on:

1. Policy No. 14x/PTK-TRP/2004 in term of procedure of FFB transport management. The policy is supported with attachment of the must-attached supporting document during process of transport from estate and to mill.
2. Dokumen No. SOP-SLF-01/2010 in term of SOP of FFB receipt in mill.
3. Work guideline of estate assistant number 721/TQEM-PKA/08, Sub-chapter 6.2 in term of FFB quality control (grading) in POM.
4. Policy No. 110/POD-FAC/07 Chapter I Sub Chapter 1.1 in term of guideline of palm oil mill 1st edition. It covers the basic of palm oil processing (consisted of FFB receipt, boiler, thresing, stirring, digesting, purifying, separation of kernel and fiber, kernel station), storing of CPO and PK, mill effluent control, water management and laboratory analysis (it consisted of analysis on FFB boiling and thresing station, CPO and boiled FFB loss, analysis of press station and fiber cycle, analysis of kernel station, analysis of effluent pond, analysis of water and control process and laboratory management).

Record and Monitoring of Operational

Operational in each estate unit and mill are recorded, monitored and evaluated regularly. For example:

1. Monthly report of estate manager which contains data compilation of area statement, plant population for each division, new planting program, replanting program, crop production, budget of FFB production, crop despatch, harvesting interval, crop quality, mills performance, weeding program, manuring programm, fertilizer application status, fertilizer stock, road maintenance, capital, recapitulation of beneficial plant, construction of siltpit, OPT monitoring and census, pesticide monitoring, etc.
2. Annual report of Plantation Advisory by Shioh Hengkin to Selabak Estate on August 15th – 18th 2014. The result of the visit covers inspection and assessment of operation related to agronomy such as nursery, plant condition, IPMC

(Integrated Pest Management and Control).

3. Annual report of internal audit by M. Yusuf, Hafiz and Adi on August 19th – 25th 2014. The result of inspection and monitoring covers inspection and monitoring of operationals in estate, mill, and suitability over compliance of the applied SOP.
4. Annual report of mill inspection advisory by Sulaiman Siafi on January 29th – 30th 2015. It covers the inspection related to mill operationals.

The result of monitoring is described on the report which is reported to management and Head Office for the need of performance assessment. Reporting is conducted online.

Status: Complied

4.2

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

Estate management unit conducts test of soil and leaf nutrient analysis regularly to calculate annual manuring recommendation. Leaf analysis is conducted by Minamas Research Centre of Teluk Siak. Meanwhile, soil analysis is conducted by Environment Research Institute of Lambung Mangkurat University, Banjarbaru. Measurement of leaf analysis covers ash level, substance of dry matter (%), macro nutrient substance (N, P, K, Mg and Ca) and micro nutrient substance (B). Soil analysis covers texture, substance of C, N, available P, pH, Cation Exchange Capacity (KTK) and substance of other soil mineral. Report of monitoring, program and realization of manuring for period of 2014/2015 concluded that the actual anorganic manuring for period of July 2014 until December 2014 was the finishing of (carry forward) the program for period of 2013/2014. The realization of manuring until December 2014 was reaching 81.69%.

Estate management unit shows the data of siltpit construction monitoring for period of Jly 2014 until June 2015. Data analysis concludes that the siltpit construction is not totally well conducted mechanically nor manually due to the limitation of the workers and equipments. However, construction and maintenance of siltpit road has already been conducted. The company has realized action plan to optimize siltpit construction during drought season, preparing workers and equipments readiness and improving supervision.

Estate management unit conducts land application using empty fruit bunch and effluent. For example, there was application of 1,995.47 ton of empty fruit bunch in Selabak Estate and there was application of 474 ton of empty fruit bunch in Sangkoh Estate during period of July 2013 to November 2014. The result of environment monitoring for the application of effluent to the land is reported to the Kotabaru District Environment Agency (each quarter).

Status: Complied

4.3

Practices minimize and control erosion and degradation of soils.

Estate management unit shows the report of the result of tanah tinjau survey and evaluation of land suitability class for period of 2013. Survey was conducted by Research Department of Minamas Plantation. Map of the result of survey is attached on the report. According to the result of survey, there is no peat soil and area with slope level more than 25%.

According to the result of survey in Selabak Estate of division II, IV and V for 173.23 ha for planting location after period of 2007 in 2013, 100% of the soil has land suitability class S3 (marginally suitable) and it has potential to be improved to class S2 (suitable) with several treatments. According to the result of soil survey in entire Selabak Estate Area, 29% (939 ha) of the total of the land is categorized as S3 and 70.8% (2,273 ha) of the total of the land is categorized N1 (unsuitable). However, by using agronomy treatments such as improving soil fertility by implementing proper manuring and water management technique, the area class could be improved to class S2 (suitable). According to the soil survey report of Sangkoh Estate, 17.9% (451 ha) of the total of the land is categorized as N1 (unsuitable). However, by using agronomy treatments, the class of thea could be improved to class S2 (suitable) and 82.1% (2,066 ha) of the total of the land is categorized as N1 (unsuitable). However, by using proper water management the area class could be improved to class S2 (suitable).

Strategy of land management over the obstacles such as land slope, fertility, erosion potential and water deficit are described on the report of soil survey and the result of plantation advisory visitation. For example:

1. Conducting erosion rate monitoring by installing erosion pole (1 erosion pole in Selabak Estate, 4 erosion poles in Lanting Estate, and 3 erosion poles in Randi Estate).

2. Constructing terrace, trench, planting legume cover crop, planting *Neprolephis* and U-shape frond arrangement for the hilly and wavy hill in order to conserve water and soil.
3. Constructing watergate on the lowland to set the level of water and prevent the flooded land.
4. In order to improve soil fertility, several actions must be taken. For example: improving soil organic substance, improving cation exchange capacity, improving infiltration and permeability over soil and improving pH of the acid soil.
5. Manuring management by giving proper dosage refer to the result of soil and leaf analysis. Precise application time and placement.

According to the result of field visit and monitoring in block F8, division I, Selabak Estate, the frond arrangement is conducted by referring to the SOP (forming U-Shap to hold surface run-off rate). According to the field visit to replanting area (block D04, division I, Selabak Estate and block G33, division II, Sangkoh Estate), land clearing is conducted by implementing zero-burning principle and the land is planted with *Mucuna*. Furthermore, construction of terrace on slope area is conducted.

Estate management unit has program and realization of road maintenance. For example, road maintenance for 4,331 m and road hardenning for 2,790 m in Selabak Estate has been conducted. Meanwhile, Sangkoh Estate has maintained 85,787 m of the road. The road maintenance is conducted in access road, main road, and collection road. According to the field visit and observation, the road passed by auditor (specifically road for harvesting operation) is well maintained by using road grader.

Water management is conducted only in lowland of Lanting Estate to reduce water puddle during tide and rain.

Status: Complied

4.4

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

According to the document of environment monitoring of 1st semester of 2014, the company has conducted Tandilang River, Manunggal River, employees well and reservoir water monitoring regularly.

According to the result of field visit to block G35/F34 (replanting area), the company has implemented soil and water protection practice refer to the SOP of cultivation. For example, Legumme Cover Crop (LCC) planting, creating contour terrace on the slop area and preserve riparian area.

PT. SAA management unit has shown the evidence of record of water monitoring as written on report of environmental management and monitoring plan of 1st semester of 2014. The parameters are tested by Banjarbaru Institute of Research and Industry Standardization. The latest test was conducted on July 14th 2014. The result of the latest test were:

- a. Surface water quality monitoring. It consisted of;
 - 1st Tandilang River water monitoring with LHU: 3208-E/BPKIIMI/BRSBB/07/2014. It consists of 33 tested parameters including Ph, BOD, COD, Amoniak, TSS, Oil & Grease, N-total, Cd, Cu, Pb & Zn.
 - 2nd Tandilang River water monitoring with LHU: 3209-E/BPKIIMI/BRSBB/07/2014. It consists of 33 tested parameters including Ph, BOD, COD, Amoniak, TSS, Oil & Grease, N-total, Cd, Cu, Pb & Zn.
 - 1st Manunggal Lama River water monitoring with LHU: 3210-E/BPKIIMI/BRSBB/07/2014 It consists of 33 tested parameters including Ph, BOD, COD, Amoniak, TSS, Oil & Grease, N-total, Cd, Cu, Pb & Zn
- b. Water quality monitoring in monitoring well;

Parameter	Unit	Monitoring well's test result			Threshold
		SP 01 – F17	SP 02 – F18	SP 03 Emplacement	
pH	mg/l	6.96	6.74	There is no test result because the well is empty by the time the sample was empty	6.5 – 9
BOD	mg/l	24.6	20.4		-
DO	mg/l	5.74	2.05		-
Nitrat (NO3)	mg/l	1,459	0.151		10
Nitrit (NO2)	mg/l	0.007	0.002		1
Cd	mg/l	0.013	<0.012		0.005

Cu	mg/l	<0.047	<0.047		-
Pb	mg/l	<0.001	<0.001		0.05
Zn	mg/l	<0.007	<0.007		15
Chlorida	mg/l	90.661	98.551		600
Sulfat (SO4)	mg/l	50.051	11.708		400

PT SAA has also conducted reservoir and well water quality test. The tested well and reservoir water is utilized by employees for domestic needs (10 sampling spots). According to the quality threshold refers to Health Ministry Regulation number 416/Menkes/Per/IX/1990, there was tested parameter exceeding environment quality threshold. For example, E coli in SLE Div I, II, III, IV and SNE Div. I/II and III.

In term of the result of E. Coli test indicated that exceeding quality treshold the company has conducted evaluation as written on RKL/RPL report of 2nd semester of 2014. The conducted evaluations were health socialization program by company doctor. Company doctor advices the workers and their families to boil the water before consumed by them and to get them use to wash their hand before they eat.

In term of the nonconformity of previous assessment (spraying program at the trench of Lanting River flow to Bakau River), auditor has verified it by interviewing top management and reviewing the document. According to the result of the interview the trench of Lanting River flow to Bakau River has been installed with signboard of prohibition to apply chemicals and mark the crop with yellow paint. Futhermore according to document review, socialization has been conducted to entire workers including sprayer in order to avoid spraying near by water way

Status: Complied

4.5

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

Integrated Pest Management

Estate management unit has had integrated pest management program in form of budget and recapitulation of census of several type of OPT such as bagworm, termit, ganoderma, asiatic rhinoceros beetle, tirathaba and wild hogs. Biological pest control conducted by the company is by raising barn owl to prey rat, installing pherotraps to control Asiatic rhinoceros beetle population. The programs is written on the monthly report of estate manager.

Recapitulation of census covers date/schedule of census, area hectarage of census and attack point. Pest controlling action by using chemicals shall be monitored (annual pesticide toxicity of LD50). The company has also a program of beneficial plants planting to control bagworm population. According to the result of census, the OPT attack level is still below the quality threshold except the attack of bagworm (*Sethotosea asigna*). For example, the result of bagworm attack in Selabak and Sangkoh Estate is as follows:

Bagworm Attack in Selabak Estate

Total of attack hectarage is 3,367 ha with the detail of heavy attack level for 822 ha, moderate level of attack for 37 ha andlight level of attack for 2,508 ha. The company has planted *Turnera Subulata* for 19 km and *Cassia cobanensis* for 10 km during period of 2014/2015 to overcome bagworm attack biologically. The company has used pullsfog and insecticide of Decis/Matador with concentrate of 3% to overcome bagworm attack chemically.

Bagworm Attack in Sangkoh Estate

Average of bagworm attack per frond in divison 1 and 2 is 0.75-1.11 bagworm per frond. Therefore, action to overcome it chemically does not need to be implemented. The company has planted *Turnera subulata* for 63.55 km, *Cassia cobanensis* for 18.04 km and *Antigonon leptosus* for 0.40 km during period of 2014/2015 to overcome bagworm attack biologically. The company has used pullsfog and insecticide of Decis/Matador with concentrate of 3% in division 3 where the average of bagworm per frond is 5.82 bagworm per frond to overcome bagworm attack chemically.

Barn Owl Boxes (BOB)Monitoring

According to the result of census, the population and attack of rat is still below the quality threshold. Therefore, action to overcome it chemically (using poison) does not need to be implemented. However, rat control is conducted by using barn

owl as rat natural predator. BOB monitoring is managed and monitored monthly. For example, there are 12 BOB in Selabak Estate with the occupation rate is 0.1% and there are 96 BOB in Sangkoh Estate with the occupation rate up to 21%.

Trainin of Integrated Pest Management. For example:

1. Training of bagworm census on November 17th 2014 in block D07. The training was taught by Interim of Estate Manager. Training was attended by 12 participants consisted of assistant, foreman, naturalist, and employees.
2. Training of bagworm spraying using pulsfog on January 17th 2015 in Randi Estate. Training was taught by senior assistant, assistant, and mechanic. Training was attended by 18 participants consisted of COC, foreman, and sprayers.

Status: Complied

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.

Estate management unit uses only the agrochemiclas listed and allowed by the associated agency. Estate management unit has a recommendation letter of pesticide usage and storing from Kotabaru District Manpower, Transmigration, and Social Agency with number KEP-377/PESTISIDA/IV/2014 dated April 1st 2014 to Lanting Estate. The company has also had permit of Decis, Matador, and Lentrek pesticide usage and storing refer to Decree of the Head of Kotabaru District Manpower, Transmigration, and Social Agency with numberKEP-053/Pestisida/ dated February 25th 2011. The company is also able to show the document from Direktorat of Fertilizer and Pesticide which contains the listed and registered pesticide for estate and forest. Several types of agrochemicals used by the company are Prima-Up 480 SL (Isoprofilamina Glifosat), Kenlon 480 EC (Triklpir Butoksi Etil Ester), Metafuron (Metil Metsulfuron), Decis 2,5 EC (Deltametrin), Basta (Amonium Glufosinat), Meta Prima (Metil Metsulfuron), Strane (Fluroxipir), Matador (Lamda Sihalatrin) and Dithane (Mankozeb).The company has stopped using paraquat since 2009.

Estate management unit has MSDS of agrochemicals used by the company and available on English and Bahasa Indonesia. According to the document verification, agrochemical usage has complied the usage recommendation such as dosage, target of species, and storing technique. Estate management unit has also conducted pesticide usage monitoring. For example, pesticide usage during period of 2014 as follows:

1. Glyphosat, Budget 389.98 ha, realization 313.21 ha; dosage 2.96 lt/ha; active substance 480 gr/lt.
2. Methyl metsulfuron, Budget 22.00 ha, realization2.51 ha; dosage0.01 lt/ha; active substance200 gr/lt.
3. Fluoroxypir, Budget 59.91 ha, realization44.39 ha; dosage0.71 lt/ha; active substance295 gr/lt.
4. Triklpir. Budget 35.91 ha, realization28.10 ha; dosage0.06 lt/ha; active substance480 gr/lt.

Training of pesticide application held by estate management unit. For example:

1. Training of spraying on September 23rd 2014 in Randi Estate. The training material was taught by plantation advisor. The training was attended by 24 participants consisted of senior manager, foreman assistant,sprayers and employees.
2. Training of bagworm census on November 17th 2014 in block D07. The training material was taught by Interim of Estate Manager. Training was attended by 12 participants consisted of assistant, foreman, naturalist, and employees.
3. Training of bagworm spraying using pulsfog on January 17th 2015 in Randi Estate. Training was taught by senior assistant, assistant, and mechanic. Training was attended by 18 participants consisted of COC, foreman, and sprayers.

Estate management unit also conducts regular medical check up. Recommendation of doctor from central clinic of Sungai Durian Area, PT Laguna Mandiri, Minamas Plantation for mill team, sprayer team and warehouse team. Estate management unit has schedule of permanent workers of Sungai Durian area medical check up for period of 2014/2015. Example of the result of medical check up are:

Selabak Estate; Women 31 years old, working as sprayer. Medical check up conducted for her are Spirometri: result is normal;Cholinesterase: mild poisoned; Physis: myopia, hipertense; conclusion: fit in condition, Recommendation: rolling work for 2 months.

Sangkoh Estate; Women 45 years old, working as sprayer. Peme Medical check up conducted for her are Spirometri: result is mild restrictive;Cholinesterase: mild poisoned; Physis: myopia, hipertense; conclusion: fit in condition, Recommendation: rolling work for 2 months.

According to the field visit to block F17, division III, Selabak Estate and block H28, division I, Sangkoh Estate, employees have aware of the good spraying technique including PPE usage and OHS. According to the result of interview, there is no pregnant nor breastfeeding workers on the sprayer team. Estate management unit shall immediately mutate the pregnant and breastfeeding workers who still work with chemicals.

Status: Complied

4.7

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

OHS Policy

PT SAA management unit has policy of occupational health and safety number 724/TQEM-SPMS/09 in term of commitment over the employee occupational health and safety improvement. Minamas has determined the OHS system concerning of several issues such as:

- Formulating and determining and implementing occupational health and safety system.
- Training staff and employees refers to the competence.
- Implementing statute, government regulation, and regulations determined by Minamas in term of OHS.
- Improving OHS performance sustainably.

OHS Program

PT SAA management unit is able to show the documentation of OHS program for period of January – December 2014. The OHS program was composed on January 5th 2014. The example of OHS programs are: OHS Guiding Committee Monthly Assembly, training of fire team, training of emergency response and etc.

Management unit also able to show the documentation of OHS program for period of 2015. OHS programs were composed on January 7th 2015. For example, OHS and PPE training, maintenance training, HIRAC training, SCCS training, etc.

PT. SAA management unit has organization which responsible on OHS program. The organization is OHS Guiding Committee. OHS Guiding Committee was legalized by Manpower Agency with decree number 1251/P2K3/X/DISOSNAKERTRANS dated November 11th 2013. The organization structure of OHS Guiding Committee is consisted of Leader(M. Nurhadiyat); Vice Leader (Firlan Edi); Secretary (Andar Witantya).

According to the 3rd point of the decree of OHS Guiding Committee legalization, the decree is valid as long as no changes on the company and its structure. Secretary of OHS Guiding Committee was resigning on 2015, the company was then proposing structural changes of organization to Kotabaru District Manpower, Transmigration, and Social Agency with letter number SAA/-1/P2K3/I/2015 dated January 2nd 2015. According to the letter, the company proposed changes of OHS Guiding Committee organization structure due to the resignation of OHS Guiding Committee secretary. The proposed secretaries was Mr Agus Frans Manalu. Mr Agus Frans Manalu has participated on OHS expert training and he has achieved decree of appointment as OHS expert with registration number 2576/PK3/AJ/62/2012/P0. The decree of appointment is valid until October 25th 2015.

PT. SAA management unit is able to show the attendance list of the meeting of OHS Guiding Committee. For example, OHS Guiding Committee meeting which was conducted on January 8th 2015. The meeting was attended by 12 participants (board of OHS Guiding Committee).

PT. SAA management unit is able to show evidence of OHS reporting on 4th quarter of 2014 to Kotabaru District Manpower, Transmigration, and Social Agency on January 15th 2015.

According to the document review, the company has had policy of employee protection and welfare assurance as written on chapter XI of collective labour agreement for period of 2013 – 2015. For example.

- a. Clause 50 in term of labour social assurance program (jamsostek), the company register the employee to labour social assurance programs such as safety work insurance, death insurance, retirement insurance, and medical insurance.
- b. Clause 50 in term of medical insurance program. For example, medical service, glasses, dental care, and vegetable planting.

There are records of the detail of labour social assurance (Jamsostek) payment. For example:

- a. Sangkoh Estate. There is evidence of labour social assurance (Jamsostek) payment. It was paid on December 2014 for 429 workers as much as IDR 51,038,839.
- b. Selabak Estate. There is evidence of labour social assurance (Jamsostek) payment. It was paid on January 2015 for 556 workers as much as IDR 66,477,227.
- c. Selabak POM. There is evidence of labour social assurance (Jamsostek) payment. It was paid on December 2014 for 90 workers as much as IDR 11,720,013.

PT. SAA management unit has held regular medical check up for the employees working on high-risk stations. For example:

- Selabak POM. Mill management unit is able to show the document of recapitulation of the result of medical check up. The medical check up was held by mandiri health care clinic on June 29th 2014. 4 workers were examined. According to the medical check up result, entire worker (4 examined workers) were considered healthy as long as keep using PPE when working.
- Sangkoh Estate. Estate management unit is able to show the document of recapitulation of the result of medical check up. The medical check up was held by mandiri health care clinic on June 29th 2014. 36 manurers and sprayers were examined. Examination conducted by mandiri health care clinic were physical check up, spirometri check up, and cholinesterase check up. According to the result of entire examination, entire worker are considered healthy.
- Selabak Estate. Estate management unit is able to show the document of recapitulation of the result of medical check up. The medical check up was held by mandiri health care clinic on July 24th 2014. 12 workers were examined (physical check up, cholinesterase, and spirometri). For example, worker on behalf Mrs Yusri was experiencing mild exposed. According to the doctor recommendation, she must wear PPE during work and she must not deal with chemicals. 4 workers were examined (spirometro, auditometro, blood and physical). According to the medical check up, entire worker was considered healthy as long as keep using PPE when work.

PT SAA management unit has record of risk analysis related to OHS. Record of risk analysis is written on the document of HIRAC (estate and mill). Document of HIRAC will always be evaluated. For example, document of Selabak POM HIRAC will be reviewed on December 2nd 2014. Document of HIRAC covers the location of operation, type of operation, danger potential, predicted impact, risk assessment, risk control (control effort), and PIC.

Management unit has records of OHS training. For example:

- Selabak Estate management unit is able to show the record of OHS training socialization. The training was held on September 9th – 12th 2014. The training socialization in division I was attended by 115 employees.
- Sangkoh Estate management unit is able to show the record of socialization of OHS in term of safety work when working with chemicals. Training was attended by 17 workers on November 10th 2014.
- Mill management unit is able to show the record of fire and emergency response simulation. The simulation was attended by 9 workers on September 5th 2014.

There is SOP of emergency situation number 031/SAA-KDR/10. The SOP regulates the effort to handle fire or earthquake. There is also document of SOP of identification and evaluation on emergency potential (724/TQEM-ESH/10).

Management unit is able to show the compliance over OHS and first aid equipment. For example:

Personnal Protective Equipment

- Management unit is able to show the recapitulation of PPE handover. For example, PPE handover on December 2014 on behalf Mr Anca. He was given ear plug on December 2014.
- Sangkoh Estate management unit is able to show the official record of boots handover for the harvester team. For example, Mr Fatdolin was given boots on February 10th 2015.
- Selabak Estate management unit is able to show the official record of safety helmet hand over. For example, generator operator was given safety helmet on April 11th 2014.

First Aid Kit

- Selabak Estate management unit is able to show the list of first aid kit inventory. There are 13 first aid kits placed inside the office and 24 first aid kits are given to foremen.

- Mill management unit is able to show the list of first aid kit inventory. There are 5 first aid kits placed in POM.
- Sangkoh Estate management unit is able to show the list of first aid kit inventory. There are 5 first aid kit placed inside office and 18 first aid kits are given to foremen.

PT. SAA management unit shows the minutes of meeting of the join first aid training (joined by PT PSA, SAA and LMR). The training was attended by 73 participants at GOR BBE by cooperating with Kotabaru District Manpower Agency on July 31st 2013. Training materials and training photographs are available.

PT SAA management unit has record of annually-evaluated work accident. For example:

- Management unit is able to show the document of work accident monitoring for period of July 2014 to January 2015. According to the document, there was no work accident during period of July 2014 to January 2015.
- Sangkoh Estate management unit is able to show the document of work accident for period of July – December 2014. According to the document, there were 11 work accidents during period of July – December 2014. Management unit has evaluated the work accident by keep improving safety briefing, socializing PPE usage, socializing HIRAC implementation, etc.
- Selabak Estate unit management is able to show the document of work accident evaluation monitoring for period of July 2014 – January 2015. According to the document, there were 38 work accidents. U Management unit has evaluated the work accident by keep improving safety briefing, socializing PPE usage, socializing HIRAC implementation, etc.

Status: Complied

4.8

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

There is a program of PT SAA human resource development and training for period fo 2014, the training is programmed to cover entire level of employees. For example, training of SOP of operational for field workers is conducted twice a year, training of maintenance for workshop workers is conducted twice a year, training of problem solving for the workers in office is conducted once a year.

PT SAA management unit is able to show the record of employees for entire estate for period of 2014 which covers name of employee, type of the participated training, training period. For example:

- Mr. Ngadiri (harvester) was participating training of pruning, harvesting, fire extinguishing, and social health.
- Mr. Nanang Sulisno (division clerk/traction) was participating on training of fire extinguishing, electricity OHS and social health.

There is SOP of tender with policy number 312/PUR dated May 1st 2012. The SOP describes the selection of contractor through process of tender, tender is held by head office of Minamas. The company has formed tender commission (authorized to select contractor). The SOP also describes the must-complied specification such as technical specification for goods/service. The responsible user must provides the needed document and compose recommendation.

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 are documents of environment impact management. For example:

1. Document of Environment Impact Assessment which was approved by referring to the letter number 008/ANDAL/BA/II/95 dated February 27th 1995 with the scope of study for 77,290 Ha. It consisted of 4 companies (Langgeng Muara Makmur, Laguna Mandiri, Paripurna Swakarsa and Swadaya Andika). Hectarage of PT Swadaya Andika on the scope of study is 11.250 Ha. The capacity of each mill as written on EIA document is 60 Ton of FFB/Hour.
2. Document of environmental management and monitoring plan which was approved by referring to the letter number 049/RKL-RPL/BA/III/95 dated March 30th 1995.

3. Report of environmental management and monitoring plan of 1st semester of 2014 (period of January – June 2014) which was reported to Kotabaru District Environment Agency on November 5th 2014. Report compilation has complied the format regulated by decree of Environment Ministry number 45 year 2005.

The report of environmental management and monitoring of 2nd semester is still on progress of compilation.

There is no revision over the environment documents until now.

Status:

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.

According to the result of HCV identification, there is endanger species such as hose langur (*Presbytis hosei*) on block K18/19 of the forest area and nearby block L26 and J26. Several efforts conducted by PT SAA management unit to protect the species are:

1. Installing signboard in strategic location (accessible and well seen).
2. Socializing RSPO, HCV and buffer zone area to assistant and staff of SLE on May 29th 2011.
3. Socializing buffer zone area to sprayer, manurer, and loosen fruit picker in SLE on June 4th 2011; in SNE on March 15th 2011; in LNE on March 29th 2011; in RDE on March 30th 2011.
4. Socializing to the community of villages nearby PT SAA on May 26th 2011 and on January 20th 2013.
5. There is evidence of follow up in form of the result of flora and fauna and HCV area monitoring. The monitoring is conducted by the appointed officer responsible to manage and monitor HCV area.

PT. SAA management unit has compiled management of conservation area 2014 for period of 2014. The attached programs are:

1. Planting of *Swietenia macrophylla*, *Eusideroxylon zwageri* and other typical plants.
2. Maintaining the existed plants.
3. Installing signboard and riparian area mark in form of yellow paint.
4. Planting hard rod tree within HCV area.
5. Installing signboard (warning and prohibition) within HCV Area.
6. Appointing well trained officer to manage and monitor HCV area.
7. Socialization of HCV. There is record of socialization of HCV area to the community of villages nearby estate. The socialization was conducted on January 20th 2013.

According to the result of field visit to block D17 – D21, the forest area identified as HCV potential area on 2009 is still owned by traditional right owner (House of S. Diding) for ± 13 Ha. Land clearing has been conducted by the land owner on the area. The company still does not yet has data of the area owned by traditional right owner. **Nonconformity. See Number 2015.02.**

Due to the major nonconformity number 2015.02. The company shall attempt to conduct corrective action. For example:

Auditor Observation:

March 13th 2015

Management unit is able to show the document of HCV potential monitoring dated February 24th 2015 which was composed by HCV officer and witnessed by Senior Assitant of Selabak Estate. According to the document, the areas identified still under traditional right ownership are:

- Mr Incuk and Mr Om Pit (House of S. Diding) own 12.35 Ha in block D21. The area owned by Mr Incuk is now a forest area and no land clearing conducted. Meanwhile the area owned by Mr Om Pit is now planted with rice and corn for 4 Ha. The area has been planted since the land clearing conducted by the company. The Monitoring was conducted by the company on February 23rd 2015.

Auditor Conclusion:

Management unit is able to show the evidence of corrective action. Therefore, **Nonconformity number 2015.02 is closed.**

Status: Complied

5.3

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

PT. SAA management unit has identified the waste and contamination sources such as waste generated from mill processing stage, used oil from vehicle operationals, etc.

Waste Management:

- Solid waste in form of shell and fiber are used as boiler fuel.
- Solid waste in form of empty fruit bunch is used as organic fertilizer in estate.
- Effluent generated from FFB processing is used as liquid fertilizer (after through processing stage in WWTP pond and comply quality threshold referring the regulation).
- Gas generated from boiler chimney emission and generator is managed by installing dust collector, multi-cyclone and dust conveyor.
- Boiler ashes is utilized for hoarding.
- Waste in form of frond is arranged on the interrow.
- Waste in form of ex-agrochemical containers are collected, washed, and returned to the supplier.
- Waste in form of agrochemical used water to wash is reused for the process of the next agrochemical mixing.
- Domestic waste: domestic waste is separated into organic and anorganic waste. The organic waste is hoarded on the garbage hole. The anorganic waste is collected on the garbage bin then it will be transported to landfill (to be then hoarded).
- Medical waste: medical waste is collected on the provided garbage bin and then it will be labeled to be then delivered to the authorized agency.

Waste Management Implementation:

- *Solid Waste:* solid waste in form of shell and fiber are used as mill boiler fuel. Meanwhile, empty fruit bunch is used as fertilizer.
- *Effluent:* effluent generated from mill processing is used as fertilizer in estate. Management unit is able to show the document of inlet and effluent application monitoring – WWTP pond for period of 2014. For example, effluent was applied to block G15 for 423 m² on December 26th 2014.
- *Hazardous Waste:* hazardous waste such as used oil, used filter, medical waste, ex pesticide containers are collected and delivered to the licensed hazardous waste collector.

Incoming hazardous waste to storage				Outgoing hazardous waste from storage				Rest of hazardous waste in storage
Type of hazardous waste	Date of coming	Waste source	Quantity of hazardous waste	Date of outgoing waste	Type of hazardous waste	Quantity of hazardous waste	Destination	
Use Oil	November 2nd 2014	SLF	40 lt	-	-	-	-	657 lt
Used Jerry Can	December 17th 2014	SNE	17 kg	-	-	-	-	37 kg

Procedure of Hazardous Waste:

PT. SAA management unit has SOP of hazardous waste. For example:

- SOP of hazardous waste and non-hazardous waste management as written on SOP number SOP-SLF-16/10 dated August 3rd 2010 in term of hazardous and non hazardous waste management;
- SOP of pesticide container storage with SOP number 028/SAA-PKP/10 year 2010.

Hazardous Waste Storage Permit:

Letter of hazardous waste temporary storing permit which was issued by Kotabaru Regent with letter number 188.45/126/KUM/2011 dated March 8th 2011 for location in Selabak POM. Type of the waste allowed to be stored are used oil, used filter, rag, used accumulator, medical waste, and ex-pesticide container. The coordinate of hazardous waste storage is in South Latitude 02°29'50.1" and East Longitude 116°12'10.6" for area of Selabak estate, Sengkoh Estate, Randi Estate, and Lanting Estate). The permit is valid for 5 years.

Cooperation between Management Unit and Hazardous Waste Collector:

Management unit is able to show that any hazardous waste is disposed by referring to the applied regulation.

- Hazardous Waste (general). Management unit is cooperating with PT. Sinar Bintang Albar to transport entire hazardous waste generated by mill and estate. Management unit is able to show the document of cooperation between PT SAA and PT. Sinar Bintang Albar Number 002/LIMBAH/SAA/VII/2014 dated July 23rd 2014. The waste regulated to be transported are used oil, used battery, rag, used glove, ex pesticide jerry can, used bulb, etc. the cooperation is valid for 1 year.
- Medical Waste. Management unit is cooperating with Sengayam Public Health Center Perawatan of West Sengayam Sub-District number 445/02/VII/TU-PUSK dated July 16th 2014. The waste regulated to be managed are spuid and injection needle and other medical wastes. The cooperation is valid for 1 year.

Hazardous Waste Handling:

Management unit is able to show the record of the conducted hazardous waste handling. It is written on the document of report of environment monitoring for period of October – December 2014. For example:

Log book (Sheet of the Incoming and Outgoing hazardous waste):

Incoming hazardous waste to storage				Outgoing hazardous waste from storage				Rest of hazardous waste in storage
Type of hazardous waste	Date of coming	Waste source	Quantity of hazardous waste	Date of outgoing waste	Type of hazardous waste	Quantity of hazardous waste	Destination	
Use Oil	November 2nd 2014	SLF	40 lt	-	-	-	-	657 lt
Used Jerry Can	December 17th 2014	SNE	17 kg	-	-	-	-	37 kg

Hazardous Waste Balance Sheet:

Early type of waste: used oil for 1,829 Kg. Stored for 1,829 Kg; utilization: no utilization; processing: no processing; hoarded: no hoarding; transported to the third party: no waste transport.

Manifest of Hazardous Waste Transport:

Manifest Number	Date of Transport	Type of Hazardous Waste	Hazardous Waste Transporter Company	Vehicle Polic Number
GU 0000155	January 22nd 2015	Use Oil	PT. Sinar Bintang Albar	DA 9176 PH
GU 0000152	January 22nd 2015	TL Bulb	PT. Sinar Bintang Albar	DA 9176 PH
GU 0000153	January 22nd 2015	Used Battery	PT. Sinar Bintang Albar	DA 9176 PH
GU 0000151	January 22nd 2015	Ex-agrochemical jerry can	PT. Sinar Bintang Albar	DA 9176 PH

Hazardous Waste Reporting:

Letter of hazardous waste reporting for period of October – December 2014 to Kotabaru District Environment Agency dated January 15th 2015.

Medical Waste Management:

Management unit is able to show the record of policlinic waste handover. The waste was handed over on January 13th 2015. The handed over waste were spuid, flatbot, vial, ampul, etc.

Field Observation:

- Selabak POM: hazardous waste storage is well maintained. First aid kit, fire extinguisher, shower, etc are available. Hazardous waste placement has been referring the type and characteristic of hazardous waste.

- Selabak Estate: According to the field visit to block F17 of division II of Selabak Estate, the ex pesticide containers are found. Ex pesticide containers usage does not comply the applied SOP. Therefore, estate management unit takes corrective action by replacing ex-pesticide containers with plastic bucket and place the ex-pesticide containers to warehouse.
- Sangkoh Estate: hazardous waste storage is well managed.

Mill management unit is able to show the record of effluent BOD monitoring. The laboratory authorized to conduct test is laboratory of commodity and environment test of South Kalimantan. Effluent BOD monitoring is conducted monthly. For example, BOD monitoring for period of October – December 2014 is as follow:

Parameter	Unit	October	November	December	Standard
BOD	mg/l	228	210	312	5000
COD	mg/l	478.82	436.49	622.3	-
pH	-	8.06	8.24	7.48	6 – 9
O & G	mg/l	8	2	1	-
Pb	mg/l	0.165	0.244	<0.001	-

Information:

The quality threshold used as reference is decree of Environment Ministry number 28 year 2003. According to the result of the test, there is no parameter exceeding quality threshold.

Field Observation:

According to the field visit to WWTP ponds, entire WWTP pond are well maintained. There are 9 ponds used by the company to process mill waste (effluent). WWTP processing units are consisted of aerobic pond, anaerobic pond, cooling pond, deolin pond and final application pond. The processed effluent is then flowed to the area of land application by using pump. There is no leakage on the wall of WWTP during the field visit. The number shown in water flow until February 17th 2015 was 224.186 M³.

In term of the nonconformity at the previous assessment (domestic waste has not yet well managed refer to the procedure), auditor has conducted verification by interviewing the top management and reviewing the document. According to the result of interview the company has constructed landfill in blok D008 Division III Lanting Estate.

Status: Complied

5.4

Efficiency of energy use and use of renewable energy is maximized.

PT SAA management unit has conducted diesel fuel retrenchment by using alternative energy such as shell and fiber. According to the recapitulation of alternative energy usage during period of July 2013 to June 2014, the company has use 21,662,885 Kg of fiber and shell. Therefore, the company was able to retrench 10,979.292 liter of diesel fuel. The company has a future plan to increase the usage of shell and fiber to replace diesel fuel up to 70% of the turbine workhour by using shell and fiber as the fuel.

Entire shell and fiber are used as boiler fuel. According to the data of shell and fiber usage in Selabak POM for period of 2014, the usage of alternative fuel during period of April and May 2014 was higher than the budget due to the quantity of the must-processed FFB was also higher than the target. Therefore, boiler operation was taking more time. It was the other way around with the period of September to December 2014 due to the quantity of the must-processed FFB was less than the budget.

According to the data of recapitulation of petroleum fuel usage for period of July to December 2014, it could be concluded the:

1. Petroleum fuel usage rate (lt/km) for the monitoring and transport was lower (0.88%) than the budget caused by actual FFB production was lower than the budget.
2. Petroleum fuel usage rate (lt/km) for the supporting machine was lower (0.96%) than the budget.
3. Petroleum fuel usage rate (lt/km) for the heavy equipment was lower (0.46%) than the budget.

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.

According to Agricultural Reference Manual (ARM) Policy No. 110/EST-ARM/13 on Chapter 4 in term of Land Clearing, the implementation of land clearing refers to the zero-burning principle. According to the observation to replanting area in block D04 of division I of Selabak Estate and block I32 of division I of Sangkoh Estate, land clearing is conducted by implementing zero burning principle. It also complies the principle of water and soil conservation such as construction of trench and *mucuna* planting.

According to the clause 1 point 1.1 of the cooperative agreement letter with replanting contractor (PT Mitra Karya Kaya Perdana), on November 1st 2014, land clearing in Selabak Estate for 113.14 ha shall not be conducted by using fire (mechanically). Period of replanting is started from November 1st 2014 until June 30th 2015. Cooperative agreement letter was signed by Director of Head Office of Jakarta.

PT. SAAmanagement unit has SOP with policy number 7302/PSQM-ESH/14 which was legalized by the Head of Plantation Sustainability and Quality Management and the Head of Plantation Upstream on August 7th 2014. The SOP covers definition; objective and target; person in charge; fire prevention; fire handling; procedure of demobilization (post fire extinguishing and activity post fire extinguishing); effort of post-disaster handling; fire reporting to the authorized agency; internal fire reporting; hotspot warning; fire team; divisioning of fire danger level; detection and patrol.

PT. SAAmanagement unit has identified water sources. For example, water sources are located in block E19, E09, F06, and VI – VII of Selabak Estate. Meanwhile, water sources are located in block G31 and D25 of Sangkoh Estate. The company has also had map of fire-potential area in each estate. For example, the fire-potential area of Sangkoh Estate is the area bordering with community estate. For example in blocks of I36, G29, G30, G31 and block of E32-E41. The fire-potential area of Selabak Estate is F001, F002, E001, D001 dan D012.

PT. SAAmanagement unit has well trained team to monitor, prevent, and handle and socialize the employees and nearby community to keep their eyes open on fire danger. The company has provided fire extinguishing, monitoring patrol equipments. The company also socializes fire danger to the community. According to the report of environmental management and monitoring plan for period of 1st semester of 2014 (January – June 2014), the result of forest and land fire potential has been well managed. The company also conducts simulation of fire extinguishing practice in each of operational unit. For example, fire extinguishing simulation was conducted in Selabak Estate on January 24th 2014. The simulation was attended by 9 staff and 20 permanent employees consisted of CQC, security and representative of labour union. The materials of simulation were the preparation of senior assistant, socialization and material teaching taught by PSQM assistant (OHS expert), fire simulation and PPE usage and fire extinguishing by using fire extinguisher.

Fire extinguishers are located on head office, warehouse, central warehouse, security post, polyclinic, division office and each employees housing complex. The company is able to show the record of the list of inventory, position and fire extinguisher check list monitoring. For example, in Selabak Estate on December 2014, the broken or empty fire extinguisher shall be returned to the warehouse or division office to be then replaced.

PT. SAAmanagement unit has fire extinguisher. For example, in Selabak Estate: Robin Pump EY-15 1 is unit, 1 unit of Tohatsu Pump, 15 meter of Vacuum hose O 3", 30 meter of Exhaust hose O ¾", 4 pieces of knapsacks, 1 unit of fire monitoring tower, 2 units of Handy Talk, 6 pairs of AP boots, 6 units of Masker, 6 units of hoes, 6 pairs of gloves, 6 unit of buckets, 6 units of machete, 2 units of solo sprayers, 1 unit of 3,000 liter water tank trailer and 1 unit of tank truck 3,000 liter. Meanwhile, fire extinguishers in Sangkoh Estate is consisted of 1 unit Tohatsu pump, 200 m tohatsu hose, 2 units of guns, 1 unit of water tank, 10 units of solo kep and 2 units of robin pumps are in good condition.

Status: Complied

5.6

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

Selabak POM has form of environment impact source (waste, emission, ambient, noise, and repairmen program). For example:

- Installation of effluent disposal.
- Grease Trap

Mill management unit has committed to monitor emission quality from pollution and emission source. Monitoring of emission quality is conducted each semester. The program is authorized to Hyperkes and Work Safety Body of South Kalimantan Manpower and Transmigration Agency. The result of emission quality monitoring are:

Result of ambient air analysis on January 2015

Parameter	Unit	Result of Analysis			Quality Threshold
		Mill Front	Mill Inside	Employees Housing Complex	
NO2	µg/Nm3	99	94.53	53.37	200
SO2	µg/Nm3	14.78	6.02	2.99	900
CO	µg/Nm3	109.79	157.66	30.42	20,000
TSP	µg/Nm3	7.27	224.43	25.82	230

Information:

The quality threshold used as reference is South Kalimantan Governor Regulation Number 053 Year 2007 in term of quality threshold of ambient air quality and noise level. There is no parameter exceeding quality threshold.

Result of boiler emission air quality on January 2015

Parameter	Unit	Result of Analysis		Quality Threshold
		Boiler 1	Boiler 2	
NH3	mg/m3	0.01	0.01	1
Cl2	mg/m3	0.01	0.01	5
HCl	mg/m3	0.01	0.01	5
HF	mg/m3	0.01	0.01	8
SO2	mg/m3	0.18	0.18	600
CO	mg/m3	27.39	7.60	-

Information:

The quality threshold used as reference is South Kalimantan Governor Regulation Number 070 Year 2008 in term of quality threshold of the non-moving emission source and emission of the moving emission source (vehicles exhausted). There is no parameter exceeding quality threshold.

Result of generator emission air quality on January 2015

Parameter	Unit	Result of Analysis			Quality Threshold
		Generator 1	Generator 2	Generator 3	
NH3	mg/m3	0.01	0.01	0.01	0.5
Cl2	mg/m3	0.01	0.01	0.01	10
HCl	mg/m3	0.01	0.01	0.01	5
HF	mg/m3	0.01	0.01	0.01	10
SO2	mg/m3	3.63	0.41	3.43	800
CO	mg/m3	53.63	38.16	15.69	-

Information:

The quality threshold used as reference is South Kalimantan Governor Regulation Number 070 Year 2008 in term of quality threshold of the non-moving emission source and emission of the moving emission source (vehicles exhausted). There is no parameter exceeding quality threshold.

Result of noise level standard analysis on January 2015

Location	Unit	Analysis Result	Quality Threshold
Station of Clarification	dBA	87.3	85

Station of Boiler	dBA	88.1	85
Station of Engine Room	dBA	93.9	85
Station of Kernel	dBA	91.1	85
Station of Press	dBA	90.4	85

Information:

The quality threshold used as reference is Manpower and Transmigration Ministry Regulation Number 13 Year 2011 in term of factor of physical and chemical quality threshold in workplace. According to the result of the test, entire location of the test have exceeded the quality threshold. Therefore, PT SAA needs to conduct evaluation. The evaluation is conducted by installing signboard of high noise area and providing PPE for the workers who work in the area.

Result of odour level standard analysis on January 2015

Location	Unit	Analysis Result		Quality Threshold	
		NH3	H2S	NH3	H2S
Inside the Mill	ppm	0.007	0.210	25	1
Housing Complex	ppm	0.040	0.009	25	1

Information:

The quality threshold used as reference is the Decree of Environment Ministry Number 50 Year 1996 in term of odour level quality threshold. There is no parameter exceeding the quality threshold.

Result of vibration level standard analysis on January 2015

Location	Unit	Analysis Result	Quality Threshold
Station of Clarification	mm/dt	0.254	7.5
Station of Boiler	mm/dt	0.508	7.5
Station of Engine Room	mm/dt	0.254	7.5
Station of Kernel	mm/dt	0.254	7.5
Station of Press	mm/dt	0.254	7.5

Information:

The quality threshold used as reference is the Decree of Environment Ministry Number 49 Year 1996 in term of. There is no parameter exceeding the quality threshold.

PT. SAA management unit has conducted management to overcome the noise disturbance and air quality reduction. The actions taken by the company are:

- Installing emission control device;
- Using shell and fiber for boiler fuel;
- Using PPE;
- Hardenning the road and watering the road during drought season;
- Selecting WWTP location which far from the settlement.

Management unit is able to show the record of pollution and emission reduction. For example:

- Mill management unit is able to show the recapitulation of PPE handover on December 2014. For example, earplug was given to Mr Anca on December 23rd 2014.
- Routine maintenance of vehicle machines in estate and mill and routine boiler and generator maintenance in mill.

Mill management unit is able to show the record of effluent BOD in mill. Monitoring of effluent BOD is conducted monthly. The test is authorized to laboratory of commodity and environment test of South Kalimantan. For example, BOD monitoring on period of October to December 2014:

Parameter	Unit	October	November	December	Quality Threshold
BOD	mg/l	228	210	312	5000
COD	mg/l	478.82	436.49	622.3	-
pH	-	8.06	8.24	7.48	6 – 9

O & G	mg/l	8	2	1	-
Pb	mg/l	0.165	0.244	<0.001	-

Information:

The quality threshold used as reference is the Decree of Environment Ministry Number 28 Year 2003. There is no parameter exceeding the quality threshold.

Field Observation:

According to the field visit to WWTP, the WWTP is well maintained. There are 9 ponds used for processing mill waste. WWTP processing unit is consisted of aerobic pond, anaerobic pond, cooling pond, deolin pond, and final application pond. The processed effluent is then flowed to the area of land application by using pump. There is no leakage on the wall of WWTP during the field visit. The number shown in water flow until February 17th 2015 was 224.186 M³.

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.

Report of environment management has been reported regularly and scheduled. There is evidence of report of environmental management and monitoring plan in 1st semester of 2014. However, the report in 2nd semester of 2014 is still on the progress of compilation.

According to the data of scheme smallholder establishment of KKPA Sungai Cengal per January 31st 2015, PT SAA management unit has developed scheme smallholder in several villages. For example:

1. Scheme smallholder of Sekadoyan and Bakau Village for 315.68hectare which was established on 2007 (within PT LMR area). The scheme smallholder is managed by management of KKPA of Pamukan area.
2. Scheme smallholder ofBepara Village (within PT LMI area), scheme smallholder of Rantau Buda and Terombong Sari (withinPT SAA area) for 1,564.68hectare which was established on 2007 (including LC). The scheme smallholder is managed by KKPA of Durian River Area.

Those scheme smallholders are gathered under the scope of Sungai Cengal scheme smallholder management (KKPA SC) which centralized in Binturung Village.

As for the action of the company concern over scheme smallholder, PT SAA has analyzed HCV and conducted social impact assessment (SIA) in entire area of KKPA Sungai Cengal by cooperating with Bogor Agriculture University (IPB) to identify environment aspect and entire social aspect of KKPA Sungai Cengal.

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 SOP Number 704-TQEM-ESH/10 dated July 1st 2010 in term of communication which was legalized by Randi Estate Manager, Selabak EstateManager, Lanting EstateManager, Sangkoh Manager and Selabak POM Manager. PT SAA management unit has socialized the SOP of communication. Socialization of SOP was conducted on January 20th 2013 in Selabak staff housing complex hall. The socialization was attended by 36 participants consisted of PT SAA management unit, representative of Manunggal Lama Village, representative of Sakadoyan Village, representative of Lanting Village, representative of Bakau Village, representative of Sei Durian Village, representative of Trombongsari Village, representative of Rantau Buda Village, representative of Harapan Baru Village, and representative of Kalian Village. Furthermore, PT SAA has also socialized the suggestion box to the community on July 20th 2013. The socializationwas attended by 18 villagers of Selabak Village (neighbourhood association 019) and supported with photographs and suggestion box handover (aspiration, suggestion, and criticism).

Unit manajemen PT. SAA memiliki daftar stakeholders yang terdiri dari perangkat desa dan tokoh masyarakat, pemerintah

desa, kecamatan provinsi Kalimantan Selatan dan pemerintah pusat.

There is evidence of record of community aspiration as follows:

1. Letter sent by Selabak mill manager number 159/SLF/Ext/IV/2014 dated April 19th 2014 in term of diesel fuel assistance regarding the letter of assistance request sent by the head of neighbourhood association 5 of Bekarangan, Manunggal Lama Village on April 19th 2014.
2. Evidence of cash assistance for IDR 750,000 on May 30th 2014 for the pin money for student of Sungai Durian I Vocational School who took an internship at the company. It was the response letter for the letter of assistance request sent by the Head of Sungai Durian I Vocational School number 421.5/10-PKL/SMKNI SD/2014 in term of industrial work practice.
3. Evidence of expenditure in form of 200 liter diesel fuel on July 1st 2014. It was the response letter for the letter of assistance request sent by the head of neighbourhood association 6 of Bakau Village on June 26th 2014 in term of assistance request for the diesel fuel to support Nurul Yakin Mosque lighting.

PT SAA management unit has appointed Kholili as staff of public relation for area of Sungai Durian through the appointment letter number GM-Staf 430/SD/IV/2011/S dated April 30th 2011 which was signed by interim of GM of Sungai Durian Estate.

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.

There is SOP of complaint handling (010/SAA-MPK/10) dated July 1st 2010/ the response shall be given within 14 days after the letter received by operational unit and SOP of conflict handling number 050/SAA-PKF/10 dated July 1st 2010. According to the document review on 2013/2014, there is no complaint from the community.

According to the interview with stakeholders (Bakau and Manunggal Lama Village) and the community figure, there is no complaint or objection expressed by the community. However, there is community restlessness over the social impact monitoring and management. For example, community restlessness caused by unavailability of scheme smallholder in Kalian Village, issue of land occupation after replanting in Sangkoh Village, issue of CD/CSR in Kalian and Sangkoh Village, and the worries about water contamination caused by estate operational along Cengal River.

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.

There is SOP of land identification and compensation standard (**001/PSD-L&AS**) dated June 3rd 2011 which covers the stages of land compensation and calculation of compensation refer to the standard issued by Kotabaru District Government.

Process of land compensation is also regulated on the procedure of conflict handling (050/SAA-PKF/10) dated July 1st 2010. According to point 6 (forum), the land compensation process is involving estate manager, PSD, land owner, village apparatus, and or forum of the head of sub-district and the division of research for the measurement.

There are evidence of record in form of:

- a. Agreement of compensation value
- b. Plan of payment
- c. Official record of forum

According to the result of previous assessments, the company has evidence of agreement of land compensation in form of declaration letter and land handover letter which were signed by land owner and witnessed by village administration government.

Furthermore, there are also records of forum such as:

- Official record of forum among 6 smallholder representatives and PT SAA on January 4th 1998. The official record was signed by 6 smallholder representatives, 2 PT SAA representatives and it was witnessed by the Head of North

Pamukan Sub-District and Chief of Bakau Village.

- Evidence of land right waiver on behalf Gusti Mashud from Bakau Village, North Pamukan Sub-District, to release right over 7 Ha land. The agreement between landowner and PT SAA was conducted on February 9th 1998.

There was no addition of new planting area in PT SAA for period of 2014. Therefore, there was no compensation process conducted. However, the record of land compensation at the beginning of estate establishment supported with the record of compensation payment is now available. Land compensation has been conducted to entire land use title of PT SAA before land clearing as shown by documents such as: 1) Waiver of land which was written by land owner and witnessed by village apparatus, 2) Declaration letter which declare the acceptance of negotiation process, 3) Sketch of new land, 4) ID Card, 5) Photographs of compensation payment, 6) Receipt of compensation payment.

Example of the record of process of land compensation payment in Bakau Village. Evidence of payment was the receipt of payment for compensating land with persil number 15 for 7 Ha in Bakau Village, the amount of payment was IDR 1,225,000, dated February 9th 1998. The record is a part of report of land acquisition stage V which is included on the permit in PT SAA estate area, Randi Estate, Bakau Village, Pamukan Sub-District.

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.

According to the Decree of South Kalimantan Governor Number 188.44/0632/KUM/2014 in term of sectoral minimum wage standard of South Kalimantan Province for period of 2015, the sectoral minimum wage is determined for IDR 1,875,000. According to the result of interview with the company management, the implementation of minimum wage standard has been applied since January. However, the company is still implementing minimum wage standard for period of 2014 (IDR 1,675,000). Therefore, the underpayment of wage for period of January 2015 shall be added on February 2015.

According to the document review (list of employees wage for period of January 2015), the wage paid to the employees is much higher than the sectoral minimum wage standard of South Kalimantan Province.

There is collective labour agreement for period of 2013 – 2015 between PT Minamas Gemilang and Minamas Plantation Labour Union of Pamukan Area (PT Langgeng Muara Makmur and PT Paripurna Swakarsa) and Minamas Plantation Labour Union of Sungai Durian Area (PT Swadaya Andika and PT Laguna Mandiri) which was legalized by Manpower, Transmigration, and Social Agency (M. Taufik Rifani). The collective labour agreement was lasted for 2 years, it was signed in Kotabaru on November 21st 2013 and it was supported with signature and stamp of labour union and the company (Minamas plantation).

Facilities provided by PT SAA management unit for the employees are housing complex, employee hall, mosque, daycare, church, polyclinic, soccer field, badminton court, and others. Water source is flowed from the reservoir and the electricity is applied from generator.

According to the cooperative agreement letter between PT SAA and contractor, PT SAA requires contractor to comply the applied regulation in term of manpower. For example, according to cooperative agreement letter (LNE/SPK-LKL/EXC SK40/XI/2012/036) of clause 8 verse 3 between PT SAA and PT. Catur Manunggal Jaya Abadi in term of rent of heavy equipment, in order to support and implement Minamas Plantation management policy in term of occupational health and safety, the contractor must comply the safety standard of the applied OHS.

Status: Complied

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 SAA management unit has policy to give freedom to unite as written on social policy which was issued on December 2011. According to point 5, “the company respect the right of each employee to unit and form labour union collectively”.

Furthermore, according to the collective labour agreement on clause 8 vers 1 in term of industrialist recognition over labour union, the labour union is recognized by industrialist as legal organization which representing workers and labour

union has equal position with the industrialist. According to chapter II clause 6 verse 2 in term of industrialist obligation, PT SAA management unit gives opportunity to the board and/or member of labour union to implement labour union programs agreed by both parties and/or regulated on the applied statute.

PT SAA management unit was showing the evidence of recording of labour union of PT SAA, Selabak Mill Number 560.568/84/Disnakertrans to Kotabaru District Manpower, Transmigration, and Social Agency on July 8th 2013, and recording of Minamas Labour Union of Sungai Durian Area Number 568/47/Disnakertrans to Kotabaru District Manpower, Transmigration, and Social Agency on June 10th 2013.

PT SAA management unit keeps and maintains each minutes of meeting of the assembly with labour union. For example, assembly with Minamas Group Labour Union of Sungai Durian Area in Selabak POM housing complex on February 14th 2015. The assembly was attended by 41 representatives of the company and labour union and supported with attendance list and minutes of meeting of the assembly. The discussed agendy was the changes of Selabak Mill Labour Union structure. The assembly was inviting mullah (Mr Solmed) in order to celebrate may day.

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.

PT SAA management unit has policy in term of workers minimum age requirement which is Memorandum of Head Office-Jakarta (No. POD-UM-052/III/2010). The policy describes the prohibition to recruit, empower, and employ underage workers refer to the statute of manpower. It is also written on the collective labour agreement on clause 16 in term of workers recruitment. According to point 1.2.2, the minimum workers age at the beginning of the recruitment is 18 years old.

According to the document review of employee list on December 2014, there is no underage worker recruited, empowered, and employed by the company. The youngest employee is the maintenance foreman (19 years old), he was born in July 8th 1995 and he has joined PT SAA management unit since July 1st 2014.

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 SOP of guideline of sustainable estate management which was issued by Minamas Plantation Indonesia (Policy Number:724/TQEM-SPMS/09)page 13, dated August 27th 2010. The SOP covers the company policy in term of equal treatment on the job opportunity as written on point 1. According to the point 1 of SOP, entire staff and employees must be treated equally, normally, and fairly in term of recruitment, development, condition and description of work, regardless race, caste, tribe, nationality, skin colour, disability, sexual orientation, organization membership, political thought, religion, and age.

There is also document of collective labour agreement. According to the clause 16, the workers recruitment is described as follows:

1. Selection of workers: conducted by the company refer to the need specification and qualification in position.
2. General requirements: Indonesia citizen, minimum age is 18 years old or has already married, physically and mentally healthy, complying criteria or requirement of position need, not involved on the criminal organization, not being processed on legal, not working with other company, willing to be assigned on any location.

According to the information from management, the procedure of workers recruitment is giving opportunity to entire party as long as complying the applied company regulation in term of workers recruitment refer to the applied statute of manpower in Indonesia. There are evidence of the worker recruitment announcement. For example:

- Recruitment for technical on July 1st 2014 supported with requirements and period of recruitment.
- Recruitment for harvester on June 31st 2014 supported with requirements and period of recruitment.

According to the list of employees of PT. Swadaya Andika per December 2014, the employees are coming from several tribes, religion, and religions.

Status: Complied	
<p>6.9 Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.</p> <p>There is guideline of gender policy with policy number 701/TQEM-ESH/10 which was issued by minamas plantation on August 27th2010 on the social policy. According to the policy, entire staff/worker must be treated normally and fairly in term of recruitment, development, condition, and work description regardless race, caste, tribe, nationality, gender, skin colour, disability, sexual orientation, the company membership, political thought, religion, and age.</p> <p>Furthermore, there is social policy which was issued by Head of Indonesia Upstream Plantation on December 2011. According to the point 6 of the policy, “the company is developing and implementing a policy to prevent sexual harassment and other kind of criminality to women and protect the reproduction right of women workers”.</p> <p>According to the collective labour agreement clause 26, the menstruation day off for 2 days is granted to the women workers in their first and second day (the day of menstruation) refer to the company doctor recommendation with full paid wage.</p> <p>There is circular from estate manager number: LNE-Int/021/II/2015 dated February 17th 2015 in term of the implementation of menstruation day off. According to the circular, entire women worker have right to get menstruation day off and the procedure of menstruation day off is described.</p> <p>There is record of evidence of the policy implementation of sexual harassment prevention. For example:</p> <ol style="list-style-type: none"> 1. Socialization of gender committee which was attended by Selabak POM housing complex moms on August 27th 2014 (4.30 pm – 6 pm). The socialization was supported with attendance list. The agenda of socialization was to give awareness of gender, purpose of gender, and the implementation of gender policy. 2. Socialization of gender committee which was attended by 20 Selabak POM housing complex moms on December 16th 2014 (3 pm – 5 pm). The socialization was supported with attendance list. The agenda of socialization was to socialize the gender committee programs (health, religiosity and sport). <p>According to the result of interview with women workers, they have aware of the existence of gender committee and the procedure of complaint delivery and procedure when reporting sexual harassment incident. According to the interview with the secretary of gender committee, there was no report of sexual harassment incident during period of 2014.</p> <p>PT SAA management unit has policy of reproduction right protection such as dispensation to get menstruation day off (two days at the first and second day of menstruation) refer to the collective labour agreement for period of 2013 – 2015 clause 26 in term of menstruation day off. According to the data of policlinic, the pregnant women workers are allowed to take pregnancy day off refer to the examination of the company paramedic (doctor/medical assistant). For example, workers on behalf Fatimah (employee of division II of Selabak Estate) was proposing pregnancy day off since February 3rd 2015 until March 23rd 2015. The proposal of pregnancy day off has been agreed by management.</p> <p>According to the interview with gender committee, there has been an agreement between the company and employees of several estates that the menstruation day off must be taken on Friday at 1st and 3rd week. Meanwhile the menstruation day off depends on women workers menstruation date. It is proven by the attendance of of maintenance workers. For example, women workers of division 2 of Selabak Estate was taking menstruation day off for 2 days on January 2nd 2015.</p>	
Status: Complied	
<p>6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.</p> <p>PT. SAA management unit has an agreement with Bina Swadaya Karya Cooperative Uni in term of establishment and management of palm oil mill estate with partnership system – scheme smallholder or KKPA Sungai Cengal. The agreement was composed on August 11th 2008 and valid for 25 – 30 years. The land owned by community which joining with BSK Cooperative Unit and managed by nucleus estate.</p> <p>According to the MoU between cooperative unit and KKPA Sungai Cengal, the agreed FFB price refer to the result of FFB pricing meeting of South Kalimantan smallholders which was issued and legalized in form of decree of the Head of South Kalimantan Province Plantation Agency Number 525/0085/PPUPH-2 dated January 16th 2015 in term of FFB pricing for</p>	

period of 2015, the agreed FFB price is as follow:

1. Plant age 11 years old was IDR 1,528.84 per kg (price down 3.85% compared with price on December 2014).
2. Plant age 12 years old was IDR 1,530.20 per kg (price down 3.85% compared with price on December 2014).
3. Plant age more than 12 years old was IDR 1,532.75/kg (price down 3.84% compared with price on December 2014).

For KKPA Sungai Cengal, there is no payment of the palm oil output directly given to the member yet due to the calculation of production cost is still higher than the sales of FFB. However, the price of the processed FFB is recorded and calculated (sales price) and is reported to member.

Status: Complied

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

According to the field verification, there is document of matrix of CSR/CD for each period of budget year which is compiled by the company. It contains routine CD/CSR fund. PT SAA management unit also shows the record of realization of CSR/CD fund distribution as shown by recapitulation of CSR/CD fund as follows:

- Recapitulation of PT SAA CD/CSR fund for period of 2013/2014 for repairing road, constructing soccer field and adding classroom of Sungai Durian Secondary School.

Furthermore, PT SAA management unit distributes the CSR programs which are conducted by community and regional government on 2014. For example:

- Selabak POM : Realization for period of 2014 in form of assistance of diesel fuel, heavy equipment, and fund for religious rituals, etc.
- Selabak Estate : Realization for period of 2014 in form of assistance of sacrificial cattle, rice for oldee, mass circumcision, etc.
- Sangkoh Estate : Realization for period of 2014 in form of assistance of clean water construction, repairmen of road facilities, rice for oldee, assistance of sacrificial animals, etc.

PT SAA management unit also shows the evidence of contribution over local development in form of:

1. Tax payment such as:
 - Property tax which is annually paid such as record of property tax payment for period of 2014.
2. Local transaction by involving local community as contractor or by purchasing local commodities. For example:

Selabak POM

Recapitulation of cooperative agreement letter and official record of work inspection for period of 2014 in form of construction of storage fence and kernel transport.

Selabak Estate

Recapitulation of cooperative agreement letter and official record of work inspection for period of 2014 in form of purchasing of stone, flatbed washing, moulding of office of head of sub-district and FFB transport.

Songkoh Estate

Recapitulation of cooperative agreement letter and official record of work inspection for period of 2014 in form of purchasing of stone and FFB transport.

There are CSR programs for period of 2015 which adjusting the program of forum for planning and development (Musrembang) of North Pamukan Sub-District and the result of assembly with Kotabaru Regent. According to the result of assembly with Kotabaru Regent and forum for planning and development, PT SAA shall construct 2 classroom of Sekayu I Secondary School, constructs clean water tank (5,500 liter) in Sungai Durian Sub-District, finish the construction of Asy Syafaat Mosque in Manunggal Lama Village, constructs soccer field in Sungai Durian Sub-District, and construct meeting hall in Manunggal Lama Village.

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.

There is no new development since the last assessment (Surveillance 2)	
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.	
There is no new development since the last assessment (Surveillance 2)	
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.	
There is no new development since the last assessment (Surveillance 2)	
Status: Complied	
7.4	
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
There is no new development since the last assessment (Surveillance 2)	
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.	
There is no new development since the last assessment (Surveillance 2)	
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.	
There is no new development since the last assessment (Surveillance 2)	
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 no new development since the last assessment (Surveillance 2)	
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.	
Management unit monitors environment routinely. For example, surface water quality test (each semester), effluent quality test (monthly), noise, odour, vibration level test (each semester), emission and ambient air quality test (each semester), etc.	
The company has conducted RSPO internal audit on January 18 th 2015. There were 14 nonconformities during audit program. The auditors were Mr. Trijono and Mr. Sugiono. The detected nonconformities indicator of Major 2.1.2 in term of evaluation of regulation compliance. The conducted corrective action was by updating the most updated regulation until 2014 and evaluating the regulation.	
Status: Complied	

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module D) CPO Mills - Segregation 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"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements. b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.
	<p>PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.</p> <p>There is no changes on the SOP associated with SCCS with Policy Number: RSPO/65/SCPP/SAA, Rev. 01, dated January 14th 2013 and refer to the standard of SCCS of RSPO Supply Chain Certification Standard, Final Document November 25th, 2011. There are 5 caretakers, they are Factory Manager, Asisten PSQM, Mandor/Asisten Lab, As/ Sr. As/ Manger Bulking with task and responsibility for SCCS.</p>
	Status: Complied
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>
	<p>PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.</p> <p>According to the procedure of product identification and traceability in Minamas Plantation POM Number 501/SAA-SPC-01/14 dated March 13th 2014 point 7.11, the separation of weighbridge ticket for the RSPO-certified FFB and the Non-Certified FFB has been described.</p> <p>Furthermore, according to the similar procedure (SCCS No. 501/SAA-SPC-01/14 March 13th 2014) on point 6.1, there is identification of product and raw materials consisted of:</p> <ul style="list-style-type: none"> • Identification of raw materials (FFB covering letter and FFB check up in POM) • Identification of POM product (shell, fiber, palm kernel, CPO) <p>It is then regulated on the documented procedure of product traceability (production line of certified FFB processing must be separated since sterilizer until mill tank and bulking, the process covers L FFB quality checking, sterilization process recording, production process in pressing and cyclone station, kernel station, clarification, CPO dispatch from POM to bulking station. Bulking station of Darmaga Pulau Sahang, South Kalimantan, specific CPO bulking of PT SAA (2 tanks in bulking station), and CPO product delivery to buyer (certified and non-certified tank is separated).</p> <p>Evidence shown by POM in term of FFB receiving and processing is: FFB Covering Letter (SPB). The letter is marked by RSPO CERTIFIED and NON RSPO CERTIFIED stamp.</p>
	Status: Confirm
2	Purchasing and goods in
2.1	

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

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

SAA has received 115,488,810 Kg of certified FFB and 371,429 Kg of non-certified FFB since March 2014 until January 2015.

Both of the received FFB are divided by using RSPO CERTIFIED and NON RSPO CERTIFIED stamp on the form of weighbridge ticket and FFB Covering Letter. For example:

- RSPO Certified.
 1. Weighbridge ticket number 113046 from Sangkoh Estate on February 16th 2015 for 6,980 Kg (certified FFB); and
 2. FFB Covering Letter with seal number 434 Sangkoh Estate on February 16th 2015 with estimation for 6,500 Kg (certified FFB).
- Non RSPO Certified.
 1. Weighbridge ticket number 112996 from KKPA Sungai Cengal dated February 14th 2015 for 6,350 Kg (non certified FFB); and
 2. FFB Covering Letter with seal number KKPA-ASC from KKPA Sungai Cengal dated February 14th 2015 with estimation for 7,818 Kg (non certified FFB).

Status: Complied

2.2

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

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

According to the similar procedure (SCCS No. 501/SAA-SPC-01/14 March 13th 2014) on point 9 E 2.2, POM must inform the certification body immediately if the monthly production of the processed certified FFB and non-certified FFB exceeding the projection.

Selabak POM produced 23,680 ton of CPO, 110,806 ton of FFB, and 5,163 ton of kernel. According to the data, there was production exceeding the projection on the previous year.

Production	Claim of the Certified Product (ton)	Actual Data (ton)	Projection until March 15 th 2015 (ton)
FFB	109,137	110,806	121,782
CPO	25,106	23,680	26,006
Kernel	5,457	5,163	5,659

Referring to the standard request (if the production exceeding the projection, it must be informed to the CB). The company was informing the production exceeding on February 18th 2015 through letter number 01/SLF/RSPO/II/2015 in term of the exceeding production over projection due to the increase of production from the FFB estate supplier.

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.

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

Entire document associated with certified and non-certified FFB receipt, production process until the CPO dispatch to bulking station are recorded and maintained (including the daily production report) in archive of POM office.

Document maintaining system in form of SAP system (computerized) and hard copy (print out) is maintained on the POM office archive. POM is able to show the record and reports of the period of 2013, 2014, until February 2015 (updated).

Status: Complied

3.2

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

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

According to the similar procedure (SCCS No. 501/SAA-SPC-01/14 March 13th 2014) on point 4.1, the maintaining period of document/record or report of FFB receipt in POM, CPO processing, CPO and kernel storing, and CPO and kernel product dispatch to the buyer are determined for 5 years.

Document maintaining system in form of SAP system (computerized) and hard copy (print out) is maintained on the POM office archive for 5 years.

Status: Complied

3.3

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.

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

Selabak Mill management unit has separated the documentation of the certified and non-certified product on the document:

- FFB Covering Letter
- Weighbridge Ticket
- Monthly Summary of Sustainable FFB, CPO & PK
- Daily Summary of Sustainable FFB
- Daily Summary of Sustainable CPO
- Daily Summary of Sustainable PK

Selabak Mil does not sell certified CPO and PK physically.

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.

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

Model of supply chain has been obviously described on the document of trade. For example:

- Sales confirmation with PT. Golden Hope Nusantara Number 00301/SAA/KTR-MKS/LOK/II/2015 dated January 6th 2015. There was stamp of “RSPO CERTIFIED MASS BALANCE”.
- Invoice with PT. Golden Hope Nusantara Number 00556/SAA/II/2015 dated January 26th 2015. There was stamp of “RSPO CERTIFIED MASS BALANCE”.
- Invoice of CPO sales tax with PT. Golden Hope Nusantara ated January 26th 2015. There was stamp of “RSPO CERTIFIED MASS BALANCE”.
- Sales contract with PT. Laguna Mandiri No. 00300/SAA/KTR-MKS/LOK/XII/2014 dated December 17th 2014. There was stamp of “RSPO CERTIFIED MASS BALANCE”.

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:

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

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

PT. SAA does not sell CPO and PK physically. The entire issued invoices for the RSPO-certified products are stamped “RSPO CERTIFIED MASS BALANCE”. For example, on the weighbridge ticket (describing number; date; vehicle police number; transporter; destination; product type and quality; DO number; and quantity) and covering letter (describing date, destination of company, contract number, weighbridge ticket number, quantity, quality, vehicle police number, driver’s name, driving license number).

Status: Complied

5 Processing

5.1

The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed.

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

Status: Complied

5.2

The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

Status: Complied

5.3

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 operator conforms to these requirements for segregation
- The crush is covered through a signed and enforceable agreement

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

Management unit has been sending kernel to their own KCP (located in area of Rantai Mill – PT LMI) since July 2014.

Management unit is able to show the record of kernel dispatch delivery order from PT. SAA ke KCP Rantau. The delivery order is labeled RSPO-certified. For example:

- DO Number SAA/IKS/VII/2014 dated September 9th 2014 for 8,580 kg.
- DO Number SAA/IKS/VII/2014 dated September 12th 2014 for 8,530 kg.

Management unit is able to show the recapitulation of kernel dispatch to Rantau KCP since July 2014 – January 2015. For example:

Buyer	2014						2015	
	July	August	September	October	November	December	January	February
LMI KCP Rantau	51,460	449,260	516,710	247,140	364,210	485,200	537,620	219,650

Status: Complied

6 Training

6.1

The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems

PT SAA implements MB supply chain because they are still receiving non-certified FFB from KKPA Sungai Cengal until ASA – 3 audit. However, KKPA Sungai Cengal has been certified into the Rantau POM supply base on December 2014. Therefore, the system of supply chain in Selabak POM turns to SG supply chain system.

Management unit has held training for POM staff to ensure the awareness of SCCS standard. The latest training was conducted on February 19th 2015. The training was attended by 7 key workers such as mill manager, production administration, security, weighbridge operator, and PSQM. The training was taught by Mr Sugiono.

Status: Complied

7 Claims

7.1

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.

The product claimed by PT SAA as RSPO certified product is the product complied the procedure of product traceability.

PT SAA states that entire claim of certified-CPO and PK products have complied the RSPO Guideline for Communications and Claims.

Status: Complied

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> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements. b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard. <p>There is no changes on the SOP associated with SCCS with Policy Number: RSPO/65/SCPP/SAA, Rev. 01, dated January 14th 2013 and refer to the standard of SCCS of RSPO Supply Chain Certification Standard, Final Document November 25th, 2011.</p> <p>Personnels in charge of the implementation are:</p> <ul style="list-style-type: none"> • Mill Manager: responsible to keep and maintain entire document, records, or reports of usage of entire raw material, supporting materials on the production process and final product quality; • Assistant of PSQM: responsible to check FFB quality (Grading) in POM and creates daily recapitulation of FFB quality inspection; • Foreman/laboratory assistant: responsible to analyse and test the quality of raw material in entire POM stage of production process; • Assistant/Senior Assistant/Bulking Manager: responsible to ensure safety transportation of CPO and palm kernel product from POM to bulking station.
	Status: Complied
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> <p>According to the procedure of product identification and traceability in Minamas Plantation POM Number 501/SAA-SPC-01/14 dated March 13th 2014 point 7.11, the separation of weighbridge ticket for the RSPO-certified FFB and the Non-Certified FFB has been described.</p> <p>Furthermore, according to the similar procedure (SCCS No. 501/SAA-SPC-01/14 March 13th 2014) on point 6.1, there is identification of product and raw materials consisted of:</p> <ul style="list-style-type: none"> • Identification of raw materials (FFB covering letter and FFB check up in POM) • Identification of POM product (shell, fiber, palm kernel, CPO) <p>It is then regulated on the documented procedure of product traceability (production line of certified FFB processing must be separated since sterilizer until mill tank and bulking, the process covers L FFB quality checking, sterilization process recording, production process in pressing and cyclone station, kernel station, clarification, CPO dispatch from POM to bulking station. Bulking station of Darmaga Pulai Sahang, South Kalimantan, specific CPO bulking of PT SAA (2 tanks in bulking station), and CPO product delivery to buyer (certified and non-certified tank is separated).</p> <p>Evidence shown by POM in term of FFB receiving and processing is:</p>

<ul style="list-style-type: none"> • FFB Covering Letter (SPB). The letter is marked by RSPO CERTIFIED and NON RSPO CERTIFIED stamp 																	
	Status: Complied																
2	Purchasing and goods in																
2.1																	
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<table border="1"> <thead> <tr> <th>Production</th> <th>Claim of the Certified Product (ton)</th> <th>Actual Data (ton)</th> <th>Projection until March 15th 2015 (ton)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>109,137</td> <td>110,806</td> <td>121,782</td> </tr> <tr> <td>CPO</td> <td>25,106</td> <td>23,680</td> <td>26,006</td> </tr> <tr> <td>Kernel</td> <td>5,457</td> <td>5,163</td> <td>5,659</td> </tr> </tbody> </table>		Production	Claim of the Certified Product (ton)	Actual Data (ton)	Projection until March 15 th 2015 (ton)	FFB	109,137	110,806	121,782	CPO	25,106	23,680	26,006	Kernel	5,457	5,163	5,659
Production	Claim of the Certified Product (ton)	Actual Data (ton)	Projection until March 15 th 2015 (ton)														
FFB	109,137	110,806	121,782														
CPO	25,106	23,680	26,006														
Kernel	5,457	5,163	5,659														
Referring to the standard request (if the production exceeding the projection, it must be informed to the CB). The company was informing the production exceeding on February 18 th 2015 through letter number 01/SLF/RSPO/II/2015 in term of the exceeding production over projection due to the increase of production from the FFB estate supplier.																	
	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.																	

Entire document associated with certified and non-certified FFB receipt, production process until the CPO dispatch to bulking station are recorded and maintained (including the daily production report) in archive of POM office.

Document maintaining system in form of SAP system (computerized) and hard copy (print out) is maintained on the POM office archive. POM is able to show the record and reports of the period of 2013, 2014, until February 2015 (updated).

Status: Complied

3.2

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

According to the similar procedure (SCCS No. 501/SAA-SPC-01/14 March 13th 2014) on point 4.1, the maintaining period of document/record or report of FFB receipt in POM, CPO processing, CPO and kernel storing, and CPO and kernel product dispatch to the buyer are determined for 5 years.

Document maintaining system in form of SAP system (computerized) and hard copy (print out) is maintained on the POM office archive for 5 years.

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.

Selabak Mill management unit has separated the documentation of the certified and non-certified product on the document:

- FFB Covering Letter
- Weighbridge Ticket
- Monthly Summary of Sustainable FFB, CPO & PK
- Daily Summary of Sustainable FFB
- Daily Summary of Sustainable CPO
- Daily Summary of Sustainable PK

Selabak Mil does not sell certified CPO and PK physically.

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.

Model of supply chain has been obviously described on the document of trade. For example:

- Sales confirmation with PT. Golden Hope Nusantara Number 00301/SAA/KTR-MKS/LOK/II/2015 dated January 6th 2015. There was stamp of "RSPO CERTIFIED MASS BALANCE".
- Invoice with PT. Golden Hope Nusantara Number 00556/SAA/II/2015 dated January 26th 2015. There was stamp of "RSPO CERTIFIED MASS BALANCE".
- Invoice of CPO sales tax with PT. Golden Hope Nusantara ated January 26th 2015. There was stamp of "RSPO CERTIFIED MASS BALANCE".
- Sales contract with PT. Laguna Mandiri No. 00300/SAA/KTR-MKS/LOK/XII/2014 dated December 17th 2014. There was stamp of "RSPO CERTIFIED MASS BALANCE".

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.

Management unit has been sending kernel to their own KCP (located in area of Rantai Mill – PT LMI) since July 2014.

Management unit is able to show the record of kernel dispatch delivery order from PT. SAA to KCP Rantau. The delivery order is labeled RSPO-certified. For example:

- DO Number SAA/IKS/VII/2014 dated September 9th 2014 for 8,580 kg.
- DO Number SAA/IKS/VII/2014 dated September 12th 2014 for 8,530 kg.

Management unit is able to show the recapitulation of kernel dispatch to Rantau KCP since July 2014 – January 2015. For example:

Buyer	2014						2015	
	July	August	September	October	November	December	January	February
LMI KCP Rantau	51,460	449,260	516,710	247,140	364,210	485,200	537,620	219,650

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:

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

PT. SAA does not sell CPO and PK physically. The entire issued invoice for the RSPO-certified products are stamped “RSPO CERTIFIED MASS BALANCE”. For example, on the weighbridge ticket (describing number; date; vehicle police number; transporter; destination; product type and quality; DO number; and quantity) and covering letter (describing date, destination of company, contract number, weighbridge ticket number, quantity, quality, vehicle police number, driver’s name, driving license number).

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 held training for POM staff to ensure the awareness of SCCS standard. The latest training was conducted on February 19th 2015. The training was attended by 7 key workers such as mill manager, production administration, security, weighbridge operator, and PSQM. The training was taught by Mr Sugiono.

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.

The product claimed by PT SAA as RSPO certified product is the product complied the procedure of product traceability.

PT SAA states that entire claim of certified-CPO and PK products have complied the RSPO Guideline for Communications and

Claims.	
	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 – 3	The company does not use logo in form of product and not in for of product within scope of PT. SAA – Selabak Mill.	NA
	Status: Not Applicable	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA – 3	The company does not use logo in form of product and not in for of product within scope of PT. SAA – Selabak Mill.	NA
	Status: Not Applicable	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA – 3	The company does not use logo in form of product and not in for of product within scope of PT. SAA – Selabak Mill.	NA
	Status: Not Applicable	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA – 3	The company does not use logo in form of product and not in for of product within scope of PT. SAA – Selabak Mill.	NA
	Status: Not Applicable	

3.4. Summary of RSPO Partial Certification

Name of organization : PT Mitra Austral Sejahtera		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	PT Mitra Austral Sejahtera is compliance with applicable laws and regulations.	√
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 Mitra Austral Sejahtera has demonstrated land use and not legitimately contested by local communities. The company's land acquisition process has been in accordance with the prevailing regulations	√
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	PT Mitra Austral Sejahtera has documented system for dealing with complaints and grievances, which is implemented and accepted by all parties. There is a Communication Procedure No. Policy 501/MAS-KOM-03/11 dated 8 April 2011 implemented through the Mail Box, Email, Announcements, posters, brochures / pamphlets and meeting / briefing, etc. To resolve complaints / disputes associated with land, the company has prepared a Compensation Negotiation Process Mechanism No Policy 501/MAS-Doc 01/11 dated 8 April 2011, which contains a flowchart of (derasa) compensation payment process through a amicable discussion and meetings with Muspika (Task Force).	√
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 Mitra Austral Sejahtera has a Compensation Negotiation Process Procedure No. Policy 501/MAS-Doc 01/11 dated 8 April 2011, which contains a flowchart of compensation payment process (Derasa) through amicable discussion and meeting with Muspika. The pricing of compensation is based on the Minutes of Agreement on Compensation (Derasa) Pricing dated December 8, 2005 as agreed by PT MAS, Community Leaders and KUD managers, acknowledged by Sub-District Chiefs (3 Sub-districts). Socialization was held on December 9, 2005 and attended by 35 representatives of related groups.	√
	Status:	
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 Mitra Austral Sejahtera has not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values. Based on the company's Plantation Concession issued through Decision of Land Agency Head of Sanggau District No. 400-56/IL-1999 dated January 8, 1999 on the Granting of Extension Concession the Purposes of Palm Oil Plantation located at Parindu, Bonti, Hulu and Kembayan Tayan sub-districts in the name of PT Mitra Austral Sejahtera with a total area of 20,000 hectares of 30,000 hectares reserved area, the concession of PT MAS is located within Other Use Area (APL) in accordance with the Spatial Plan of West Kalimantan Province The company management has declared to the community that the company will preserve and will not cultivate palm oil crops in areas that have been identified as HCV (MAS-3 Estate's Statement Letter dated May 1, 2011). Local people / Indigenous Figures joined in Satlak were directly involved in the identification process of areas where palm oil planting is not allowed in accordance with the agreement.	√

7.5	<p>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.</p>	X or√
	<p>Available EIA documents as approved by the Central EIA Committee letter the Department of Forestry and Plantations, No: 242/Menhutbun-II/2000, on March 23, 2000.</p> <p>The company has conducted studies of social impact, but until the implementation of Stage-1 is still in draft form. SIA mentioned in the draft document;</p> <p>a. Positive Impacts</p> <p>1. Direct Impacts</p> <ul style="list-style-type: none"> - Significant local people are employed by the company. - Emergence of livelihood sources. - Increased revenue sources and incomes of the villagers. - Increased productivity, value and status of land (impact of KKPA plasma development). - Increased accessibility and mobility of people, goods and services. - Public's positive perception to the company. <p>2. Indirect</p> <ul style="list-style-type: none"> - The increasingly growth of local businesses - Increased cash flow and fund circulation in the surrounding villages. - Increased purchasing power of the local people. <p>b. Negative Impacts;</p> <p>1. Direct impacts;</p> <ul style="list-style-type: none"> - Reduced size of public lands, - Public's negative perception to the company, - Dispute/conflict <p>2. Indirect impacts and Accumulation</p> <ul style="list-style-type: none"> - Clean water problem, - Impaired traditional value system of mutual cooperation, - Change in lifestyles of rural people. <p>Based on the Plantation Development Realization Report of the socialization of new land opening has been conducted in July to September 2010 for Bonti and Kembayan Sub-districts, and unit has done socialization of new land opening in March 2011 (Sedae, Canal, Mua, Kampuh, and Tapa sub-villages).</p> <p>Based on interviews with residents of RT Pinsam the company's new plantation opening process also involved te Satlak Team consisting of Sub-village Chiefs, Indigenous leaders, KUD Sekayam Jaya Manager and Village officials as officers who perform verification of the land to be opened.</p>	√
7.6	<p>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>	X or√
	<p>There is a Land Compensation Negotiation Process procedure No. 501/MAS-Doc 01/11 dated 8 April 2011 in which contains a flow chart of compensation process involving amicable deliberation and meetings with Muspika (Task Force).</p> <p>Documented process and agreement of land acquisition for new plantation area are maintained in MAS 3 Estate's office and RSPO secretariat office in MAS 1 Estate.</p>	√

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1.1 Identification of Findings, Corrective Actions and Observations at ASA – 2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.1	Major 2.2.2	Boundary poles maintenance. Non-compliance between HGU poles monitoring document and actual maintaining in the field. For instance: HGU pole No. 21 in Randi Estate, which can't be identified, meanwhile monitoring document mentions it is in a good condition.	Estate	Major	60 days	Company must present the evidence of boundary poles maintenance.	Root of cause: Limited monitoring over HGU poles maintenance schedule and maintenance implementation. Corrective Actions: There are maintenance actions and improvement for HGU pole, for instance: HGU pole from No.1 to No. 22 in RDE, which documented on 25 April 2014 as well as the schedule and realization for others plantations. Preventive Actions: Increasing monitoring toward HGU pole maintenance Auditor conclusions: The evidences given were adequate and the non conformance is acceptable to close.	Closed	30th April 2014
2014.2	Major 4.4.1	Protection over surface water quality and quantity 1. Company has periodically monitored water quality in Tandilang and Manunggul River. Nevertheless, there is water flow from Bakau River, which had not been monitored yet and has been utilizing by community such as Panga, Lanting, and Selam River. 2. Based on water quality examination in semester 1, 2013, its known that the	Estate	Major	60 days	Company should take preventive actions to protect quality and quantity of surface water, especially to measure the quality of river's water and try to maintain the quality of water in reservoir.	Root of causes: Assessment on surface water quality only based on AMDAL document. (Not based on the actual situation). Corrective Actions: 1. There is an evidence over surface water sample pickup and delivery from surrounding estate and inside estate area, which utilized by community. For instance: water in Panga hilir River	Closed	30 April 2014

		<p>ecoly bacteria and Coli form in RDE div III reservoir, SLE div I-IV reservoir, SNE I/II reservoir, and SNE III reservoir are exceeding the standard for clean water (Permenkes 416/1990) and there is no preventive or corrective actions for this matter.</p> <p>3. There is spraying activity in riparian area of Lanting estate that come from Bakau river</p>					<p>Division I and II RDE, water from Selam River inside and outside estate. Water from Lanting river inside and outside estate (evidence of water sample pickup and delivery on March 2014 is available)</p> <p>2. There is an evidence over water quality examination for water in reservoir Div. III RDE; Div I & III SNE; Div. I, II, III & IV SLE; Div. 1 & II LNE. (evidence of sample pickup and delivery on March 2014 is available)</p> <p>3. Installation of banned board to conduct chemical application and spraying boundary with a yellow colour in palm oil trees (evidence is documented on 29th April 2014).</p> <p>Preventive Actions: Conducting measurement and monitoring over quality of surface water that in accordance with actual condition in the field and consistently maintaining the spraying boundary along surface water flow.</p> <p>Auditor conclusions: The evidences given were adequate and the non conformance is acceptable to close.</p>		
2014.3	Major 4.6.4	<p>Agrochemical waste management. Agrochemical waste, especially used packages/ tools, which are not managed and properly thrown based on applicable regulation and procedure (RSPO/SAA/SOP-BSS 1 July 2010). For instance: used pesticide packages/</p>	Estate	Major	60 days	Company should manage the agrochemical waste including rinse used pesticide packages in accordance with the applicable regulation in order to reduce environment	<p>Root of cause: There is leakage in BSS house that comes from the damage on water flow trap.</p> <p>Corrective Actions: Corrective action in block spraying system house to prevent the leakage of waste water</p>	Closed	30 April 2014

		tools in <i>Block Spraying system</i> (BSS) house in RDE is not comply the regulated mechanism.				pollution.	to the soil or water body has been carried out. (Corrective actions evidences are documented on 29 April 2014). Preventive Actions: Ensure the monitoring toward trap flow in BSS house. Auditor conclusions: The evidences given were adequate and the non conformance is acceptable to close.		
2014.4	Major 5.3.2	Waste and pollution management plan. Based on field visit in Randi Estate diesel fuel reservoir, there is oil leakage, which make pollution in soil/ environment. Domestic waste management. Based on field visit, especially in housing and landfill in Div. 2 Lanting Estate, it is found that domestic waste (organic and Inorganic) that has not been properly managed based on SOP, such as no separation between organic and un-organic waste and not regularly transported to landfill.	Estate	Major	60 days	Company should implement the waste management plan in order to avoid and reduce pollution, as well as to throw the waste properly, that environmentally and socially acceptable.	Root of causes: Personnel in charge in the field have limited understanding on hazardous waste maintenance during the fuel refill in RDE and managing domestic waste in LNE housing. Corrective Actions: 1. Company has establish supporting building to prevent leakage/ oil leakage furring the fuel refill (building with cement floor and has a roof) 2. Establishment of TPSA in block D008 Div.III LNE and control domestic waste, which separate organic and un-organic waste (the evidence is documented on 29 April 2014). 3. Socialization over waste management (hazardous and domestic waste). (evidence is documented) Preventive Actions: Consistently control the fuel refill and domestic waste disposal.	Closed	30 April 2014

							Auditor conclusions: The evidences given were adequate and the non conformance is acceptable to close.		
2014.5	Minor 6.1.1	Social impact monitoring and management. Company has had periodic environment management and monitoring document. Nevertheless, these records have not had the evidence of participatory social impact management and monitoring, for instance: community restlessness due to absence of plasma plantation scheme in Kalian village, land tenure issue after the replanting activity in Sangkoh sub village Manunggal Lama village, the CD/CSR issue in Kalian village and Sangkoh sub village, and restlessness over water pollution by plantation activity in Bakau river.	Estate	Minor	S3	Company should conducting periodic and participatory social impact management and monitoring to shows its commitment toward sustainable improvement.	February 20th 2015 The company has conducted management and monitoring of social aspect participately by questionnaire spread to communities and it has been included on the draft report RKL/RPL implementation on 2 nd Semester of 2014. It will be composed and sent to the environmental agency. Auditor Conclusion: The management unit has shown the evidence of corrective action. Therefore NCR No. 2014.05 is now closed.	Closed	February 20 th 2015
2014.6	Minor 6.9.2	Implementation record over reproduction right protection. Company has a policy regarding menstruation leave (H1) stat stated in collective labour agreement, 26 and memorandum of H1 menstrual leave procedure no. LNE-int/008/VII/2012 on 12 August 2012. However, based on interview with spraying personnel in div 2 LNE, its known that since December 2013, spraying personnel have not got the requested menstrual leave (H1). This can be proved	Estate	Minor	S3	Company should present the policy implementation record over reproductive right protection that is in accordance with collective labour agreement.	February 20th 2015 PT. SAA has implemented policy of the reproduction right protection refer to collective labour agreement. Example: <ul style="list-style-type: none"> Record of pregnant day off (Selabak Estate Employee). She has proposed pregnant day off and it has been approved by management. Document of attendance list of Division II Selabak Estate employee. She took her pregnant day off on January 02nd 2015. 	Closed	February 20 th 2015

		with spraying personnel daily attendance sheet (foreman activity book in December 2013 and January 2014)					Auditor Conclusion: The management unit has shown the evidence of corrective action. Therefore NCR No. 2014.06 is now closed.		
2014.7	Minor 6.11.1	Consultation over CD/CSR's activity Company has showed its contribution on local development through CD/CSR, tax payment and empowering local entrepreneur. Nevertheless, company has not presented then <u>evidence of participatory consultation</u> on drafting CD/CSR plan in order to produce participative program.	Estate	Minor	S3	Company must present its contribution toward local development, which based on consultation with community, transparency and to encourage community to set their own priority and need.	February 20th 2015 PT. SAA is able to show CD/CSR Program 2015. It has adopted the result of Forum for Planing and Development of North Pamukan Sub District. The program is based on consultation process with the local communities transparantly. Auditor Conclusion: The management unit has shown the evidence of corrective action. Therefore NCR No. 2014.07 is now closed.	Closed	February 20 th 2015
2014.8	Point 3.4 SCCS Version Nov 2011 (Module D)	Sales Contract Selabak mill (SLF) from January 2013 to November 2013 has received 386.71 Tones of non-certified fruit from KKPA Sungai Cengal (non nucleus estate). From the acceptance, production process up to CPO storage, the fruit was not separated between the certified and non-certified one. The condition reveals that there is no segregation process, which has an impact to CPO claim that stated in SCCS procedure, where CPO product is not a segregation supply chain model as stated in sales contract, for instance: Sales Confirmation No. 00160/SAA /KTR-IKS/LOK/ X /2013. On 2 October 2013,	Mill	NC	30 days	Organization should clearly explain its actual supply chain model in sales contract.	Root of causes: Selabak mill using the Mass Balance model for processing the FFB, even though in sales contract it was mentioned the segregation supply chain model, but it's because the lack of personnel understanding on mass balance supply chain model. Corrective Actions Company applies mass balance supply chain model and there is a copy of memorandum from Head of PSQM to entire General Manager in Estates and in Mill on 17 March 2014 regarding the FFB from KKPA Sungai Cengal, which has not have the RSPO certificate and need to be changed into mass balance supply chain model.	Closed	31 March 2014

		Sales Contract No. 00252/SAA/KTR-MKS/LOK/X/2013 on 21 October 2013					<p>Furthermore, this change will have a MB stamp, procedure (SOP) and training related to MB supply chain model.</p> <p>Organization has conducted training on 12 March 2014, which attended by key personnel from estate and mill (attendance sheet is available) in order to build common understanding and the usage of MB stamp in invoice and sales contract.</p> <p>Preventive action: Periodic review over the mass balance supply chain model and coordination to related stakeholders.</p> <p>Auditor conclusions: The evidences given were adequate and the non conformance is acceptable to close.</p>		
2014.9	Point 4.1 SCCS Version Nov 2011 (Module D)	<p>Ensuring the (Invoice) supply chain model.</p> <p>Selabak mill (SLF) processing the certified and non-certified FFB to produce oil palm by using Mass Balance (MB) supply chain model or mixing, starting from loading ramp to CPO storage. But the invoice document over CPO sales, stated the segregation supply chain model (stated: RSPO Certified Segregation), for instance invoice No. 00474 /SAA/X/LOK/X/2013 on 28 October 2013 (Sales Confirmation No. 00160/SAA /KTR-IKS /LOK/X/2013); Invoice No. 00472/SAA/X/2013 on 28/10/2013 (Sales Contract No.</p>	Mill	NC	30 days	<p>Facility needs to ensure the entire invoice for RSPO certified product has the information like product description, the applicable supply chain model (in this case not the segregation model)</p>	<p>Root of causes: Selabak mill using the Mass Balance method on processing its FFB, nevertheless the invoice shows the segregation supply chain model due to lack of personnel knowledge on mass balance supply chain model.</p> <p>Corrective Actions: Company applies the mass balance supply chain model and it is stated in memorandum of Head PSQM to entire General Manager in Estates and in Mill on 17 March 2014 regarding the FFB from KKPA Sungai Cengal, which has not had RSPO certificate and need to be changed to mass balance</p>	Closed	31 March 2014

		00252/SA/KTR-MKS/LOK/X/2013 on 21 October 2013)					<p>supply chain model. Furthermore, this change need to use MB stamp, procedure (SOP) and training related to MB supply chain model.</p> <p>Organization has conducted training on 12 March 2014, which attended by key personnel from estate and mill (attendance sheet is available) in order to build common understanding and the usage of MB stamp in invoice and sales contract.</p> <p>Preventive Actions: Periodic review over the mass balance supply chain model and coordination to related stakeholders including the marketing unit.</p> <p>Auditor conclusions: The evidences given were adequate and the non conformance is acceptable to close.</p>		
2014.10	Point 5.1 SCCS Version Nov 2011 (Module D)	<p>Separation process Mill able to present the procedure and record over certified and non-certified FFB as well as its transportation, but for period January - December 2013, mill received non-certified FFB from KKPA Sungai Cengal and can't presents its storage to ensure there is no contamination because the target is to have 100% FFB segregation, even though system still allow 5% contamination.</p>	Mill	NC	30 days	<p>Organization is required to ensure and verify through procedure and separate documentation for certified and non-certified palm oil, including during the transportation and storage, which can ensure there is no contamination. The goal of 100% FFB segregation can be reached and the system still allows 5 % contamination.</p>	<p>Root cause: Selabak mill not fully understand the mass balance supply chain model.</p> <p>Corrective Actions:</p> <ol style="list-style-type: none"> 1. Revision over mass balance supply chain model (Revision on 13 March 2014). 2. Organization has delivered training on 12 March 2014, which attended by key personnel from estate and mill (attendant sheet is available) 3. There is a memorandum from Head of PSQM on 17 March 2014, which stated 	Closed	31 March 2014

							<p>the used supply chain model is the mass balance model (copy of memorandum from Head of PSQM is available)</p> <p>Preventive Action: There is a need over understanding or periodic socialization to key personnel regarding the usage of supply chain model.</p> <p>Auditor conclusions: The evidences given were adequate and the non conformance is acceptable to close.</p>		
2014.11	Point 6.1. SCCS Version Nov 2011 (Module D)	<p>Training SCCS last training on 10 November 2012, which attended by 23 participants from estate and mill. The SCCS training has not done periodically to ensure personnel's understanding over standard requirement (period 2013); and some key personnel in SLF mill were not able to present evidence that they have attended the SCCS training, for instance: Factory Manager, Head of SLF administration division, KA Book, Ass PSQM, weighing operator.</p>	Mill	NC	30 days	<p>Organization should conduct training for the entire personnel like required in SCCS and can be proofed.</p>	<p>Root cause: Selabak mill not fully understand the mass balance supply chain model</p> <p>Corrective Action: Organization has conducted training on 12 March 2014, which attended by key personnel from estate and mill (attendance sheet is available)</p> <p>Preventive Action: There is a need over understanding or periodic socialization to key personnel regarding the usage of supply chain model.</p> <p>Auditor conclusions: The evidences given were adequate and the non conformance is acceptable to close.</p>	Closed	31 March 2014

3.5.1.2 Opportunity for Improvement

No	Ref.Std	Description/Explanation
1	-	The recommended spraying tools such as knapsack, uniform, boots, should be store in Block Spraying System house, especially in BSS Randi Estate.
2	Minor 4.2.2	Company need to monitor soil analysis result, for instance Randi Estate as a consideration to choose the future fertilization recommendation
3	Point 7.1. SCCS Version Nov 2011 (Module D)	Reference for RSPO guidelines for Communication and Claims, if the SAA (Selabak mill) using the RSPO symbol in its product, the SAA need to present and to use the latest version from period 30 November 2011.

3.5.1.3 Noteworthy Positive Components

No	Ref Std	Description
1	-	Committed to apply the sustainable palm oil plantation principles, such as: <ul style="list-style-type: none"> - Enthusiasm on demonstrating the compliance toward RSPO principles. - Evidence of corrective actions over the entire non-compliance findings on previous surveillance. - Teamwork between decision and department. - Competency and personnel skill for their expertise.

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA – 3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2015.1	Major 2.2.1	<p>Process of of land acquisition achievement.</p> <p>The company is not able to show the progress of land use title after surveillance 2 and before surveillance 3 over 62.96 ha in Randi Estate.</p>	PT. SAA	NC	60 days (April 19 th 2015)	The company must show the evidence of progress of land use title after surveillance 2 and before surveillance 3 over 62.96 ha in Randi Estate	<p><i>Root Cause:</i> There is no progress over land use title over 62.96 ha of land.</p> <p><i>Corrective Action:</i> The company has received letter sent by Kotabaru District Plantation Agency in term of study of function status of land use title area and return of land use title file from South Kalimantan National Land Agency regional office (file is attached).</p> <p><i>Preventive Action:</i> The company must always update the progress of land use title with legal department.</p> <p><i>Auditor Observation:</i> March 13th 2015 Management unit is able to show several evidence of corrective actions. For example:</p> <ul style="list-style-type: none"> Letter sent by Kotabaru District Plantation Agency on March 4th 2014 for Director of PT. SAA Number. 522/148/TGH/2014. The content of the letter states that the area with hectarage of 62.96 Ha is located within the area of other usage. According to the attachment of Decree of Forestry 	Closed	April 16 th 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA – 3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Ministry Number 6018 Year 2013 in term of application of map of indicative of postponement of new permit granting for utilizing forest area, forest area usage and changes of forest area usage and other area usage proposed PT. SAA is not included on the map of indicative of postponement of new permit granting. Principally, Kotabaru District Forest Agency is able to process the request of PT SAA in term of land use title refer to the applied regulation.</p> <ul style="list-style-type: none"> Letter sent by South Kalimantan Province National Land Agency number 894/9-63/XI/2014 dated November 17th 2014. The letter was sent to Director of PT. SAA. According to the content of the letter, PT SAA was requested to complete several files of Land Use Title (HGU) proposal. For example: <ol style="list-style-type: none"> Study conducted by the authorized technical agency over the attachment map of decree of Forestry Ministry number 435 Year 2009, President Instruction Number 10 Year 2011 jo. President Instruction Number 6 Year 2013, and map of geographical 		

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA – 3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>information system issued by South Kalimantan Province Mining and Energy Agency in term of area of mining business permit.</p> <ol style="list-style-type: none"> 2. Revision of Land Use Title (HGU) proposal refer to the mandate on Perkap of Republic of Indonesia National Land Agency number 1 year 2010. 3. ID Card of the requester. 4. Procuration from management. 5. EIA / environmental management and monitoring plan. 6. Etc <p>Response over the letter sent by South Kalimantan Province National land Agency is yet cannot be shown.</p> <p>April 15th 2015 Management unit is able to show evidence of several corrective action. For example:</p> <ul style="list-style-type: none"> • Status of PT SAA Land Use Title (HGU) report process composed by Manager of PSD of South Kalimantan. According to the document, in order to respond letter sent by National Land Agency number 894/9-63/XI/2014 dated November 17th 2014, South Kalimantan PSD has informed the the progress and 		

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA – 3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>has been waiting the follow up from Jakarta PSD. According to the document, entire group of files shall be fragmented on May 2015 and they shall re-proposing the proposal.</p> <ul style="list-style-type: none"> Map which describes the proposed area of Land Use Title (HGU) for 62.96. <p>Response over the letter sent by South Kalimantan Province National land Agency is yet cannot be shown.</p> <p>April 16th 2015 PT SAA management unit is able to show the letter sent by Director of PT. SAA to the Head of South Kalimantan Province National Land Agency with letter number 228/SAA/UM/PSD/IV/2015 dated April 15th 2015 in term of completeness of PT SAA Land Use Title (HGU) proposal data for 62.96 Ha in Kotabaru District. The content of the letter was purposed to respond the letter sent by the Head of South Kalimantan National Land Use Title number 894/9-63/XI/2014 dated November 17th 2014. The summary of the letter are:</p> <ul style="list-style-type: none"> According to point 1.A.1 of the letter sent by South Kalimantan Province National Land Agency, PT SAA must attach the document which declares 		

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA – 3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>the proposed land is the extension of the owned Land Use Title (HGU) and still within one area. We seek for the guidance of the procedure to achieve the purposed document, specifically the agency authorized to issue the document.</p> <ul style="list-style-type: none"> Entire bundle of document of Land Use Title (HGU) requirements shall be informed immediately once we receive the complete documents from the authorized agency. <p><i>Auditor Conclusion:</i> Management unit is able to show the evidence of corrective action. Therefore, Nonconformity number 2015.01 is closed</p>		
2015.2	Major 2.3.2	<p>Map of the area that is still owned by Traditional Right Owner. According to the result of field visit to block D17 – D21. The forest area identified as HCV potential area is still owned by traditional right owner (House of S.Diding) for ± 13 Ha. The area has been cleared by the land owner for the estate. Company still does not has the data of identification of area still owned by traditional right owner.</p>	PT. SAA	NC	60 days (April 19 th 2015)	Company must identify and map the area within traditional right ownership.	<p><i>Root Cause:</i> HCV potential area that is still owned by traditional right owner is still not identified yet.</p> <p><i>Corrective Action:</i> Identifying HCV potential area (data is attached). It states that the status of the land owner is Mr Incuk (father in law of Mr S.Diding).</p> <p><i>Preventive Action:</i> Conducting regular monitoring over the</p>	Closed	March 19 th 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA – 3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>HCV potential area owned by traditional right owner.</p> <p><i>Auditor Observation:</i> March 13th 2015 Management unit is able to show the document of HCV potential monitoring dated February 24th 2015 which was composed by HCV officer and witnessed by Senior Assitant of Selabak Estate. According to the document, the areas identified still under traditional right ownership are:</p> <ul style="list-style-type: none"> • Mr Incuk and Mr Om Pit (House of S. Diding) own 12.35 Ha in block D21. The area owned by Mr Incuk is now a forest area and no land clearing conducted. Meanwhile the area owned by Mr Om Pit is now planted with rice and corn for 4 Ha. The area has been planted since the land clearing conducted by the company. The Monitoring was conducted by the company on February 23rd 2015 • Bp. Kai Ampal menguasai areal seluas 6 Ha di blok F25 dan 3 Ha di blok G23/24. Areal tersebut telah ditanami hutan karet dimana areal tersebut telah dibuka semenjak pembukaan lahan oleh perusahaan. 		

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA – 3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Peta areal-areal yang masih dalam penguasaan hak tradisional belum dapat ditunjukkan.</p> <p>March 18th 2015 Estate management unit is able to show the map of the area under traditional right ownership. The map was made on March 2015 with scale 1:60,000.</p> <p><i>Auditor Conclusion:</i> Management unit is able to show the evidence of corrective action. Therefore, Nonconformity number 2015.02 is closed.</p>		
2015.3	Major 5.2.1	<p>HCV Potential Area Management According to the result of field visit to blocks D17 - D21, the forest area identified as HCV area on 2009 is the land owned by the traditional right owner (House of S.Diding) for ± 13 Ha. Land clearing has been conducted by the land owner. PT SAA management unit does not yet has the data of the area owned by traditional right owner</p>	Selabak Estate	Major	60 days (April 19 th 2015)	Company must ensure that the land condition of HCV potential area owned by traditional right is identified and monitored.	<p><i>Root Cause:</i> HCV potential area has not yet been identified.</p> <p><i>Corrective Action:</i> Identifying HCV potential area (the attached data is proper with Major NC 2.3.2)</p> <p><i>Preventive Action:</i> Conducting routine monitoring over HCV potential area.</p> <p><i>Auditor Observation:</i> March 13th 2015</p>	Closed	March 16 th 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at ASA – 3 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Management unit is able to show the document of HCV potential monitoring dated February 24th 2015 which was composed by HCV officer and witnessed by Senior Assitant of Selabak Estate. According to the document, the areas identified still under traditional right ownership are:</p> <ul style="list-style-type: none"> • Mr Incuk and Mr Om Pit (House of S. Diding) own 12.35 Ha in block D21. The area owned by Mr Incuk is now a forest area and no land clearing conducted. Meanwhile the area owned by Mr Om Pit is now planted with rice and corn for 4 Ha. The area has been planted since the land clearing conducted by the company. The Monitoring was conducted by the company on February 23rd 2015. <p><i>Auditor Conclusion:</i> Management unit is able to show the evidence of corrective action. Therefore, Nonconformity number 2015.03is closed.</p>		

3.5.2.2 Opportunity for Improvement *Surveillance-03* Assessment

No	Ref Std	Descriptions
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1.	Minor 4.1.2	The company needs to ensure the realization of plant maintenance refers to the composed program.
2.	Minor 4.3.2	The company needs to monitor the level of erosion of the high-level slope replanting area.
3.	Minor 4.7.1	The company needs to ensure the structure of OHS Guiding Committee has been registered and legalized by the associated agency.
4.	Major 5.1.2	The company needs to completely provide the result of monitoring analysis refer to the data owned by the company to the report of environmental management and monitoring plan. For example, result of flora and fauna monitoring is provided without using data owned by the company so the impact of erosion and sedimentation and evaluation of reservoir/well water quality utilized by employees have not yet provided on the report.
5.	Major 5.2.2	The company needs to control LCC plant related to the management of HCV area, specifically the area nearby replanting area.
6.	Major 5.3.2	The company needs to manage domestic waste by concerning on social and environment aspect. OFI WITH OBSERVATION.
7.	Minor 6.3.1	The company needs to be more consistent when implementing SOP of employees complaint.
8.	SCCS Modul E 5.1	The company needs to ensure that SCCS training is held regularly to ensure the awareness of personnels over SCCS standard requirement.

3.5.2.3 Noteworthy Positive Components *Surveillance-03* Assessment

No	Ref Std	Descriptions
1.		The company has achieved "Blue Ribbon".
2.		The company has calculated GHG emission.
3.	Minor 4.5.1	The company has had owl breeding station and owl for supporting rat hunting in entire estate.

3.6 Summary of the Issues from Public, Management and Auditor Response

Issues from Stakeholder	Management Response	Auditor Response
<p>February 16th 2015 <u>Kotabaru District Forestry Agency</u> According to the result of consultation with the Kotabaru District Forestry Agency, there is no issue in term of area status. Hasil konsultasi dengan Dinas Kehutanan Kotabaru Tidak terdapat isu mengenai status kawasan.</p>	<p>The company shall always coordinates with the agency if there is area issue appears.</p>	<p>According to the document review and interview with stakeholder, there is no forest area within right over the land of PT SAA management unit. It complies with criteria 2.1 P & C RSPO.</p>
<p>February 16th 2015 <u>Kotabaru District Environment Agency</u></p> <ul style="list-style-type: none"> • Report of effluent is reported routinely. • Report of hazardous waste is reported routinely. • Report of environmental management and monitoring plan is reported routinely. 	<p>The company shall always send the report in term of environment to Environment Agency routinely.</p>	<p>PT SAA management unit reports the report of environmental management and monitoring plan routinely to Kotabary District Environment Agency. It complies with criterias 1.1, 1.2, and 2.1 P & C RSPO.</p>
<p>February 16th 2015 <u>Kotabaru District Plantation Agency</u></p> <ul style="list-style-type: none"> • Plantation Business Development Report has been informed simultaneously (one group) in row. For example: <ol style="list-style-type: none"> 1. Semester I dated August 12th 2014. 2. Semester II dated January 15th 2015. • The existence of scheme smallholder is not supported by community because the scheme smallholders is managed by cooperative unit. • There is information of the unshared profitshare. • CSR is well managed. • Fire extinguishing facilities are proper and well managed. • There is no community disturbance. • Management unit is also informs the report of environmental management and monitoring plan to plantation agency. 	<ul style="list-style-type: none"> • Plantation Business Development Report is routinely composed by coordinating with PSD department. • The company shall always maintain the value of Plantation Business Development. • Scheme Smallholders has been managed by KKPA Sungai Cengal. • KKPA Sungai cengal shall always coordinates with the cooperative unit to manage scheme smallholder. • Scheme smallholder profitshare has been managed by KKPA Sungai cengal. • CSR shall always managed by coordinating with village party through forum for planning and development (<i>musrembang</i>) of sub-district. • Fire extinguishing facilities are always inspected 	<p>PT SAA management unit has committed to improve welfare of community nearby the company by establishing scheme smallholders. It complies with criterias 6.1 and 6.11 P & C RSPO.</p> <p>PT SAA management unit has routinely sent the plantation business development report to Kotabaru District Plantation Agency. It complies with criteria 1.1, 1.2, and 2.1 P & C RSPO.</p>

Issues from Stakeholder	Management Response	Auditor Response
	<p>to check the readiness of the facilities when fire occurred.</p> <ul style="list-style-type: none"> Environmental management and monitoring plan is routinely reported (each semester). 	
<p>February 17th 2015 <u>Chief of Manunggal Lama Village, Sungai Durian Sub-District.</u></p> <ul style="list-style-type: none"> There is no land conflict since he become a chief of village on 2005. Assistance of CSR program: assistance of sacrificial cattle, repairmen of road facilities, assistance of clean water, construction of MTQ facilities in level of district, etc. There is still Aroh costum which is conducted annually in level of Sungai Durian Sub-District. Harmonic relation between the company and community is well maintained (the percentage of villagers who work in the company is 20%). 	<ul style="list-style-type: none"> Good and harmonic relation is well maintained with Manunggal Lama Village. CSR is routinely conducted. The company is actively take part on the costumary events of the villages nearby the company. Empowering workers from the nearby villages. 	<p>PT SAA management unit has committed to distribute social assistance for the community nearby. It complies with criteria 6.11 P & C RSPO.</p>
<p>February 17th 2015 <u>Community Figure of bakau Village, North Pamukan Sub-District.</u></p> <ul style="list-style-type: none"> Many of community becomes the company employees. Scheme smallholders with system of KKPA has been established for 117 ha. There is announcement of employees recruitment if the company open the recruitment. CSR assistance in form of: school transportation (canoe), repairmen of village road, etc. The embankment of effluent pond was breached and it was contaminating Cangang River on 2014. Community of Bakau Village is expecting the company to facilitate the credit to bank in order to construct unit office in sub-district to ease the transaction (no longer to Tanah Grogot). 	<ul style="list-style-type: none"> Villager empowerment from Bakau Village shall be maintained. KKPA for bakau Village is managed by KKPA Sungai Cengal. The job recruitment shall be informed to the nearby villages. CSR is always implemented by the company routinely. The breached embankment ponds incident has been solved with the community. Assistance for bank credit and government support are still urgently needed. 	<p>PT SAA management unit has committed to empower local community to work in estate and mill. It complies with criteria 6.1 and 6.11 P & C RSPO.</p>

Issues from Stakeholder	Management Response	Auditor Response
<p>February 18th 2015 <u>Local Contractor</u></p> <ul style="list-style-type: none"> Contractor is required to comply several requirements such as providing ID card, taxpayer ID number, OHS documents, and vehicle documents. The company pays the contractor on time. Work contract is updated each quarter. 	<ul style="list-style-type: none"> According to the policy, local contractor must comply regulation of tax, OHS and agreement of payment period and the period of contract written on the cooperative agreement letter. 	<p>PT SAA management unit has committed to implement OHS and manpower principle to its partner (contractor). It complies with criteria 4.8 and 6.5 P & C RSPO.</p>
<p>February 18th 2015 <u>Gender Committee</u></p> <ul style="list-style-type: none"> Routine assembly each semester. Socialization over gender committee has been conducted in each unit/estate. Menstruation day off can be taken at Friday of the 1st and 3rd week refer to the agreement between the company and employees. Women workers have aware of the flow chart (when sexual harassment occurred they have to report the case through gender committee). 	<ul style="list-style-type: none"> Gender committee shall always guide the role of gender committee to regulate women workers reproduction right. 	<p>PT SAA management unit has committed to implement “No Discrimination” based on gender to entire worker. It complies with criteria 6.9 P & C RSPO.</p>
<p>February 18th 2015 <u>Labour Union</u></p> <ul style="list-style-type: none"> Routine assembly each semester. Number of cooperative unit member is similar with the number of employees. If the company does not response the employees complaint, it will be then discussed by labour union. 	<ul style="list-style-type: none"> The company holds the assembly with labour union routinely and facilitate the employees to join organization. 	<p>PT SAA management unit has committed provide freedom for the employees to unite and gather in labour union. It complies with criteria 6.6 P & C RSPO.</p>

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

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

Signed on behalf of:

PT. Swadaya Andika
Management Representative



Mohammad Pirabaharan
Tuesday, May 5th 2015

Mutuagung Lestari
Lead Auditor



Taufik Margani
Tuesday, May 5th 2015

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Forestry Agency Kotabaru District	Kotabaru District	-	Live interview	February 16 th 2015	√	
2.	Environmental Agency Kotabaru District	Kotabaru District	-	Live Interview	February 16 th 2015	√	
3.	Plantation Agency Kotabaru District	Kotabaru District	-	Live Interview	February 16 th 2015	√	
4.	Land Right Office Kotabaru District	Kotabaru District	-	-	February 16 th 2015	-	√
5.	Worker Labour Agency Kotabaru District	Kotabaru District	-	-	February 16 th 2015	-	√
6.	Manunggal Lama Head Village	Sungai Durian Sub District, Kotabaru District	-	Live Interview	February 17 th 2015	√	-
7.	Public Figure Bakau Village	North Pamukan Sub District, Kotabaru District	-	Live Interview	February 17 th 2015	√	
8.	Local Contractor	Kotabaru District	-	Live Interview	February 18 th 2015	√	
9.	Gender Committee	Kotabaru District	-	Live Interview	February 18 th 2015	√	
10.	Labour Union	Kotabaru District		Live Interview	February 18 th 2015	√	
11.	Aliansi Masyarakat Adat Nusantara (AMAN)	Jakarta	rumahaman@cbn.net.id	Via Email	February 09 2015	-	√
12.	Sawit Watch	Jakarta	info@sawitwatch.or.id	Via Email	February 09 2015	-	√
13.	Wahana Lingkungan Hidup	Jakarta	informasi@walhi.or.id	Via Email	February 09 2015	-	√
14.	WWF	Jakarta	wwf-indonesia@wwf.or.id	Via Email	February 09 2015	-	√
15.	Yayasan Selamatkan Teluk Balikpapan	Balikpapan	herryadi@balikpapanbay.or.id	Via Email	February 09 2015	-	√

Appendix 2. Assessment Program

DATE	February 21 – 16, 2015		AUDITOR				
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED		ABD	NNM	MAR	WST	TM
	EVALUATION	RSPO					
February 16th, 2015							
06:00 – 17:00	Jakarta – Site		√	√	√	√	√
February 17th, 2015							
08:00 – 08:30	Opening Meeting		√	√	√	√	√
08:00 – 12:00	Consultation Stakeholder to the Surrounding Village(s)					√	
08:30 – 09:00	Basic Information and confirmation regarding last surveillance assessments		√	√	√		√
09:00 – 12:00	Field observation to PKS Selabak and Selabak Estate		√	√	√ √		√
	a. Processing, WWTP, Workshop, Wastewater application, Hazardous management;						
	b. Emplacement, Amenities, fire facilities;						
	c. Cooperative, Polyclinic, etc.						
12:00 – 14:00	d. Harvesting, fertilization, spraying, IPM		√	√	√	√	√
	Break						
Document review and verification regarding field observation							
12:00 – 14:00	• Information record	1.1; 1.2				√	
	• Compliance with the national regulation	2.1	√	√	√	√	√
14:00 – 17:00	• Legality, regulation, land right	2.2; 2.3					√
	• long term economic and financial viability	3.1	√				
	• Best Practices	4.1; 4.6			√		
	• Land and water conservation	4.2; 4.3; 4.4; 7.2; 7.4		√			
	• Nursery				√		
	• Planting and maintenance	4.2; 4.6			√		
	• Integrated Pest Management	4.5			√		
	• OHSAS	4.7; 4.8	√				
	• Environmental and social responsibility	5.1; 6.1; 7.1; 7.7				√	
	• Fire protection	7.7; 5.5			√		
	• HCV and protected area	5.2; 7.3		√			
	• Waste management and pollution	5.3; 5.4; 5.6		√			
	• Wastewater use			√			
	• CSR	6.7; 6.8; 6.9; 6.10; 6.11					√
• Worker responsibility	6.5; 6.6					√	
• FPIC	6.2; 6.3; 6.4; 7.5; 7.6					√	
• Continuous Improvement	8.1	√	√	√	√		

DATE	February 21 – 16, 2015		AUDITOR				
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED		ABD	NNM	MAR	WST	TM
	EVALUATION	RSP0					
	• <i>Supply Chain</i>	SCCS					√
February 18th 2015							
08:00 – 12:00	Field Observation to Sangkoh Estate a. Harvesting, fertilization, spraying, IPM b. Emplacment, Amenities, fire facilities; c. Cooperative, Polyclinic, etc. d. Conservation area and boundary poles				√		
12:00 – 14:00	Break		√	√	√	√	√
14:00 – 15:00	Interview with worker representation a. Cooperative management b. Labor union management					√	
15:00 – 17:00	Contine document review and verification regarding field observation		√	√	√	√	√
February 19th 2015							
Holiday							
February 20th 2015							
08:00 – 11:00	Continue document review and verification regarding field observation		√	√	√	√	√
11:00 – 12:00	Preparing NCR		√	√	√	√	√
12:00 – 14:00	Break		√	√	√	√	√
14:00 – 15:00	Closing Meeting		√	√	√	√	√
15:00 – 22.00	Go to Balikpapan		√	√	√	√	√
February 21st 2015							
11:00 – ...	Go to Jakarta		√	√	√	√	√

Appendix 3. Glossary

AMDAL	:	Environmental Impact Assessment Analysis
ASEAN	:	Association of South East Asian Nations
B3	:	Hazardous waste
BOD	:	Biological Oxygen Demand
BPJS	:	Social Security Administrative Body
CPO	:	Crude Palm Oil
CBD	:	Convention on Biodiversity
FFB	:	Fresh Fruit Bunch
GHG	:	Green House Gasses
HGU	:	Land Use Title
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
HCV	:	High Conservation Value
IK	:	Work Instruction
IHT	:	Integrated Pest Management
IUP	:	Plantation Business Permit
IUP-B	:	Plantation Business Permit for Agriculture (Estate)
IUP-P	:	Plantation Business Permit for Processing (Mill)
KER	:	Kernel Extraction Rate (Rendemen Kernel)
LC	:	Land Clearing
LMI	:	Laguna Mandiri
LMR	:	Langgeng Muara Makmur
LNE	:	Lanting Estate
MN	:	Main Nursery
OER	:	Oil Extraction Rate (Rendemen Minyak Kelapa Sawit)
OHS	:	Occupational Health and Safety
P2K3	:	OHS Committee
PK	:	Palm Kernel (Inti Sawit)
PKB	:	Perjanjian Kerja Bersama
PKS	:	Pabrik Kelapa Sawit
RDE	:	Randi Estate
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan
RSPO	:	Rountable on Sustainable Palm Oil (Minyak Sawit Berkelanjutan)
RTF	:	Rantau Factory
SAA	:	Swadaya Andika
SLE	:	Selabak Estate
SLF	:	Selabak Factory
SNE	:	Sangkoh Estate
SOP	:	Standart Operating System

SOU	:	Operation Unit
UKL/UPL	:	Environmental Management Efforts/ Environmental Monitoring Efforts
UMR	:	Minimum Regional Wage Standard
UMSP	:	Minimum Sectoral Wage Standard for Plantation