

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

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management : **TAPUNG KANAN POM, PT SEKARBUMI ALAMLESTARI**  
 Organisation : **subsidiary of KUALA LUMPUR KEPONG Bhd**  
 Plantation Name : **Estates: Kebun Tapung Kanan 1, Kebun Tapung Kanan 2 and Kebun Tapung Kanan 3**  
 Location : **Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia**  
 Certificate Code : **MUTU-RSPO/025**  
 Date of Certificate Issue : 24 April 2013                      Date of License Issue : 24 April 2016  
 Date of Certificate Expiry : 23 April 2018                      Date of License Expiry : 23 April 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	15 – 19 February 2016	Yudwi Wisnu Rahmanto (Lead Auditor), Muardi Marwas, Sandra Purba, Joko Alam	Octo HPN Nainggolan	Tony Arifarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	18 April 2016

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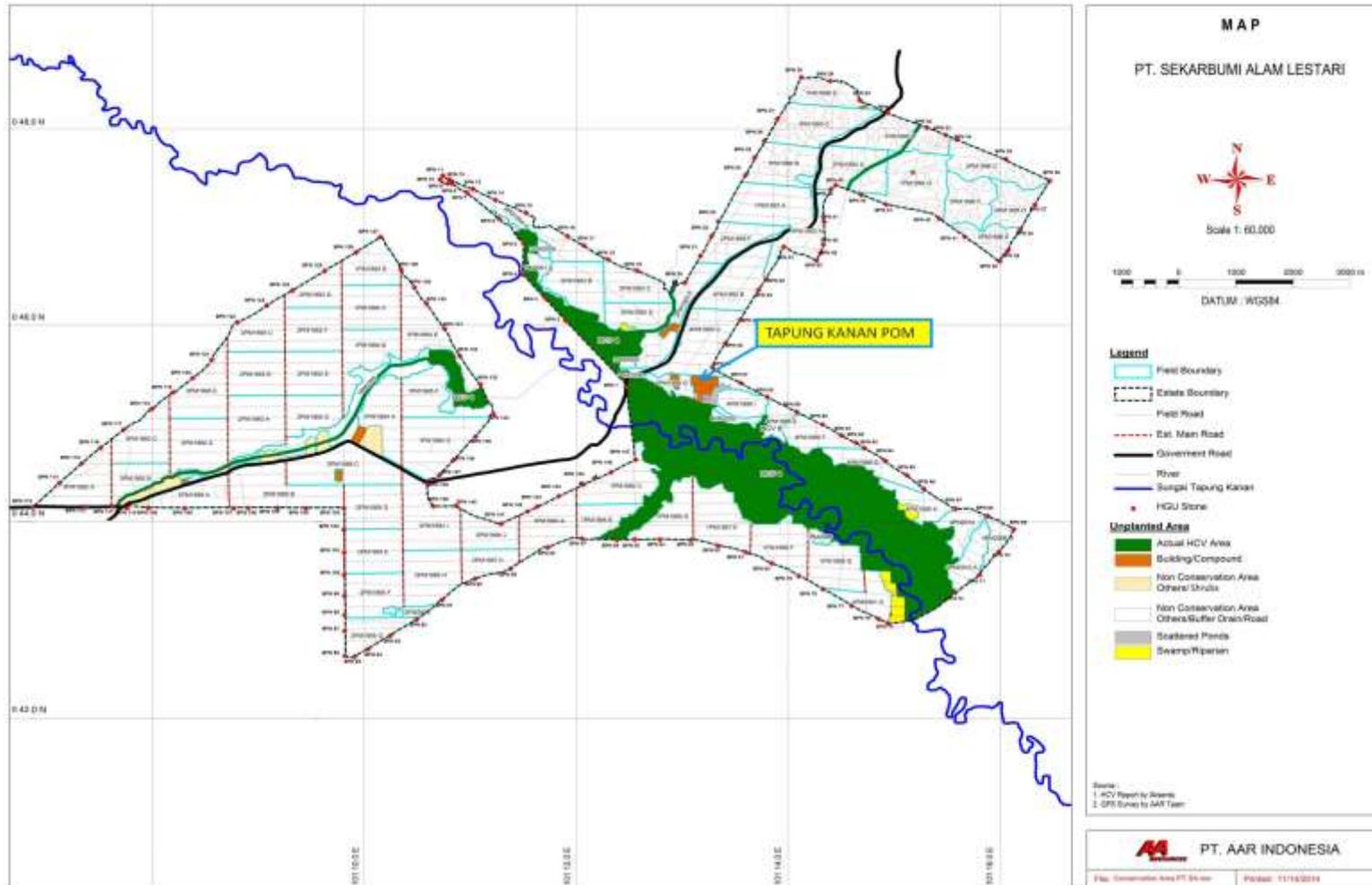
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FIGURE

Figure 1. Location Map of PT. SEKARBUMI ALAMLESTARI



Figure 2. Operational Map of TAPUNG KANAN POM - PT SEKARBUMI ALAMLESTARI



**Glossary**

AAR	:	Applied Agriculture Research
APAR	:	Alat Pemadam Api Ringan / <i>Fire Extinguisher</i>
APD	:	Alat Pelindung Diri / <i>Personnel Protective Equipment</i>
ASA	:	Annual Surveillance Assessment/Audit
B3	:	Bahan Berbahaya dan Beracun / <i>Hazardous Waste</i>
BLH	:	Badan Lingkungan Hidup / <i>Environmental Body / Department</i>
BPBD	:	Badan Penanggulangan Bencana Daerah / <i>Regional Natural Disaster Rescue</i>
BPJS	:	Badan Penyelenggara Jaminan Sosial / <i>Social Insurance Organisation</i>
CB	:	Certification Body
CPO	:	Cruded Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	<i>Corporate Sustainable Responsibility</i>
GAPKI	:	Gabungan Asosiasi Pengusaha Kelapa Sawit Indonesia / <i>Association of Indonesian Oil Palm Bussiness</i>
GMP	:	<i>Good Management Practices</i>
HCV	:	<i>High Conservation Value</i>
HGU	:	<i>Land Use Title</i>
IPAL / WWTP	:	Instalasi Pengelolaan Air Limbah / <i>Waste Water Treatment Plant</i>
K3	:	Kesehatan dan Keselamatan Kerja / <i>Occupational Health and Safety</i>
KCP	:	<i>Kernel Crushing Plant</i>
Kemen LHK	:	Kementerian Lingkungan Hidup dan Kehutanan / <i>Ministry of Environmental and Forestry</i>
KER	:	Kernel Extract Ratio
KKPA	:	Kredit Koperasi Primer Anggota / <i>Scheme Smallholders Cooperative</i>
KLK	:	Kuala Lumpur Kepong
KMSI	:	Komisi Minyak Sawit Indonesia / <i>Indonesian Palm Oil Comission</i>
KTK	:	Kebun Tapung Kanan
LA	:	Land Application / <i>Mill Effluent of Land Application</i>
LB3	:	Limbah Bahan Berbahaya dan Beracun / <i>Hazardous Waste</i>
OER	:	Oil Extract Ration
P3K	:	Pertolongan Pertama Pada Kecelakaan / <i>First Aid</i>
PK	:	Palm Kernel
POM	:	<i>Palm Oil Mill</i>
PT. SA	:	PT. Sekarbumi Alamlestari
Setda	:	Sekretariat Daerah / <i>Local Government Secretary</i>
SKU	:	Satuan Kerja Upah / <i>Wage Unit System</i>
RSPO	:	Roundtable on Sustainable Palm Oil
TBS / FFB	:	Tandan Buah Segar / <i>Fresh Fruit Bunches</i>
TPAS	:	Tempat Pembuangan Akhir Sampah / <i>Landfill</i>
TPS	:	Tempat Penyimpanan Sementara / <i>Temporary Hazardous Storage</i>
UKL-UPL	:	Upaya Kelola Lingkungan - Upaya Pemantauan Lingkungan / <i>Environmental Management and Monitoring</i>
WLTk	:	Wajib Laport Tenaga Kerja / <i>Employment Official Report</i>

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
<ul style="list-style-type: none"> <li>• <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>			
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	Tapung Kanan POM, PT Sekarbumi Alamlestari – Subsidiary of Kuala Lumpur Kepong Bhd.	
1.2.2	Contact person	Tan Kei Yoong	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li>• <b>RSPO registered company:</b> Wisma Taiko, 1, Jalan S. P. Seenivasagam, 30000 Ipoh, Perak, Malaysia</li> <li>• <b>Site:</b> Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau</li> </ul>	
1.2.4	Telephone	0761 – 571885, 571861/62	
1.2.5	Fax	0761 – 571884	
1.2.6	E-mail	ky.tan@klk.com.my	
1.2.7	Web page address	<a href="http://www.klk.co.id">www.klk.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Tan Kei Yoong	
1.2.9	Registered as RSPO member	18 October 2004 Registration number: 1-0014-04-000-00	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	1 Mill dan 3 Estates as a supply bases: Tapung Kanan POM, Kebun Tapung Kanan 1, Kebun Tapung Kanan 2 dan Kebun Tapung Kanan 3.	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	TAPUNG KANAN	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau	N 0° 45' 26.8164"      E 101° 13' 11.0676"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	TAPUNG KANAN 1	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar,	N 0° 47' 31"      E 101° 10' 44"

	Province of Riau		
TAPUNG KANAN 2	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau	N 0° 46' 53"	E 101° 10' 9"
TAPUNG KANAN 3	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau	N 0° 42' 56"	E 101° 15' 0"

**1.5 Description of Area Statement**

1.5.1	Tenure	
	• State	6,200 Ha
	• Community	Ha

**1.5.2 Area Statement**

	Kebun Tapung Kanan 1 (Ha)	Kebun Tapung Kanan 2 (Ha)	Kebun Tapung Kanan 3 (Ha)	TOTAL (Ha)
• Total area	2,445.00	1,884.00	1,867.00	6,200.00
• Mature area	1,937.00	1,661.00	1,536.00	5,134.00
• Immature area	26.00	-	-	26.00
• Mill / Compound Building / Roads	70.00	12.00	12.00	94.00
• Buffer Zone	16.00	26.00	15.00	57.00
• Nursery	-	4.00	-	4.00
• HCV	396.00	185.00	304.00	885.00

\*area statement Tahun 2016

**1.6 Planting Year and Cycles**

1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		KTK-1 (Ha)	KTK-2 (Ha)	KTK-3 (Ha)	Total
	1992	144	358	-	502
	1993	675	478	85	1,238
	1994	375	535	549	1,459
	1995	196	223	350	769
	1996	249	-	-	249
	1997	-	-	146	146
	1998	38	-	174	212
	1999	167	-	164	331
	2000	-	-	-	-
	2001	14	-	51	65
	2002	-	-	-	-

	2005	-	67	7	74		
	2006	29	-	10	39		
	2015	26	-	-	26		
	<b>TOTAL</b>	<b>1,963</b>	<b>1,661</b>	<b>1,536</b>	<b>5,160</b>		
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle or 2 <sup>nd</sup> Cycle				
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>
	Tapung Kanan	30	150,209.36	31,822.34	21.19	7,854.36	5.23
	<i>* Source: production data 12 months before assessment (February 2015 – January 2016)</i> <i>** 1,665.59 MT FFB from KTK-3 delivered to Mandau POM</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>
	KTK 1	2,445	1,963	46,065.23	23.78	45,746.94	99.31
	KTK 2	1,888	1,661	44,792.16	26.97	44,792.16	100.00
	KTK 3	1,867	1,536	40,003.07	26.04	38,337.48	95.84
	<b>TOTAL</b>	<b>6,200</b>	<b>5,160</b>	<b>130,860.46</b>	<b>25.49</b>	<b>128,876.58</b>	<b>98.48</b>
	<i>* Source: production data 12 months before assessment (February 2015 – January 2016)</i> <i>** Deviation of 318.29 MT FFB between production and supply KTK-1 Estate is delivery to Mandau POM</i>						
1.7.3	FFB description from other source						
	<b>Name of sources</b>	<b>Organisation</b>	<b>Location</b>		<b>Supplied to Mill</b>		
					<b>FFB (tonnes/year)</b>		
	KOPNI Sahabat Lestari	Scheme smallholders (647 individual smallholders on 1,294 Ha)	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau		21,332.78		
	<b>TOTAL</b>				<b>21,332.78</b>		
	<i>*Source: production data 12 months before assessment (February 2015 – January 2016)</i>						
1.7.4	Jenis Produk			FFB, CPO, PK			
<b>1.8</b>	<b>Estimate Tonnage of Certified Product</b>						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim <b>25 April 2015 – 24 April 2016</b> (tonnes/year)		Actual certified product <b>25 April 2016 – 17 Februari 2016</b> (tonnes/year)	
	• FFB Production			121,086		108,874.62	
	• CPO Production			25,694		17,280.01	
	• Palm Kernel (PK) Production			6,405		4,267.34	



1.8.2	Estimate of Certified FFB Claim						
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>		
	KTK 1	2,445	1,963	48,368	25		
	KTK 2	1,888	1,661	47,032	28		
	KTK 3	1,867	1,536	42,003	27		
	<b>TOTAL</b>	<b>6,200</b>	<b>5,160</b>	<b>137,403</b>	<b>27</b>		
	<i>*Projected FFB production for 12 months of certificate (February 2016 – January 2017)</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (ton)</b>	<b>Extraction (%)</b>
	Tapung Kanan	30	137,403	30,229	22	8,244	6
	<i>*Projected FFB production for 12 months of certificate (February 2016 – January 2017)</i>						
<b>1.9</b>	<b>Other Certifications</b>						
	ISO 9001:2008			-			
	ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	ISCC			EU-ISCC-Cert-DE105-83156002, valid from 29.05.2015 until 28.05.2016			
	Others			ISPO: MUTU-ISPO/032, masa berlaku 30 April 2015 – 29 April 2015.			
<b>1.10</b>	<b>Time Bound Plan</b>						
1.10.1	<b>Time Bound Plan for Other Management Units</b>						
	<b>Management Unit</b>	<b>Estate (Supply Base)</b>	<b>Location</b>	<b>Size (Ha)</b>	<b>Time Bound</b>	<b>Status</b>	
	<b>MILL</b>						
	<b>INDONESIA</b>						
	Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur	7,971	2015	2017	
		Hutan Hijau Mas	Berau, Kalimantan Timur	7,288	2015	2017	
		Jabontara Eka Karsa	Berau, Kalimantan Timur	14,086	2015	2017	
	MAP POM (Mulia Agro Permai)	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah	13,127	2015	2017	
		Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah	6,399	2015	2017	
		Mulia Agro Permai	Baamang, Kalimantan Tengah	9,056	2015	2017	
	Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka	14,065	2012	Certified	
	Parit Sembada	Parit Sembada	Belitung, Bangka	3,990	2013	Audited	

	POM		Belitung				2015
		Alam Karya Sejahtera	Belitung, Bangka	6,012	2013		Audited 2015
	Mandau POM	Mandau	Bengkalis, Riau	14,799	2012		Certified
	Nilo POM	Nilo	Pelalawan, Riau	12,860	2012		Certified
		KKPA Mutiara	Pelalawan, Riau		2017		
	Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2012		Certified
		KKPA Sahabat Lestari	Kampar, Riau	1,294	2019		
	Gohor Lama POM	Basilam	Langkat, Sumatera Utara	2,337	2015		2017
		Gohor Lama	Langkat, Sumatera Utara	3,307	2015		2017
		Tanjung Beringin	Langkat, Sumatera Utara	4,157	2015		2017
		Maryke	Langkat, Sumatera Utara	2,827	2015		2017
		Bekiun	Langkat, Sumatera Utara	2,979	2015		2017
	Padang Brahrang POM	Padang Brahrang	Langkat, Sumatera Utara	2,024	2015		2017
		Bukit Lawang	Langkat, Sumatera Utara	1,482	2015		2017
		Tanjung Keliling	Langkat, Sumatera Utara	2,360	2015		2017
	<b>PENINSULAR MALAYSIA</b>						
	Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012		Certified 2013
		Batu Lintang	Serdang, Kedah	2,355	2012		Certified 2013
		Subur	Batu Kurau, Perak	1,290	2013		Certified 2013
		Ghim Khoon	Kulim, Kedah	434	2012		Certified 2013
	Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011		Certified
		Landak	Paloh, Johor	4,451	2011		Certified
		Voules	Tenang, Johor	2,977	2011		Certified
		Bandar Tenggara	Bandar Tenggara, Johor	950	2011		Certified
		New Pogoh	Tenang, Johor	1,560	2011		Certified
		Fraser	Kulai, Johor	2,932	2011		Certified
		Paloh	Paloh, Johor	2,029	2011		Certified
		Sungai Bekok	Bekok, Johor	636	2011		Certified
		Ban Heng	Pagoh, Muar, Johor	631	2011		Certified
		See Sun	Renggam, Johor	589	2011		Certified

	Paloh POM		Paloh, Johor			Outside Crop
	Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
		Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
		Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
		Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
		Ulu Pedas	Pedas, Negri Sembilan	923	2012	Certified
		Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
		Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
		Renjok	Telemong, Pahang	1,578	2012	Certified
		Tuan	Telemong, Pahang	1,353	2012	Certified
	Tanjung Malim POM	Tanjung Malim	Tanjung Malim, Perak	1,544	2013	Certified 2013
		Kerling	Kerling, Selangor	619	2013	Certified 2013
		Sungai Gapi	Serendah, Selangor	603	2013	Certified 2013
		Bukit Kato				Certified 2013
		Kampar				Certified 2013
	Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013
	Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified November 2014
		Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified November 2014
		Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified November 2014
	Changkat Chermin POM	Lekir	Batu 12, 32020 Sitiawan, Perak	2,498	2012	Certified September 2013
		Changkat Chermin	Batu 13 ½, 32400, Ayer Tawar, Perak	2,026	2012	Certified September 2013
		Raja Hitam	Bt 18, Kg Jering, 32400 Ayer Tawar, Perak	1,445	2012	Certified September 2013
		Allagar	Ladang Allagar, 34800 Trong, Perak.	713	2013	Certified September 2013
		Glenealy	Jalan Si Putih – Batu Hampar, 32800 Parit,	557	2013	Certified September

			Perak			2013
		Serapoh	Ladang Serapoh, 32800 Parit, Perak	651	2013	Certified September 2013
		Kuala Kangsar	Ladang Kuala Kangsar, 33700 Padang Rengas, Perak	177	2013	Certified September 2013
		Pinji	Ladang Pinji, P.O.Box 1027, 30820 Ipoh, Perak	428	2013	Certified September 2013
		Batu Dua	Ladang Batu Dua, P.O.Box 1027, 30820 Ipoh, Perak	101	2013	Certified September 2013
		Menglembu	Ladang Menglembu d/k No. 1, Hala Kledang 4, Taman Kledang, 31450 Menglembu, Perak	42	2013	Certified September 2013
		Kampar	Peti Surat 20, 31907, Kampar, Perak.	624	2013	Certified September 2013
		Subur	34520, Batu Kurau, Perak	993	2013	Certified September 2013
		Bukit Katho	Ladang Bukit Katho, 35500 Bidor, Perak.	264	2013	Certified September 2013
<b>SABAH, MALAYSIA</b>						
	Mill 1		Tawau, Sabah		Outside Crop	
	Mill 2	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
		Sigalong		2,864	2009	Certified 2009
		Pangeran		2,855	2009	Certified 2009
		Sri Kunak		2,770	2009	Certified 2009
		Pang Burong		2,548	2009	Certified 2009
	Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
		Tundong		2,155	2009	Certified 2009
		Ringlet		1,834	2009	Certified 2009
	Lungmanis	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
		Sungai Silabukan		2,654	2010	Certified

						2010
	Rimmer	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified 2010
		Tungku		3,418	2010	Certified 2010
		Bukit Tabin		2,916	2010	Certified 2010
	Bornion	Bornion	Kinabatangan, Sabah	3,233	2010	Certified 2010
		Segar Usaha	Kinabatangan, Sabah	2,792	2010	Certified 2010
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	<p>KKPA Sahabat Lestari (scheme smallholders) which supply to Tapung Kanan POM stated does not be ready to involve in RSPO certification, because of organization reform status. This statement in minutes of meeting on 3<sup>rd</sup> July 2015 where cooperative feeling objection if all certification fees are imposed to smallholders. So that, based on Internal Audit recommendation on 12 February 2016, Time Bound Plan KLK Group 2016 was revised. Scheme smallholders will be postponed upto year 2019 related to RSPO certification.</p>					

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-3</b>	<ol style="list-style-type: none"> <li><b>Yudwi Wisnu Rahmanto (Lead Auditor).</b> Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 5 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During this audit, he assigned to verify of environment aspect</li> <li><b>Muardi Marwas.</b> Bachelor of Agriculture Bogor Agriculture Institute. Attended RSPO and ISPO Assessment in Indonesia. He had been trained Auditor/Lead auditor Management System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness green house gas and Witteness Distribution Quality Management Process (DQMP) APMEA. Currently he works for Independent Certification Body.He had involved activities RSPO and ISPO certification assessment as an auditor.</li> <li><b>Sandra Purba.</b> Bachelor of Forestry, Department of Forest Products Technology, Faculty of Agriculture, University of North Sumatra. Have experience working in oil palm plantations Company. She had attended such training: Training Expert of OHSAS General, Training ISPO Auditor, Awareness RSPO, training ISO 22000-2009 Auditor/Lead auditor, Auditor Management System Certification (ISO 9001-2008) and training of RSPO Lead. Currently he worked as an auditor at Certification Body.</li> <li><b>Joko Alam (Auditor Trainee).</b> Sarjana Saint Terapan S.S.T Ilmu Pertanian Jurusan Penyuluh Pertanian, Sekolah Tinggi Penyuluh Pertanian Bogor (STPP) dibawah naungan Dinas Pertanian. Memiliki pengalaman selama enam tahun sebagai Agronomist kelapa sawit. Pernah mengikuti pelatihan Arcgis untuk pemetaan, pelatihan 5R untuk manajemen Perusahaan dan Pabrik, pelatihan Laboratorium untuk pabrik kelapa sawit, pelatihan Auditor ISPO angkatan 18 (2015), pelatihan ISO 14001 tentang Sistem manajemen Lingkungan (SML) dan teknik Audit, Pelatihan Lead Auditor ISO 9001:2015 mengenai Sistem manajemen Mutu, dan Sistem Sertifikasi ISO 17021 Pada kegiatan kali ini, ia melakukan penilaian pada aspek Best manajemen Practice (BMP), Pabrik dan Apek karyawan .</li> </ol>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-3</b>	<p>Number of auditors : 4 (four) auditors            Number of days for <b>ASA-3</b> on site : 4 (four) days            Number of working days for <b>ASA-3</b> on site: 16 (sixteen) working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-3</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the TAPUNG KANAN POM – PT. SEKARBUMI ALAMLESTARI to the requirements of <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25th, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).</i></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p>

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**).

Improvement of findings from main assesment findings were observed by auditors at this **ASA-3** assessment subject will be verified at the next assessment phase (**ASA-4**). All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-3**.

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-3</b>	<p>The scope of the certification activities is 1 POM with 3 Estate which supply raw materials (FFB) that is Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 Estate. In assessing, the auditor team uses <math>0.6\sqrt{y}</math> formula to determine the estate sampling into focus assessment. Based on this formula, the auditor team determines the sampling is two estates and one mill namely Tapung Kanan 2 Estate, Tapung Kanan 3 Estate and Tapung Kanan POM.</p> <p><b>KTK II</b></p> <p><b>Location 1. Harvest.</b> Located in block 95D, Division 1, interviews were conducted with four Harvesters. Workers explained the FFB harvest criteria such as ripe criteria, long stems are cut at least 3 cm, lose fruits are taken, the fruits delivered to the fruits collecting point with stems facing the front street. Using the entire stock system, and if in a basic the entire stock will get Rp 36 / kg. Harvesters equip themselves with PPE and employee status has been fixed for 12-15 years. Workers have understood the worker unions which exists in KTK II.</p> <p><b>Location 2. Spraying.</b> Sampling sites in Division 3C Block 16A with the number of workers are 15 people doing the Circle Spraying and Harvesting Path. Workers have understood the type of herbicide used as an appropriate dose, target, and its application. From the workers information, the type used is glyphosate 60 cc / cap with Kenrani mixture of 0.7 gr / cap / hectare, mixed into the drum tank. Mixer operator is a spraying supervisor who equip themselves with PPE. Sprayer has been used complete Apron (PPE). Pesticide applicator training has been followed by all sprayers which was held by the company Internal. Health examinations are carried out every 6 months.</p> <p><b>Location 3. Fertilization:</b> Fertilization location is carried out in division 3A, blocks 94C and 94D. Fertilizer used is a type NK 17.17.30, employees understand the target, the dose used, and the precise moment of fertilization. Fertilizer evenly sown in the circle of palm oil with a dose of 2 kg / palm tree. Employees are working with full PPE such as goggles, rubber gloves, apron, face mask, and boat shoes. In addition, fertilizer employees understand the place that should not be performed fertilizing as the large river riparian with a distance of 100 meters, if the large river, the fertilizer distance should not be 50 meters.</p> <p><b>Location 4. EFB Fertilization:</b> EFB fertilization is observed in block 92F, Division 3c KLK II, for KLK III in block 98c division 4D. Doses used is 350-400 kg / palm tree or 25 tons / hectare. The application area is minimal nutrients or sand. The application system used is 2:1 or 2 trees with 1 EFB application with a dose of 300 kg / palm tree. EFB is placed in the middle of inter row between the palm tree.</p> <p><b>Location 5. Checking the natural Predators of pest (OPT).</b> Checking the owl (Tyto alba) in block 94E, 96B, division 4B. Planting the natural enemies as beneficial plants are quite good.</p> <p><b>Location 6. Checking of subsidence and Bund Off:</b> Checking the bund Off in Block 17A, 17B, and 18A, in division 1. Noted that the water level is still in accordance with the recommended threshold is 55 cm and 60cm. Checking the subsidence pole is also performed in block 18d, 19e. Noted that the land subsidence along 5 cm - 7 cm when field checking.</p> <p><b>Location 7. Seeds Checking:</b> In the nursery there are still 21 months old seeds with current treatments is pruning the low part of midrib for the planting program in replanted areas. In addition, there are seeds with 6 months old of South Tania seeds, the total of seeds with aged 21 months up to December is 25,348 palm trees, while for seeds with aged 6 months amounted to 8,312 palm trees. Watering the seeds with aged 6 months is performed by using a system of Tsumi Tsansui, for mature seeds, no longer needed watering except during the dry season.</p>

<b>Location 8.</b>	Block PM1993B, PM1992D (Division 3C), PM1994B (Division 3A), PM1995D (Division 3B): Observation of HCV areas management such as Sepano riparian. HCV signboard and protection warning against the riparian area looks well maintained. Demarcate of the spraying area with a radius of five palm tree lines from riparian were clearly visible. Riparian vegetation in the form of an artificial enrichment with bamboo plants to prevent erosion of the road and the riparian.
<b>Location 9.</b>	Block PN2005 (Division 3A): Observation of a new plant in 2005 in the area of the former lowly dried.
<b>Location 10.</b>	Block 98I: Observation of waste management applications (Land Application) through long bed and drainage system following the gravity system. Sub block application is 344 (23 Hectares) and 374 (15 Hectares).
<b>KTK III</b>	
<b>Location 11.</b>	<b>Employee Housing Division 4B.</b> Interviews with employees and field observations to determine the quality and feasibility of employee welfare facilities and infrastructure that have been provided by the company. Housing is adequate and sufficient for the employee, the facilities available in the housing such as clean water, lighting, Day care, domestic waste management and emergency response has also been provided.
<b>Location 12.</b>	<b>Knapsack Washing Place division 4B.</b> Observations at the storage in the division to ensure the environmental management and application of OHS policy has been conducted in accordance with the applicable regulations.
<b>Location 13.</b>	<b>Chemicals Mixing Place of KTK II.</b> Observations at the site of chemicals mixing to ensure the environmental management and OHS policy application has been conducted in accordance with the applicable regulations. Interviews with officers to see the implementation of aspects of employment and employee health have been conducted by the company.
<b>Location 14.</b>	<b>Chemical Warehouse, Fertilizer, Diesel Fuel Central.</b> Observations at the chemicals, fertilizers and fuel storage are placed centrally in the POM of TK to ensure the environmental management and OHS policy application has been conducted in accordance with the applicable regulations. Interviews with officers to see the implementation of employment aspects and employee health have been conducted by the company.
<b>Location 15.</b>	<b>Central Estate Workshop.</b> Observations and interviews with responsible persons in workshops, environmental management and the management of Hazardous Waste has done well, used oils are stored in the Hazardous Waste Warehouse. Aspects of employment and OHS have been applied adequately.
<b>Location 16.</b>	<b>Harvest.</b> Located in block 98C, Division 4B, interviews were conducted with three Harvester. Workers explained the FFB harvest criteria such as ripe criteria, long stalks are cut at least 3 cm, lose fruits are taken, the fruits delivered to the fruits collecting point with stalks facing the front street. Using the entire stock system, and if in basic the entire stock will get Rp 36 / kg. Harvesters equip themselves with PPE and employee status has been fixed for 12-15 years. Workers have understood the worker unions which exists in KTK II.
<b>Location 17.</b>	<b>Spraying.</b> Sampling sites in Division 4B Block 4C with the number of workers are 9 people doing the Circle Spraying and Harvesting Path. Workers have understood the type of herbicide used as an appropriate dose, target, and its application. From the workers information, the type used is glyphosate 60 cc / cap with Kenrani mixture of 0.7 gr / cap / hectare, mixed into the drum tank. Mixer operator is a spraying supervisor who equip themselves with the PPE. Sprayer has been used complete Apron (PPE). Pesticide applicator training has been followed by all sprayers which was held by the company Internal. Health checks are carried out every 6 months.
<b>Location 18.</b>	<b>Fertilization:</b> Fertilization is carried out in the division 4B block 4C. The fertilizer used is a type of M.O.P with doses used is 75gr / palm tree. Employees understand the objectives, the doses used, and the precise moment of fertilization. Fertilizer is evenly sown in the circle of palm tree with a



- distance of 2 meters from palm oil stem. Employees are working with full PPE such as goggles, rubber gloves, apron, face mask, and boat shoes. In addition, fertilizer has understood the place that should not be performed fertilizing as the large river riparian with a distance of 100 meters, if the large river, the fertilizer distance should not be 50 meters.
- Location 19. Checking the natural predator of pest (OPT).** Checking the barn owl boxes (*Tyto alba*) in block 94E, 96B, division 4B. For the owl population in KTK-2 is currently improved, the result is very effective, the rat infestation are below the threshold, *Oryctes* pests in every checking in feromontrap in the block with a low infestation rate. Planting the natural enemies as beneficial plants are quite good.
- Location 20. Hazardous Waste Warehouse:** Storage warehouse condition is quite good with the condition of high building and the ventilation is sufficient, so that the air circulations inside the warehouse are always changing. Hazardous Waste balance data is updated, the condition of the container for mixing the pesticides and herbicides is always different. Permanent warehouse floor from cement and there is no pesticide spills on the floor. Available pallet to put pesticide so as not directly on the floor. Available MSDS, First Aid tools and symbols of danger signs, and the coordinates of the location in the hazardous waste warehouse.
- Location 21.** Block PM2001H (Division 4A) area of Immature Plant 8: Field observations in the swamp area directly adjacent to the HCV area of Tapung Kanan Riparian. At these locations known that the plants in 2001, a small portion bordering to the swamp is not optimal in its growth. This is because the puddle from the Tapung Kanan river runoff.
- Location 22.** Block PM1997E (Division 4A): Observation of the embedded peat area. Visually, the type of peat on the block is classified as semi-mature (hemist) and includes shallow peat.
- Location 23.** Block PN2006 (Division 4A): The location of former seed and it is near Tapung Kanan Riparian. Information from the workers, at these locations has been spotted traces and visual of the Sumatran Tiger. The tiger's nest is thought to be in the HCV area (swamp forest) of Tapung Kanan Riparian, which is located opposite with the area of block PN2006.
- Location 24.** Block PM1994B (Division 4A): Block of EFB application as the utilization of solid waste processing results.
- Location 25.** Block PM1994D (Division 4A): Observation of HCV area in the form of Paloge Riparian. The actual condition of the area is still maintained with natural vegetation such as wild undergrowth. The distance between the plant block with Paloge River was estimated > 50 meters.
- Tapung Kanan POM**
- Location 26. POM Chemical Warehouse.** Observations on chemical storage for the purposes of the processing, environmental management and OHS management and the application of OHS policy has been made in accordance with the applicable regulations. Interviews with officers to see the implementation of aspects of employment and employee health have been conducted by the company.
- Location 27. POM Workshop.** Observations and interviews with responsible persons in workshops, environmental management and the management of Hazardous Waste has done well, used oils are stored in the Hazardous Waste Warehouse. Aspects of employment and OHS have been applied adequately.
- Location 28. POM Hazardous Waste Warehouse.** Field observations at hazardous waste warehouse to ensure the application of SOP has been done, the available facilities as required in the permit are available, hazardous waste has been separated by type and character. Label and symbol provided with adequate.
- Location 29. Waste disposal of mill laundry and leachate.** The entire effluent of leachate and mill laundry discarded into the WWTP.
- Location 30. WWTP.** Effluent management by using 9 ponds, seven ponds at this time are still active, 4 ponds flowed to the Land Application. Officers understand their duties and responsibilities, OHS aspects

	have been fulfilled and implemented.
<b>Location 31.</b>	<b>Mill Hazardous Material Warehouse.</b> Symbols of hazardous waste is installed, any hazardous waste is stored in the container tank. Recording of balance is updated, available fire extinguisher, First Aid box, secondary containment.
<b>Location 32.</b>	<b>The waste storage area of EFB and shells at the Mill:</b> EFB waste conditions already realized well into the estate, so that there is no accumulate in the mill.
<b>Location 33.</b>	<b>Mill Hazardous Waste Warehouse:</b> Conditions of temporary storage and warehouse are well-organized, the air vents at the warehouse in accordance with the warehouse capacity. The separation of materials for mixing which required by Mill are separated. Every unused material separated by a special recording in order to facilitate rechecking. There are First Aid, MSDS and coordinate points on the front door of Mill Hazardous Waste Warehouse.
<b>Location 34.</b>	<b>POM Reservoir.</b> The water comes from Tapung river that flowed into the reservoir then processed on WTP, then distributed to the POM and domestic purposes. There are gauges of water usage (flow meter) which functioning properly.
<b>Location 35.</b>	<b>Process:</b> POM is able to process 30 tons / hour, the entire tools of mill are functioning properly, ranging from loading ramp, the fruit went into the sterilizer, to be CPO, the whole process are well guarded by trained staff. Only the digester which visible a little damage, but the management responses have immediately requested a new improvement in the budget of 2016.
<b>Location 36.</b>	Fruit Sorting Station in Loading Ramp: Interviews and observations about FFB sorting from Nucleus estates and KKPA. The actual condition of the field visit, the collected FFB is relatively small. This is due to the harvest season or cycle of palm oil production is at a low state (low crops). The fruit selection team is very strict (especially FFB from KKPA) in the selection of fruit qualities.
<b>Location 37.</b>	Sterilizer station: Visual observations at this station are known to have three sterilization tracks with each capacity is 25 MT / track. Each lorry capacity is 2.5 MT and it takes 10 Lorries in one sterilization track per cycle. The sterilization process is using track rotation system 1, 3 and 2 with breaks in each cycle is 45 minutes. The monitoring system uses digital panel to make sure the sterilization process is following the 16 stages and level of fruit maturity.
<b>Location 38.</b>	Thresher Station: Observation of FFB processing after the sterilization stage. POM of Tapung Kanan is included to the old mill design, where still use the <i>hoisting crane</i> in the transport of fruit after Sterilizer Station to the Thresher Station.
<b>Location 39.</b>	Digester and Press Station: Observation of the refining process of crude palm oil. Visually known, there are 4 installations of digester and press with each capacity is 15MT / hour. But the actual operation is 2 units and 1 unit of reserves, while one other unit was broken and never used again. Two units of the digester and press operate with a throughput of 30 MT / hour. There is one active digester unit with an aluminium body condition of the outer layer is damaged, resulting in rupture and leak a little oil. However, this has been proposed in the 2015/2016 budget repair program of Tapung Kanan POM.
<b>Location 40.</b>	Clarification Station: Observation of palm oil purification process by using a vibrating screen and calcium carbonate. The process of taking samples for analysis of the content and quality of oil are performed every two hours. The analysis carried out by the laboratory team for the quality of Free Fatty Acid (FFA), the water content (moisture) and the level of dirt (dirt) in accordance with the company tolerance level.
<b>Location 41.</b>	Ripple Mill Station, Polishing Drum and Kernel Silo: Observations of produced kernel quality, including the storage process before despatch.
	Public consultation with local communities:
<b>Location 1.</b>	<b>Village Chief of Kota Aman and Representative of Residents (3 people)</b>
<b>Location 2.</b>	<b>Administrator of Land Claims (4 people)</b>
<b>Location 3.</b>	<b>Workers Union (1 person)</b>
<b>Location 4.</b>	<b>Koto Garo Village (2 people).</b>

2.3 Stakeholder Consultation and Stakeholders Contacted

2.3.1	<b>Summary of stakeholder consultation process.</b>
ASA-3	Summary of stakeholder consultation process Consultation of stakeholders for PT. SEKARBUMI ALAMLESTARI was held by: Public Notification 1 <sup>st</sup> February 2016 on website ( <a href="http://www.mutucertification.com">www.mutucertification.com</a> ) Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples on 16 February 2016. Numbers of input from stakeholders were clarified by Mutuagung auditors
2.3.2	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
2.4	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-4</b> ) will be determined at least 9 months after this <b>ASA-3</b> (January 2017).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of TAPUNG KANAN POM – PT. SEKARBUMI ALAMLESTARI, KLK Bhd operation consisting of 1 mill and 3 oil palm estates.

During the assessment, there were 2 Nonconformities were assigned against Major Compliance Indicators; 2 nonconformities were assigned against Minor Compliance Indicators; and 8 opportunities for improvement were identified.

MUTUAGUNG LESTARI found that TAPUNG KANAN POM – PT. SEKARBUMI ALAMLESTARI, KLK Bhd **NOT COMPLY** with the requirements of *RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production – Generic Standard 2013 and RSPO Supply Chain Certification Standard November 2014 for CPO Mill*

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>
	<p>Provision of information has been carried out routinely by the company to the agency in accordance with the obligations that have been listed in the company’s permit document and national regulations. Evidences of information delivery is shown in the form of handover documents and proof of delivery reports in quarterly, semester and yearly, for example Environmental Management Plan / Environmental Monitoring Plan reports; the reports of prevention, reduction and control of fire hazards of estate and mill; report of environmental testing and testing of effluent; Guiding Committee of Occupational Safety &amp; Health reports and WLTK reports (Compulsory Labor Report).</p> <p>Report about the request for information from the concerned parties has been archived and stored well. The archives and reports are stored in the form of log book of information requests, socialization and public consultation.</p> <p>During the period of January 2016, there is 1 letter of requesting information that comes to Tapung Kanan POM that is from Environmental Agency of Kampar about the field verification of the application for re-registration the permission of PT SA Hazardous Waste on January 28, 2016. Associated with it, has met with the approval and implementation of the re-verification on January 28, 2016, all of the data required has been provided, the request for such information has been responded well.</p> <p>During the period of January 2016, there is no request for information to Tapung Kanan Estate, requests for information recorded in the book of information request and socialization.</p> <p>The results of the public consultation with relevant agencies conducted on February 16, 2016, it is known that the company had been obedient to send the compulsory reports in accordance with the provisions of the company's licenses or national regulations. Related agencies also mentioned that the company has performed fast responses when there are requests for information.</p>
	<b>Status: COMPLY</b>
<b>1.2</b>	<b>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.</b>

The Company has a master list of Documents which can be published to the public, such as:

- PD, RD, MA, GM, Audit – memo. Storage period is 5 years.
- Factory Manager Incoming Mail – internal, Storage period is 5 years.
- Quotation (offer price list). Storage period is 10 years.
- Cooperative Agreement Letter (SPK). Storage period is 10 years.
- Reports of overtime description. Storage period is 5 years.
- List of insurance and taxes. Storage period is 5 years.
- The handover news event. Storage period is 5 years.
- List of contract and DO Despatch. Storage period is 10 years.

List of secret documents to the public briefly as follows:

- The handover news event. Storage period is 5 years.
  - List of employees' salaries. Storage period is 10 years.
  - Work Overtime letter. Storage period is 10 years.
  - Memo of the demand for goods. Storage period is 5 years.
- Bill of request and expenditures. Storage period is 10 years.

In the procedures, company stated the retention time for document records is 5-10 years kept at Site Office depends on relevant documents. Moreover, personnel in charge to update all information requests are Regional Office Staff. This document will be keep in Log Book of Information Request for maximum retention is 1 month. Company provide the evidence of documents are publicly available to stakeholders on 15 January 2016. This socialization aimed to Statutory Bodies, Villagers, smallholders upto relevant NGO's.

All these documents are stored well in the document file, and there is a PIC who is responsible for updating the data / documents that need to be updated as well as in the List of documents that already expired.

Status:

**1.3**

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

The company (Kualalumpur Kepong Group) has a written policy to respect human rights. KLK supports the Universal Declaration of Human Rights by the United Nations / PBB. The policy is approved by the Chief Executive Officer / CEO on December 1, 2014. The policy is communicated to employees, installed in every office.

Code of integrity point 4.11

Employees should treat fellow employees with fair and courteous regardless of race, religion, gender, nationality, age, disability and discrimination.

Verification in the field, the policy can be accessed by employees through information attached in the estate and mill Office.

Status:

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1**

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

**The Legality of Land Tenure**

PT Sekarbumi Alamlestari has shown efforts to comply with applicable regulations, among others:

- a. PT Sekarbumi Alamlestari already has a location permit in accordance with the Agricultural Regulation No. 2 year 1999 about location permits
- b. PT Sekarbumi Alamlestari already has a Plantation Business Permit in accordance with the regulation of Agriculture Ministry (Permentan) No. 26 Year 2007 about the plantation business permit guidelines.
- c. PT Sekarbumi Alamlestari already has rights of the land / soil in accordance with the Government Regulation No.

40 year 1996 about Land Use Title (HGU).

#### OHS and Employment

- Reporting of Guiding Committee of Occupational Safety & Health activities have been conducted routinely
- Reporting of employment has been conducted regularly
- The entire labor has been registered in the program of Labor Social Insurance Agency and Health Social Insurance Agency
- Supervision and inspection of the production machinery is done routinely every year in accordance with the provisions contained in the engine certificate. For example, supervision and final check was made on June 11, 2015 for 12 different types of production units, carried out by PT Arpitek Utama and witnessed by labor supervisor of Kampar Labor Agency.

When ASA-02, the auditor has noted the daily workers who work more than 21 days consecutively has not been appointed to be a permanent labor, associated with this the company has shown the corrective evidences so that the non conformance is stated fulfilled.

On the activities of ASA-3, have been conducted verification again related to it, based on field visits, interviews with employees and absence documents review (checkroll) known that not entirely of daily workers who meet the requirements appointed to be permanent worker, for example harvester in block 98C Division 4B of KTK III. **See the non conformity NCR No. 2016.01**

Request and submission of the appointment to be an unit payment employee have been delivered by the unit to the central office of Pekanbaru, such as the nomination letters No. 027 / SM-TKE / SA / I / 2016 was sent on January 26, 2016, but so far there is no response from the management of PT SA.

The management unit has SOP NO. 2 about Regulatory Compliance and Applicable Law (Revised on August 1, 2013).

The evaluation mechanism, that is:

- Operating Centre (Management Unit of Estate and POM) must have documents and records of rules.
- Internal and External Audit will ensure the things that are not fulfilled will be immediately updated.
- Changes in laws and regulations relating would be informed by the Central Office in Jakarta and the Office of PT Adei, Pekanbaru.
- Other sources of information can be obtained from Indonesian Palm Oil Commission, Indonesian Palm Oil Association, mass media, seminar, training and socialization from government.
- Any changes in laws and regulations will be submitted to the Operating Centre through the Regional Director (RD).

Annual review carried out by the Manager to check for changes in laws and regulations

The company has the PIC who is responsible for the update on the latest regulations and legislations related to the estate, labor, industry, etc.

Latest regulations that have been updated by the company, among others:

- Government Regulation No. 104 year 2015 about the procedures of use changes and functions of forests. Status has been done by the company.
- Act No. 37 year 2014 about the conservation of soil and water.
- Regulation of Agriculture Ministry No. 47 / Permentan /OT.140/4/2014 about brigade and guidelines on prevention and control of fires. Which has been done: prevention, extinguishing, post fire handling.
- Government Regulation No. 45 Year 2015 about the pension guarantee, the company has been providing services to workers to register themselves as members of labor Social Insurance Agency.
- Government Regulation No. 101 Year 2014 about the Hazardous waste management

Presidential Regulation No. 72 Year 2014 about the use of foreign labor and the implementation of education and

companion labor training.

<b>Major 2.1.1</b>	<b>Status: NOT COMPLY</b>
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**2.2**

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

PT Sekar Bumi Alam Lestari has obtained the Land Use Title covering an area of **6.200 hectares** accordance with the regulations. Until audit the land use title certificate is still valid. Land Use Title certificate No. 01, on December 1, 1994 covering an area of 6,200 hectares which is valid until December 31, 2024 (30 years, 25 years extended). Certificate refers to the Decree of Agrarian Minister / Head of National Land Agency No. 36 / HGU / BPN / 94 on July 29, 1994.

The visit results of estate I, II and III, known that the land utilization were in the Land Use Title. Nucleus is bordered with community estates, KKPA and Sinar Mas Estates. Estate Operational limits with land outside, installed the Land Use Title Pole. In addition, the limit is made an isolation trench. There is no land utilization outside the obtained Rights.

- Land Use Title Pole 75 located around the swamp.
- Land Use Title Pole 179 – 185 bordered with sharecroppers estates.
- Land Use Title Pole 126 – 130 of PT Buana Wira Lestari.

Boundaries pole examination done once in a period of six months and maintenance of boundaries pole made in the form of cleaning the area around the boundaries pole.



Field inspection, and interviews with villagers of Kota Aman and Kota Garo, and the staff of the Ministry in the district of Kampar known during 2015, there is no new land compensation. There is no use of violence by the unit in managing the operations which being carried out and planned.

- a. Demands on land that has not received compensation (Acknowledgment of Kota Aman Village Group).  
 2007: Administrators conduct land claims that have not been compensated for the loss of their land. Kampar Regent explained through Letter No. 100 / Gov / V / 2007/654 that to follow up a letter from Riau Governor No. 592.2 / PH / 88.01, January 16, 2007, with this concluded that PT Sekarbumi Alamlestari had obtained Land Use Title Certificate on 1994 covering an area of ± 6,200 hectares.

Land demanded by community of Koto Aman is ± 1,500 hectares, of which ± 682 hectares has already reimbursed through the local government team on 1992 while the rest is state forests.  
 Tahun 2016.

Auditor conducted an interview with the claim administrators (4 people). The company provides land compensation / compensation for the land covering an area of ± 683 hectares. While the remaining 817 hectares of other areas,

landowners / tenants are not compensated.

Ever held a meeting on January 14, 2016. The claim Administrator seeks to further meeting through the mediation of Sub District Head, but the company is not willing to attend. The company wants that the claim administrator takes legal / court ways.

The process of settlement of disputes / claims above have not been discussed collectively together involving the relevant stakeholders.

**Non conformity 2016.02**

<b>Minor</b> 2.2.5	<b>Status: NOT COMPLY</b>	
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**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.**

Nucleus estate development since 1992 by several permits. Land Use Title is acquired on 1994, which has been utilized for the cultivation of oil palm and its industry. The whole land area is 6,200 hectares, consisting of 5,160 hectares of oil palm plantations; nursery 4 hectares; Mill, Housing 94 hectares; Riparian 57 hectares; and Swamp 885 hectares. Operational map showing the entire area has been controlled and managed by the business units. Field inspection, and interviews with villagers of Kota Aman and Kota Garo, and the staff of the Ministry in the district of Kampar known during 2015 there is no new land compensation.

Edaphology team of Riau Province in the "document of edaphology" on September 22, 1991 No. 22 / RSL / HGU / 1991 concludes that rights over the land from the previous owner has been completed and there are no parties objected.

"Records of land compensation" when the arrangement of Land Use Title is stored at the Central Office of Jakarta on legal and taxation section, for example:

- Submission 4 hectares area is located in the Village of Kota Batak, Payment approved / accepted / confirmed by the owner; Company representatives; Officers of National Land Agency; Village Chief of Sikijang.
- 2 hectares land owners are give up their land to PT together with 295 other heads of families. The process of land rights release was witnessed by Team of "Committee B Inventory", the village chief, landowners, Sub District Head and Company representatives.

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

5-year long-term management plans can be shown in the form of documents of economic indicators for mill and estate (5 years) in the period of 2015-2020.

- Economic indicators for mill (5 years) inform indicator (FFB crop, OER, KER, CPO production, PK production, production cost in Rp/MT of CPO, revenue in rupiah).
- 5 year plan for Tapung Kanan Estate (KTK1, KTK2 and KTK3) presented by informing indicator of mature area in hectares, FFB crop in tones per hectare, extraction, oil produced in CPO per hectare, production costs in rupiah per metric of CPO, revenue (sales) in Rp / CPO / ton and profit.

Comparison between the planned cost and revenue, the company still looks viable in long-term economic. Plan and the allocation of costs for sustainability activities (HCV, social, RSPO / ISPO / ISCC, SMK3, etc.) have been included in the cost of production in the estate for five years, it can be seen from the items in the document of detailed expenditure estimates for the financial year, for example in the period of 2015/2016.

The financial balance sheet from the public accountant with license No: KEP / 665 / KM I / 2015 ended on September 30, 2015. The report presents the income statement, statement of changes in equity and cash flows for the last year. The reports are submitted on October 23, 2015 through letter No. AR / S / 105/15.

The company can show the proof of property tax payments and water consumption tax, such as property tax payments of PT SA in the period of 2015 was held on October 27, 2015, payments made through the Bank. Water usage tax



payment in the period of 2015 was held on October 20, 2015, available letter documents of local tax collection (SSPD) as proof of payment.

Replanting plan (replanting) are presented in the fifth annual replanting program, replanting program starting from 2015 covering an area of 252 hectares, in 2016 covering an area of 89 hectares, in 2017: 145 hectares, in 2018: 298 hectares and 2019: 250 hectares. In the document has been informed the location of the estate, division and field replanting plan.

**Status:**

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

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

The company has the SOP of PT Sekarbumi Alamlestari RSPO endorsed by the Senior Manager on April 12, 2012 and has been revised 4 times (November 3, 2012 for SOP of Integrated Pest Management; May 1, 2012 for SOP of Estate Waste Management; on December 15, 2012 for Pricing mechanisms of Fruit Bunch) and the Technical Guidelines for Oil Palm Plantations of PT KLK Agriservindo (Policy No: GP / Agric / OP) November 25, 2004 of which includes activities:

Standard Operating Procedures (SOP) - Palm Oil Mill revision on October 11, 2013 by Mill Controller covers all operational activities of Tapung Kanan POM. So that Operations in the company run in consistent and well-documented, the management has a mechanism that monitored well. Among others, the list of internal audit results summary of RSPO and ISPO on 02/11/2016 which is described as follows:

1. Estates inspection activities

There is a news event of culled seeds destruction which have been provided on 25/01/2016 as much as 5,963 culled palm tree are destroyed by way of chopped. Realization Report of planting beans in KTK 3 Division 4A: 2,500 m, block 4B: 5,500 m. Realization of empty fruit bunch in KTK 3 available area of 150 hectares in block 4A and 240 hectares in block 4B, KTK 1 covering an area of 111 hectares, 219 hectares in block 1A, 253 hectares in block 1B.

2. POM inspection activities

For KTK and KTK POM already counted about Palm GHG Calculator and the ISPO GHG. Certification of estate clarification issued on June 2011 expired on June 2014. While the explanation is currently in an extension to the target in June 2016.

Records of the results of mill operational maintenance activities are available in the monthly period in the Progress Report of Tapung Kanan POM with No: 007 / Work / TKF / I / 2016 on February 13, 2016 which describes: Repair Working program & Replacement of spare parts. Here is a brief of Repairing and working hours on February 14, 2016:

- Plate form Repair (Fiber Cyclone)
- Welding the leaks of Body & Ducting ( Fiber Cyclone)
- Fence Repair: (Fruit Transfer)
- Repair Leaks and spruce the Pipe Installation” (Hydroulic & Loading Ramp)
- Repair Chain & Bucket: ( LTDS 01 & 02, Kernel & CM Elevator)

Observations carried out in KTK II Division 1 block 1, while the field observations in KTK III are conducted in Division II. From interviews with some of the harvester, noted that they have understood about the criteria of ripe fruits which are ready for harvest, the long stems were cut shorts, stacking in Fruit Collecting Point with the part of stems are facing the street. Lose fruits are inserted into sacks, pruning midrib is broken into two parts and stacking in the inter row.

Mill of Tapung Kanan POM receives no fruit from outsiders, but receive the fruits from KKPA smallholdings which bound by contract. Available Cooperative Agreement Letter for transport FFB and Lose Fruits with the contract No: 005 / KOPNI-KG / PRWT / IX / 2014. In addition, the company has a proof of payment for transporting FFB and Lose Fruits to farmer cooperatives (KOPNI) Sahabat Lestari. With the document No: LBK 2201512012 on 12/29/2015.

**Status:**

**4.2**

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

**sustained yield.**

The Company has a document of Oil palm fertilization recommendation for year 2015/2016 of PT Sekarbumi Alamlestari which is applicable to the Tapung Kanan Estate 1 up to 3 which are briefly described as follows:

1. Rainfall data: rainfall data of the past 10 years shows that total of rainfall annually is in the range of 2043 and 3086 mm.
2. Here are the results of leaf and Soil Analysis for KTK II and KTK III.

## Results of Leaf Analysis in KTK II:

Nutrients	Very High	High	Enough	Low	Very Low	Amount
<b>N</b>	0 (0)	1 (2)	2 (9)	2 (4)	6 (4)	11 (19)
<b>P</b>		0 (3)	2 (8)	7 (8)	2 (0)	11 (19)
<b>K</b>	4 (0)	3 (15)	3 (3)	1 (1)	0 (0)	11 (19)
<b>MG</b>		1 (5)	3 (9)	0 (5)	7 (0)	11 (19)
<b>B</b>		4 (2)	7 (2)	0 (0)	0 (0)	11 (19)

## - Results of Soil Analysis in KTK II 2015:

Block	Area	Depth	PH	Org. C	N	Total P	Ketrs P	K	Mg
<b>1</b>	IR	0-15	M	H	ML	M	M	L	H
<b>PM94G</b>									
	IR	15-45	M			H	VL	VL	L
	PC	0-15	M	H		M	ML		L
	PC	15-45	M	H	M	M	VL		ML

## - Results of Leaf Analysis in KTK III 2015

Nutrients	Very High	High	Enough	Low	Very Low	Amount
<b>N</b>	0 (0)	3 (0)	7 (1)	4 (3)	9 (19)	23 (23)
<b>P</b>	0 (0)	0 (2)	0 (1)	10 (10)	13(10)	23 (23)
<b>K</b>	6 (8)	9 (10)	4 (3)	3 (0)	1 (0)	23 (23)
<b>MG</b>	1 (0)	2 (2)	8 (13)	8 (4)	5 (4)	23 (23)
<b>B</b>	0 (0)	6 (3)	14 (2)	1 (0)	1 (0)	23 (23)
<b>Cu</b>	0 (0)	0 (0)	3 (4)	1 (1)	1 (1)	4 (5)

## - Results of Soil Analysis in KTK III 2015

Block	Area	Depth	PH	Org. C	N	Total P	Ketrs P	K	Mg
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<b>1 PM94B</b>	IR	0-15	M	H	XL	M	XL	ML	L
	IR	15-45	M	L		M	XL	L	L
	PC	0-15	M	H		H	XL	ML	H

As for soil texture with minimal nutrient recovery, the company fertilizing Palm Oil by using empty fruit bunch which are briefly described as follows:

1. Available program and realization of EFB for the year 2015 - 2016, are briefly described as follows:
  - Tapung Kanan Estate II Block 94B (3A) on October as many as 24,343 kg, on November as many as 25,006 kg, on Desember as many as 27,266 kg, on Februari 2016 as many as 26,673 kg.
  - Tapung Kanan Estate 3 Division 4D Block 98C on October as many as 28,300 kg, on November as many as 30,210 kg, on Desember as many as 23,400 kg, and on Januari 2016 as many as 24,210 kg.
  - Available map of EFB realization program of KTK III on 2016 with a scale of 1:170,000 with a total Applications of EFB for KTK III covering an area of 394 hectares.
2. Summarized as follows;
  - From field observations in Block 92F, it is known to have performed application of empty fruit bunch. Empty fruit bunch applied with the system of 2:1, means that two palm trees with 1 empty fruit bunch application which placed between the inter row. Doses used in one application is 300 kg / application. Beside the application of empty fruit bunch, the company has a land application for effluent to the field in block 374. The following are brief explanations of land application:
    - On November 30, 2015 pump No. 1, streaming block 344. Early flow meter: 32,323.42, and the last: 32,723.53, total: 400.11, with PH 7, the amount of effluent to LA: Today: 400.11, sdh 10788.12.
    - On December 31, 2015 pump No. 1 streaming block 344, pump hours total: 9 hours with water PH is 7, the amount of effluent to LA (MT) today: 216 SHI 5808.

**Tapung Kanan Estate 2.**

- Fertilization of NK 17/28 on January 12, 2016 with a dose of 2:25 kg / palm tree in block 94A, 301.5 kg / hectare, 24.42 kg tonnage and the extensive application is 81 hectares.
- Fertilization of AS with a dose of 0.50 gr / palm tree, a total of 67 kg, Tonnage is 5.43 kg, cost / hectare is 45, the area is 81 hectares.
- Fertilization of NK in block 94D, with an area of 69.00 hectares, density 117, 2.00 kg / palm tree, 16.15 tonnage, cost / hectare is 308.

**Tapung Kanan Estate 3.**

- Block 94A with fertilization of NK (17:28), with a dose of 2 kg/palm tree, it takes 244 kg of fertilizer, resulting 21.23 tons / hectare, with a cost of 321 / hectare.
- Fertilization of Borate in block 99F with an area of 82 hectares, the dose is 2.00 kg / palm tree, 21.32 tonnage kg, cost / hectare is 142 / hectare. Besides fertilization using empty fruit bunch, Company has waste utilization for estate (Land Applications) are summarized as follows:

On December 30, 2016 pump No. 1, streaming block 344, early flow meter is 32,323.3 m3 and the last is 32,723.53 m3, the total is 400.11 m3 with water pH 7. The amount of effluent that applied in the field today is 400.1 m3.

**Status:**

**4.3**

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

The company owns Soil Map with a Scale of 1:200,000 made by PT AAR Indonesian research that explains that soil type at PT Sekarbumi Alamlestari consist of type A low land ; sandy cay loam, 10 YR 5/6-6/6 (45-60cm): 10 YR 7/8 >60 cm. Sedangkan untuk type A Highland adalah: sandy clay loam; 10 YR 5/6-6/6 (45-60 cm), 10 YR 7/8 > 60 cm, Elevation Rolling, Type D Highland; Sandy loam, 10 YR very dark Brown top soil, Yellowfish brown, Brownish, Elevation Rolling.

Inside the SOP 34. Oil palm cultivation on mineral soil (revised on August 1, 2013) Page 4. To minimizing soil erosion,

terracing management should be following slope, as follows:

- For land with slope > 15°, the terrace must be made along the contour lines for planting. Determination of contour lines must be done before terracing.
- Terrace width is 4.2 to 4.8 m (14 -16 ft) with a slope to the back is 0.4 m (1.5 feet).
- For better water retention, soil mounds were made on the back of terrace in every 30 m along the terrace to checking the water in the soil surface.
- The disconnected terrace need to be connected with road / extra ladder with width of 1.8 m (6 feet).
- The road network should be planned in such a way so that the distance of harvesting path does not exceed 120 m.

The Company has a road maintenance program for KTK II Estate in June to October 2015 with a total of 158,550 meters. There are road maintenance program in April to June 2015 by using grader for Tapung Kanan III Estate with the amount of 64,080 meters. From field observations in KTK II block 94C, 94A, and KTK III 94B, 94D division 1, road maintenance in PT SA is well maintained.

The company has had a plan about replanting for five years from 2016 to 2020 along with a description of the block that will be replanted in 2016 covering an area of 252 hectares, among others KTK I and KTK 2 Estate, on 2017: 89 hectares, on 2018: 145 hectares, on 2019: 298 hectares, and on 2020: 250 hectares. In addition the Company has an addendum regarding to the environmental impact assessment contained in the Environmental Management Efforts / Environmental Monitoring Efforts which describing the effects of environmental, social and ecosystem resulting from the activities of replanting.

Documented evidence of the program and the realization of EFB in KTK 2 for the years 2015 to 2016, summarized as follows:

- Block 94B (3A) on October as many as 24,343 kg, on November as many as 25,006 kg, on December as many as 27,266 kg, on Februari as many as 26,673 kg.
- Tapung Kanan Estate II Block 94B (3A) on October as many as 24,343 kg, on November as many as 25,006 kg, on December as many as 27,266 kg, on Februari 2016 as many as 26,673 kg.
- Tapung Kanan Estate 3 Division 4D Block 98C on October as many as 28,300 kg, on November as many as 30,210 kg, on December as many as 23,400 kg, and on Januari 2016 as many as 24,210 kg.
- Available map of EFB realization program of KTK III on 2016 with a scale of 1:170,000 with a total Applications of EFB for KTK III covering an area of 394 hectares.

From field observations in Block 92F, it is known to have performed application of empty fruit bunch. Empty fruit bunch applied with the system of 2:1, means that two palm trees with 1 empty fruit bunch application which placed between the inter row. Doses used in one application is 300 kg / application. Beside the application of empty fruit bunch, the company has a land application for effluent to the field in block 374.

Status:

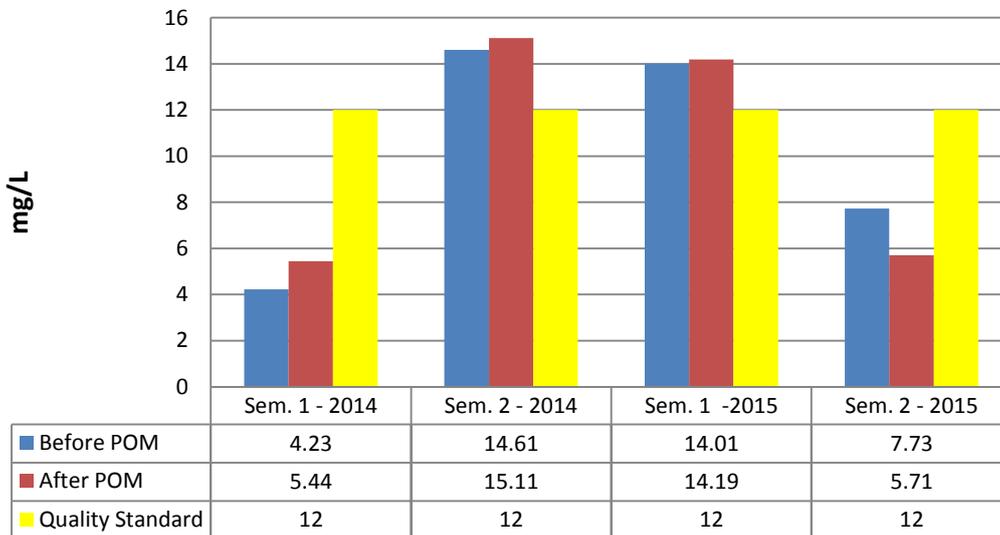
**4.4**

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

In maintaining the quality of surface water, the company implemented a form of protection against the water through periodic testing of water sources, conservation measures in riparian areas or other HCV and water use efficiency in the processing of FFB in the mill.

Trends data of Tapung River water quality testing at the point before and after the POM of Tapung Kanan in the period of 2014 and 2015 as follows for the indicator **BOD5 Water Source Class namely Class IV:**

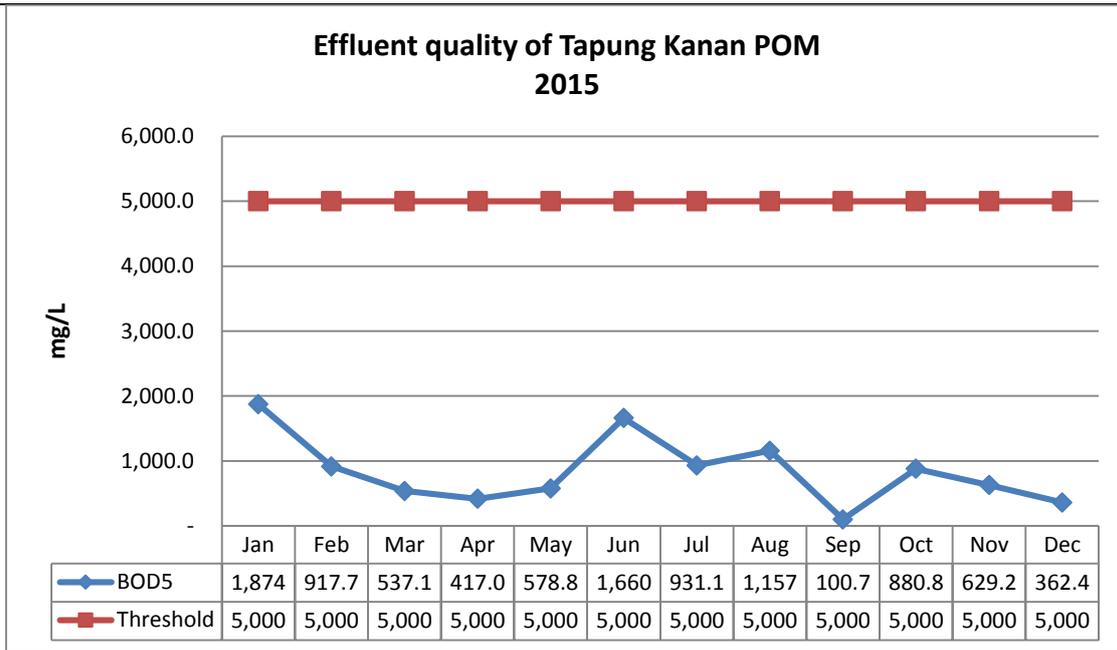
**River Water Quality Test Results for the indicators of BOD5  
In the Period of 2014 - 2015**



Actual conditions in the field, the path of riparian between sampling points of water before and after the mill there are residential area. So in Semester 1 and Semester 2 (2014) and Semester 1 (2015), BOD levels have increased. While the results of the test in the period of Semester 2 (2014) and Semester 1 (2015) shows the BOD levels exceed a threshold value of the standard samples reference used. It is influenced by the activities of people around the river who still use the water to washing.

While the results of field visits in Block PM1993B, PM1992D, PM1994B, PM1995D: Riparian area of Sepano there is a signboard of HCV, the demarcation on the palm trees related to the spray area boundary amounted to 5 palm trees from the riparian. Riparian vegetation is shrub and planted bamboo grove as an effort to protect water sources such as rivers and barriers to street erosion. The structure and type of soil are dominated with sand that is vulnerable to erosion. While in Block PM1994E: Swampy area of Sepano riparian is in natural and maintained conditions.

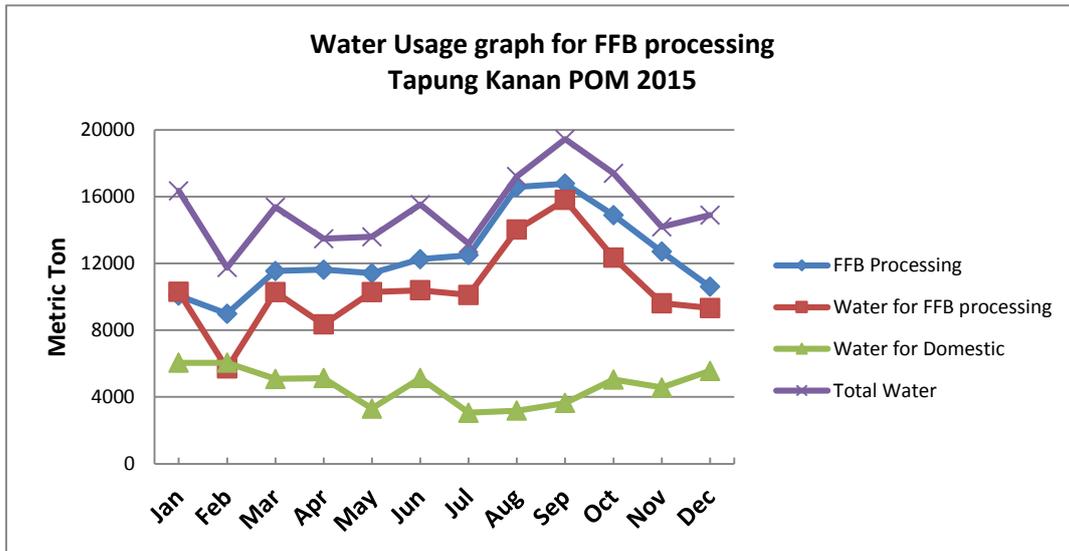
Handling of effluent from the POM of Tapung Kanan, the monitoring is done by measuring the quality of the effluent by accredited laboratory. Results of Tapung Kanan POM effluent qualities in 2015 as shown in the following chart:



Quality Standard reference using Riau Governor Regulation No. 35 Year 2007 and Environmental Minister Decree No. 28 Year 2003, which is the maximum of BOD, is **5000 mg/L**.

Quality of BOD is appropriate with environmental regulations.

While the measurement of water usage for the processing of FFB in Tapung Kanan POM as follows:



Results showed the water usage for processing FFB is 0.84 m<sup>3</sup> / MT of FFB processed. Water usage for processing is very effective, where ratio of water usage 1 m<sup>3</sup> : 1 MT FFB process.

Status:

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

The company has the census data that has been carried out in KTK II and KTK III in October 2015, obtained the following results:

- Rat infestation occurred in block 93A - 93D Division 3B of KTK II on October 6, 2015: 25 Palm trees infested, 3,813 number of rat infestation, and the percentage of infestation on average of 0.96% with the conclusion is still below the threshold value.

- Nettle Caterpillar infestation in KTK II on October 18, 2015 in block 93A -93D Division 3, 3,188 palm tree is censuses with infestation percentage is 0.80%, with the criteria is still below the threshold value.
- Ganoderma infestation in division 3, in block 93F, 94A, 94D, on October 2015 with the infestation rate is 0.18%. Still below the threshold.

IPM Training of PT SA conducted by PT Adei Plantation & Industry of Mandau Estate. IPM training is done on November 3, 2015 at 10.00 in Mandau Estate. Training material is about the handling of pests and plant diseases and their control. Attended by employees and staff of PT SA as many as 53 people. The contents of the training are as follows:

- The purpose of the training is; So that the employees can understand the plant pests and diseases treatment implementation and can perform and detecting early infestation of plant pests and diseases.
- The introduction of pests and diseases of plants: Employees are required to understand the aspects and characteristics and types of pests that infestation palm tree.
- The use of the pesticide that applied can be done accurately and quickly.

The result is: employees can understand and apply this training well, and getting the certificate individually from AAR.

Status:

4.6

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

Recommended Use of Pesticides / Herbicides (KPTS.700 / DSTK-PHI / 2013/015) from Labor Agency of Kampar District on March 4, 2013 who express no objection about the use of pesticides in PT SA. There are a list of pesticides used to inform the registration No. For example:

1. Abolition 2.4D dimethylamine Registration No. RI. 2199/5-2006/T up to June 27, 2020, justification of broad-leaved weeds / narrow.
2. Amcomin with active ingredients dimethylamine 865 permanent license up to October 6, 2016, justification of broad-leaved weeds.
3. Amirin with active ingredients Metil Metsulfuron 20%, permanent license up to December 20, 2020 justification of broad-leaved weeds and narrow.
4. Amiphosate with active ingredients Iso Propil Amina Glifosat, permanent license up to December 31, 2018.
5. Basta with active ingredients Amonium Glufosinat, permanent license up to December 31, 2018, justification of systemic control.

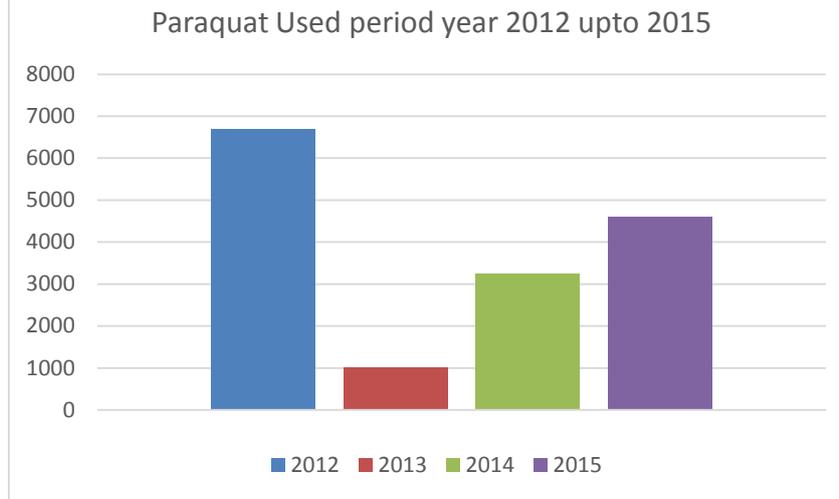
Here are some summary of maintenance work in KTK 2 division 2A on January 2016 for circle path spraying activity, spraying weeds and spraying the woody growth:

- *Asysstasia spraying* on January 18, 2016 in Block 95B covering an area of 15 hectares, the materials used are four liters of *Kon up*.
- On January 25, 2016 in block 98C covering an area of 28 Hectares, *Kon up* material consumption as much as 4 liters.
- Circle Path Spraying activity on February 14, 2016, in block 93E covering an area of 28 hectares. With the use of material types of Amiphosate 0.6 liters / hectare and Amiron mix with a dose of 0.03 gr / hectare.

While for KTK 3 in division 4B on January 2016 for circle path spraying activities:

- Glyphosat isopropilamina (Amiphosate SL) The usage in January 2016 as much as 160 liters in blocks 941, 109, PM05, 93E, 85, 98A, 59, 95B, 122 the total area of 382 hectares (0.42 liters / hectare)
- Metil metsulfuron (Amiron M20 EC) The usage in January 2016 as much as 8 Kg in blocks 941, 109, PM05, 93E, 85, 98A, 59, 95B, 122 the total area of 382 Hectares (0.021 Kg/Hectare)

The company has minimizing the use of herbicide with the main ingredient of paraquat, here is the downward trend that that the company has done since 2012 up to 2015 and budget in 2016 to 2017.



From the chart above can be explained that the company has made the preventive effort in the use of Herbicides made from paraquat, the total in 2012: 6,680 liters, in 2013 amounted to 1,007 liters, in 2014 amounted to 3,233 liters, in 2015 amounted to 4,586 liters. Percentage of paraquat used in 2013 amounted to 16.70%, in 2014 amounted to 60.50%, in 2015 amounted to 98.10%. Thus, the company has done a lot of decline for herbicides made from paraquat amounted to 98.10%, and for 2016 the company has not used herbicide made from paraquat anymore.

From the observation of documents and in the field, the company has conducted training on the use of pesticides from Pesticide Commission of Riau Province. While in Hazardous Waste warehouse, mill, division offices of estate and employees housing, found no pesticide containers that are used for everyday purposes. PT Sekarbumi Alamlestari have the identification assessment of Source of Hazards / risks impact that updated on January 11, 2016 which describes briefly as follows:

- Fertilization: Chemical materials, risk: exposed to chemicals, the risk level: Medium, action to reduce the risk: Fertilization Training and using PPE, starting since April 28, 2015 to May 6, 2015 the person in charge is manager.
- Pesticides Use: Chemical Materials, exposed to chemicals, the risk level: Medium, action to reduce the risk: training of pesticides use, Using PPE, washing according to the standard, the person in charge is manager. From interviews with the management of PT SA that since the construction of the estate until production, there is no application of pesticides by air or plane.

Hazardous Waste Disposal based on the review of the documents, as follows:

- Hazardous waste classified by its type and its material: for example: used oil, dust cloth, Hydraulic oils, former battery, light bulbs, clinical waste, discarded packaging of pesticides, the person in charge: Manager and Assistant.
- Reporting of hazardous waste: for example: reporting to the relevant agencies (Local Environmental Agency) new categories and the amount of Hazardous Waste, the **Person in Charge**: Manager and Assistant.
- Hazardous Waste Storage, for example: Hazardous Waste Material stored in a designated spot, Hazardous Waste materials can not be mixed, it should be stored in separate containers and have been determined, the person in charge: Manager and Assistant.

Field observations carried out in the hazardous waste warehouse of PT SA. From the observation known that hazardous waste warehouse officer has understood the flow of the reception and disposal of hazardous waste in good and right. Available MSDS for hazardous waste warehouse, checklist of the warehouse contents, checklist of Last hazardous waste delivery reports to PT Primanru Jaya. There are medical check up recapitulation of PT Sekarbumi Alamlestari on December 2015, are summarized as follows:

- On February 21, 2015 with laboratory code 800521125, Sprayer – 1A KTK 1 Male, 40 years old, not color blind, with the Healthy conclusion
- On February 21, 2015 with laboratory code 801721125 fertilization workers , 43 years old, not color blind, healthy



Through the examination of supervisor documents and interviews with sprayer in Block 94 D Division 3C. There were no workers who are pregnant or breastfeeding, workers understand the prohibition of work during pregnancy and breastfeeding.

Status:

**4.7**

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

No changes associated with the company's OHS policy. OHS policy which has been signed by the Group Plantation Director on January 10, 2005, mentions the company's commitment in the implementation of regulations related to the safety work. In the KLK Group's sustainability policy, points 3.2.iii mentioned that the group and suppliers / contractors should strive to provide a safe working environment and healthy and take effective actions to protect employees from potential of health and safety hazards of work that may pose a risk of direct permanent injury, illness or death.

Potential of risks and dangers that may occur on the entire mill operation has been reviewed by the company's OHS experts. The company can show reports of OHS hazard identification and risk assessment of estate and mill. Hazard Source Identification, Assessment and Risk Management document of mills and estates were shown to the auditor have been covering all of the operational activities of the cultivation, processing, engineering and office for estate and mill. Based on field observations and interviews with workers in the field, for example, harvesting in block 98C division 4B of KTK III and spraying in 94F Division 4B of KTK III, it is known that the understanding regarding the potential of risks and dangers in accordance with their respective jobs have adequate.

OHS trainings have been done routinely for all workers involved in the estate and mill operations. There are as many as 8 different types of OHS training which have been implemented by PT SA (Mill and Estate), both internal and external training that invited the external trainer. All operators are required to have a certificate of competence that has been met by the company, for example, as many as 66 operators of conveying and forklift.

Based on field observations and interviews with workers in the field, for example observations on harvest activities in the block 98C Division 4B of KTK III and spraying at block 94F Division 4B of KTK III, it is known that the understanding relating to the safety work practices is in accordance with their respective jobs have been quite adequate. Equipment for protection is provided adequately to all workers in order to overcome the entire operations that risk.

People who have been identified that are responsible for the OHS is set in the organizational structure of Guiding Committee of Occupational Safety & Health which was approved by the relevant agencies based on the decree of Social and Labor Agency Head No: KPTS.700 / DSTK-PHI / 2015/29 about the validation of Guiding Committee of Occupational Safety & Health of PT SA, Tapung Kanan POM on October 21, 2015 with the formation as follows: chairman, secretary, members amounted to 20 people. Decree of Social and Labor Agency Head KPTS.700 / DSTK-PHI / 2014/029 about the validation of company OHS Coach Committee of Tapung Kanan Plantation on November 24, 2014, with the formation as follows: Chairman, Secretary and members amounted to 17 people. Secretary of Guiding Committee of Occupational Safety & Health have experts about OHS on behalf of Agus Haryanto with certificate series No. 13.4670 / AK3 / U / XII / 2013 dated December 16, 2013 issued by the Indonesian Ministry of Labor and Transmigration Agency, Decree of Appointment as OHS experts of PT SA with No. KEP.4345 / M / DJPPK / XII / 2013 dated December 16, 2013.

Meeting to discuss the OHS has been done routinely every month, minutes of meetings can be shown to the auditor for example, in the period of January took place on January 27, 2016 for estate and on January 11, 2016 for POM. Guiding Committee of Occupational Safety & Health reports submitted to the agency regularly every quarter in accordance with national regulations about Guiding Committee of Occupational Safety & Health. For example, reports of Guiding Committee of Occupational Safety & Health of Mill and estate in Quarter 4 year 2015 to the head of Social and Labor Agency of Kampar District on December 2, 2015.

The company has had a SOP of workplace accident and handling of emergencies was passed on October 29, 2010. In the part of handling the work accident described the stages of handling the light accidents and Heavy accidents / serious. In every accident has recommended by doing Guiding Committee of Occupational Safety & Health meeting to discuss preventive stages that must be done. Trained first aid officers are available at the work site which is equipped with standard and adequate first aid equipment.

At the time of ASA-02, it is known that:

1. Fire extinguisher placement in the POM chemical warehouse is not in accordance with the label, in addition the pressure needle of the extinguisher shows the recharge position.
2. Hose hydrant valve contained in box No. 7 in the boiler area is not functioning properly at the time of trial activity.
3. Housekeeping for fire extinguisher especially in the process area is not done routinely.
4. Maintenance of the panel box, water pump in the WTP is not consistent.
5. There are still many cigarette butts in the work area such as in the transfer area of carriage and sterilizer.

**Verification on February 15, 2016**

The Company has made improvements by replacing fire extinguisher in the POM chemical warehouse, hose hydrant connector replacement No.07, perform housekeeping of fire extinguisher routinely, maintenance the water pump panel box in the WTP and perform socialization / induction of OHS to all mill employees, for example socialization on February 1, 2016 with the number of participants is 60 people. Such activities have been equipped with the news event.

Field observations showed that the corrective actions have been performed, visit to the POM chemical warehouse showed the fire extinguisher in a state of function, WTP panel has been repaired, and a simulation to the mill hydrant is performed to ensure that the hydrant is functioning properly. Therefore **non conformity stated fulfilled**.

Medical care is performed by the company is to registered all employees in the program of Health Social Insurance Agency. As an early detection, company has conducted periodic medical examinations and special medical examinations for workers who work in high-risk activities. Inspection is performed in collaboration with Thamrin Clinical Laboratory, for example, examination of Cholinesterase for sprayer and fertilizer of PT SA Plantation held on December 21, 2015 with details of KTK 1 amounted to 84 people, KTK 2 amounted to 63 people and KTK 3 amounted to 54 people, the result examinations showed normal.

At the time of ASA-02 activity, based on a document review of the audiometric examination carried out last in 2011 for workers in the POM who works at the press station, hosting crane, kernel station, engine room. In 2014 the examination conducted on risk workers in noise simply by physical examination of ENT not audiometric. This is not in accordance with SOP No. 22 concerning to the medical examination. Inspection for boiler operators has not enough evidence that it was done. **Non conformity NCR No. 2014.06**

**Verification on February 15, 2016.**

The Company has conducted an audiometric medical examination for 28 employees in the mill in collaboration with Thamrin Clinical Laboratory on August 24, 2015. The examination has covered the operator in press station, hosting crane, kernel stations, engine rooms and boiler. The company showed the results of examination which inform the date, laboratory code, name, gender, part / position and results of examination. The test results showed as many as 21 people suffered hearing loss for one / both ears. Related to the above, company has been doing follow-up such as the replacement of PPE, ear plugs changed to earmuff, the company showed evidence of earmuff PPE to employees who are exposed to the noise. Against two people who have impairment experienced, have been recommended by doctors to be examined further to the ENT doctor. The company has shown the results of the examination and consultation with the ENT doctor of Ibnu Sina Hospital on February 16, 2016 and has received medical treatment it will be reviewed during the next period of audiometric examination results.

**Non conformity stated fulfilled and will be verified again at the time of ASA-04**

The company's commitment to include all employees in the program of Labor Social Insurance agency has been shown in the form of evidence of payment every month, for example, the period of January 2016 is paid centrally for the entire of PT Sekarbumi Alamlestari on the 3rd of February 2016 through Bank Mandiri, Branch Pekan Baru with details of the number of employees as many as 1,086 people, the program paid is Death Benefit, Health Insurance, Provident Fund Benefit and pension guarantee. It has also been verified through interviews with employees, for example sprayer and fertilizer employees of KTK II and KTK III and processing employees of KTK POM.

Reporting work accidents is based on the employee reports by conforming to the treatment report due to an accident at the company's clinic. Tapung Kanan Estate (KTK1, 2 and 3) and Tapung Kanan POM can show the work accident analysis report in the period of 2015 (January - December) and January 2016. Accidents were reported during that period was a minor accident.

<b>Status:</b>	
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**4.8**

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

The Company has drafted a training program to improve the competence of employees. Training programs in the periods of 2015 and 2016 consist of technical training, training about OHS and environmental health, simulations and socializations associated with sustainability. Company is encouraged to enhance training programs related to the competence of employees based on the results of the analysis and identification of training needs. #OFI

Realization of training, among others:

- The Company has included 66 operators of conveying and forklift to follow the OHS training of conveying and forklift Operator (there are no changes since ASA-02)
- Letter from Kampar Labor Agency No. 560 / DSTK-PHI / 2016/389, explaining that Hoisting Crane operator SIO as many as 2 people were in the process.
- Training of First Aid box holder of KTK Estate was held on June 26, 2015 with the number of participants is 31 people.
- Training in how to harvest safely in KTK III, for example in Division 3 was held on August 21, 2015 with the number of participants is 21 people.
- SOP of Spraying training was conducted on June 10, 2014 with the number of participants is 8 people.
- First Aid officers training was conducted on February 5, 2016 with the number of participants are 8 people, the speaker is a company paramedic that has been certified by Hygiene Company and Occupational Health and witnessed by Kampar Labor Agency.
- Integrated pest management training was held on August 3, 2015, informed by AAR Department with the number of participants is 57 people.
- Grapple operator training was done on February 11, 2016, participant is 1 person.

Companies can improve performance by creating a training report (the minutes of training) which is more informative. #OFI

The company has recorded per individual training records, these records are presented in the form of training assessment records, which inform the date, training topic, assessment, recommendation, reference and signature.

For example: POM press operators have been trained by 8 items with good grade.

The entire records of training are stored and maintained properly.

**Status:**

**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.**

PT. Sekarbumi Alam Lestari (PT SA) has a document of environmental aspect assessment in the form of Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) Plantation and Palm Oil Mill in the village of Kota Garo, Siak Hulu District, Kampar Regency, Riau.

Document of Environmental Management Effort and Environmental Monitoring Effort contains analysis of the environmental impacts for plantations covering an area of 6,200 hectares and palm oil mill with a capacity of 30 tons FFB / hour. In the document there is a sign of recognition of the documents validity from the Ministry of Environment, through letter No. B-5109 / Dep.I / LH / 07/2008 Year 2008 (during the arrangement of Environmental Management Effort and Environmental Monitoring Effort in 1995, the institutions that approved is Agribusiness Body - Indonesian Agricultural Agency).

There is the addition of (addendum) to the environmental document (Environmental Management Efforts / Environmental Monitoring Efforts) which already owned. The amendment relates to the replanting activities that began since 2016.

Addendum of Environmental Management Efforts and Environmental Monitoring Efforts of PT. SA Oil Palm Plant replanting, in April 2015. The drafting team of Environmental Management Efforts / Environmental Monitoring Efforts addendum conducted by the internal sustainability of PT. SA. The type of plan activities: replanting of oil palm in PT. SA.

Environmental impacts that may arise from some activities such as: Fall / Palm tree Chop, maintenance and Making Roads / Bridges, Maintenance and Making drainage, Chemistry Application, Planting, Maintenance / Weed Control, fertilization and Consolidation of plant / Insertion.

In addition to the obligations required in the environmental document, the result of input from stakeholders (relevant agencies and communities of Kota Garo Village) concluded that PT. SA during 2015 has no environmental issues that have broad impact.

Status:

**5.2**

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

The results of the identification of protected species, rarely, rare, or endangered, and habitats with high conservation value still refers to the HCV identification report of PT Sekarbumi AlamLestari created in 2012 by an assessor who belong to RSPO HCV Approved assessor. The results of the identification of protected species (RTE), among others: the Sumatran tiger, Sumatran elephants, tapirs, anteaters, deer, honey bears, root tigers, while identified HCV areas in PT SA that is HCV 1, 3, 4, and 6 with an area of 1,364.2 hectares.

Because still be found an important and vulnerable species in the HCV area of PT. SA, the company conducts regular monitoring every month since 2012. The information obtained from the employee during the activity of ASA-3, it is known that in Block PN2006 (Division 4A) - KTK 3: Locations of former nurseries and it is near the riparian of Tapung Kanan. Information from the workers at these locations has been spotted traces and visual of the Sumatran Tiger. The tiger's nest is thought to be in the HCV area (swamp forest) Tapung Kanan Riparian, which is located opposite the area in block PN2006.

On the basis that the company needs to make a plan of cooperation with conservation organizations (national or international) in the protection of endemic and endangered species identified in the plantation area of PT. SA, the Sumatran tiger and Sumatran elephants. (OFI).

The whole area of HCV is in the Land Use Title of PT.SA, so there is no HCV area that is directly adjacent to the Local Community rights. Evidence of approval efforts negotiated for HCV areas is done through socialization of HCV area to the surrounding communities. The socialization has been done on November 29, 2012 with the document submission of HCV identification results through Village Chief of Kota Baru Village.

Status:

**5.3**

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

The Company has demonstrated the identification results of waste and waste sources that are in the form of documents: Identification of Waste Sources and Pollution & Plans To Reduce the Pollutions.

The document is made separately for estate and mill unit, drafted on December 18, 2011, describes the type of waste, waste sources, the estimated volume of generated waste, actions, targets, and related responsible person. The results of the waste identification that has been done is as follows:

Tapung Kanan Estates 1, 2, and 3: Hazardous Waste (Used Oil, Used Filter, Used Batteries, Used Light Bulb, Dust Cloth, Former pesticide containers); Clinical Waste; Housing Domestic Waste; Former Tires. While the waste identification in Tapung Kanan POM: Hazardous Waste; Effluent; Metane Gases from effluent; EFB; Smoke and Dust; Fibers and Shells; Former Steels.

Evidence of the former waste management and handling of chemicals, including former pesticides container and clinical waste is done in cooperation with the licensed collectors.

Status:

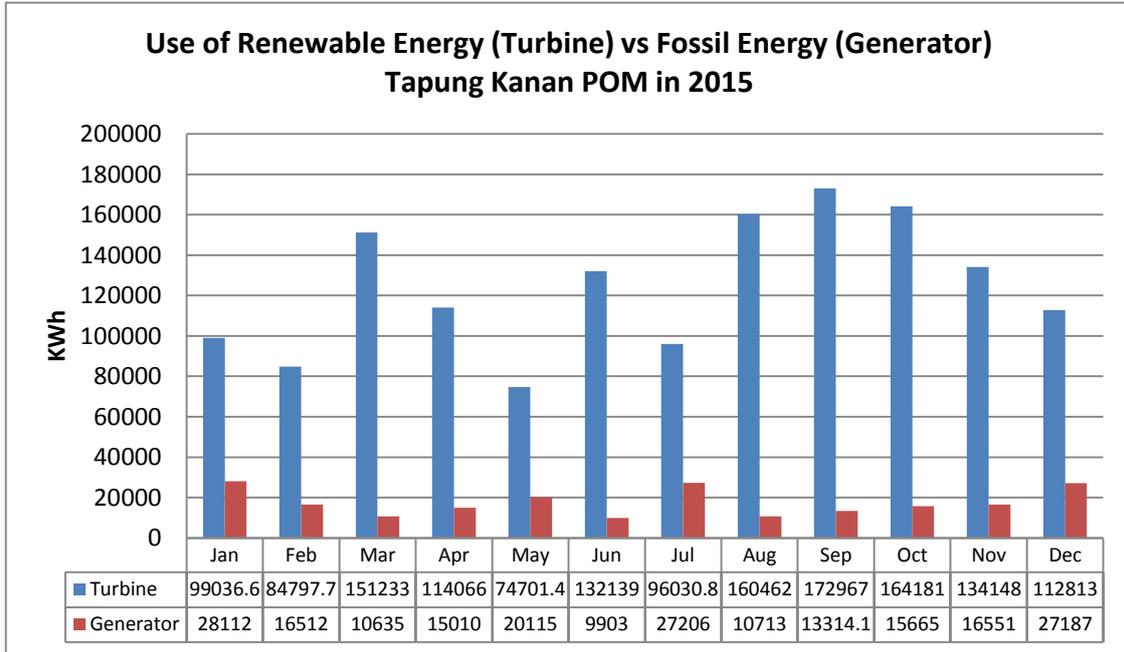
**5.4**

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

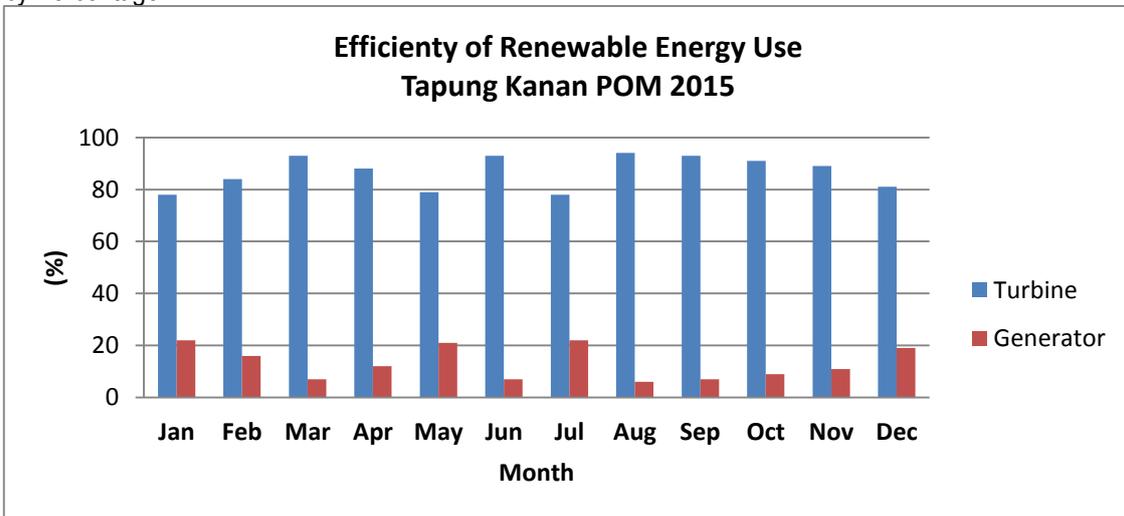
The plan to increase the efficiency of the use of fossil fuels and renewable energy optimization of Tapung Kanan POM performed through energy usage monitoring. Wherein the comparison of fossil energy use and renewable energy

namely fiber and shells for processing the steam in the boiler station.

Graph of use of fossil fuels (for Generator) compared to the use of renewable energy (turbine) with the fiber and shells fuel in 2015.



Efficiency Percentage



The results of field visits in Tapung Kanan POM showed that some of waste from production in the form of shells and fibers entirely used for the turbine generator fuel. So the comparison of shells and fiber use are more efficiently than fossil fuels.

Status:

**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.**

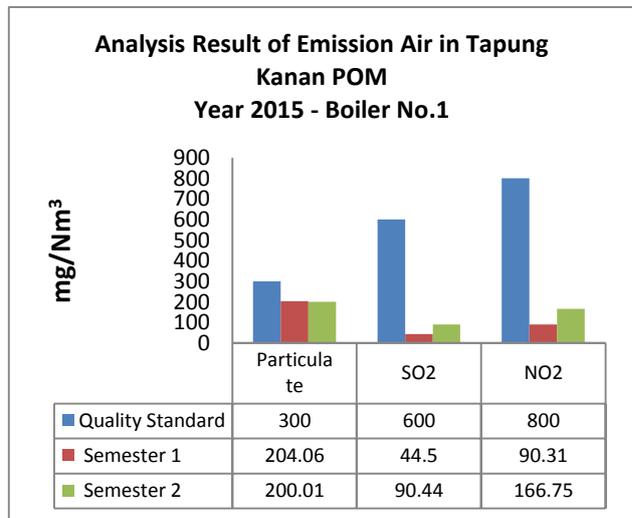
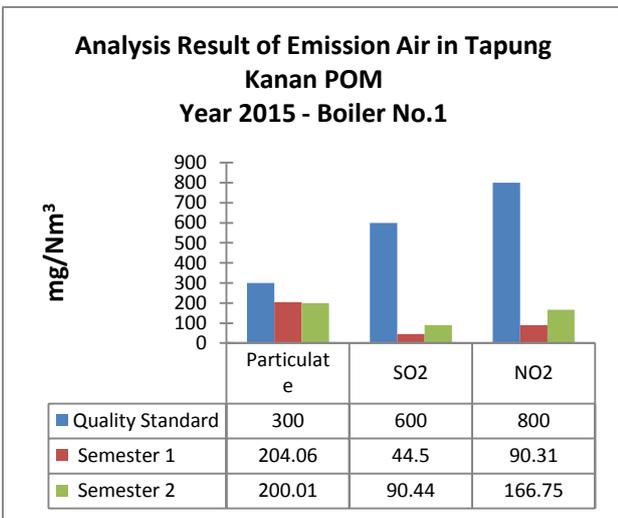
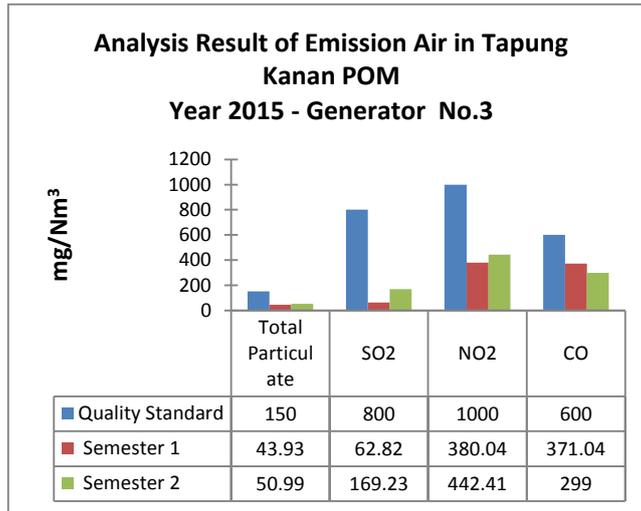
The Company does not perform burning during land clearing and replanting. For replanting in 2015 covering an area of 26 hectares in the block is performed by heavy equipment mechanic, and chopping the palm trees then arranged well on track of inter row.

Status:

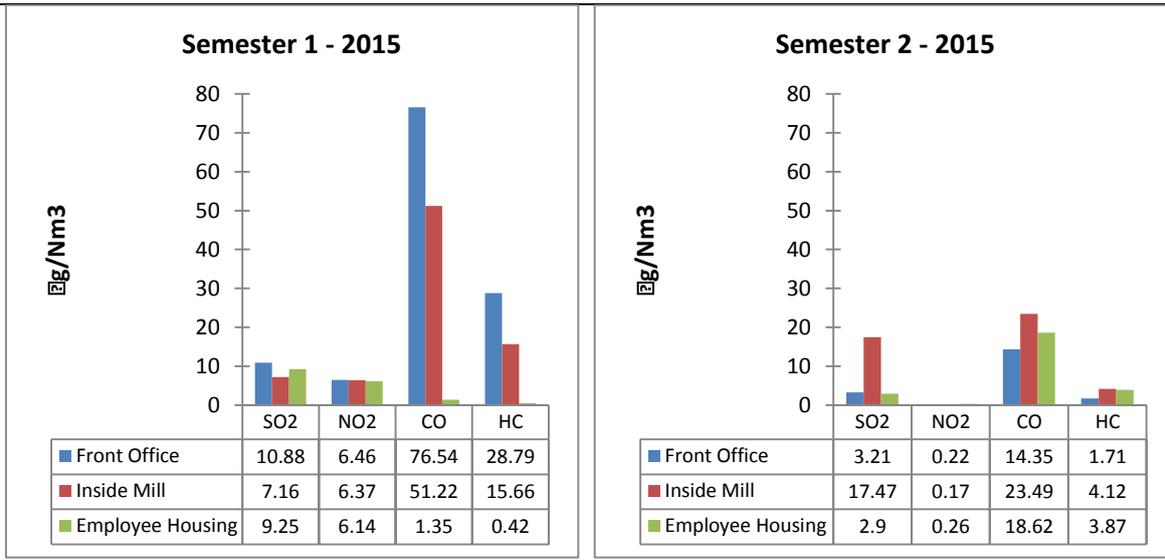
**5.6**

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

The reduction of pollution and emission values for plantations and mills activities of PT. Sekarbumi Alamlestari in order to decreasing the greenhouse gas emissions is done in several ways. Routine monitoring activities through emission testing in supporting installation units of processing including generator and boiler engine, and the quality of the effluent. As shown in the graph below:



Result Analysis of Ambient Air in Tapung Kanan POM in 2015 according to the Standard Quality references of Government Regulations No. 41 Year 1999, as follows:



Quality Standard: SO2 (Max. 900); NO2 (Max. 400); CO (Max. 30,000); HC (Max. 160)

Based on the results of the routine monitoring of the overall levels are below the threshold, then the activities carried out by Tapung Kanan POM so far has been good.

In addition, the form of systems for monitoring and regular reporting about the emission progress made by Unit of Tapung Kanan POM through calculation of PalmGHG Calculator ver2.1.1 RSPO. Input data is held on January 27, 2016 and submitted to the RSPO on the same date. The results of calculations for Tapung Kanan POM for 2015 as follows:

Data PalmGHG Summary Report  
 Mill: Tapung Kanan POM  
 Company: PT Sekarbumi Alamlestari  
 Group: KLK  
 Year of Assessment: 2015  
 State: Riau  
 Country: Indonesia

Final Emissions value per product

Product	tCO2e/t product	Product	tCO2e/t product
CPO	0.76	PKO	0
PK	0.76	PKE	0

Overall emissions summary

	Own crop	Group	Out grower
Total field emissions (tCO2e)	17,136.81	0	0
Total mill emissions (tCO2e)	12,312.11	0	0

Status:

**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.

Throughout 2015 there was no change of operational scope, the area under estate or mill capacity. Planting the palm oil is done in phases, mostly planted in the period before November 2005, and only a small number of crops grown after

November 2005. Since there is no fundamental change in the area and estate operational, then basically the environmental documents drafted in 1995 (Environmental Management Efforts - Environmental Monitoring Efforts) is still a valid reference, strengthened with social impact analysis drafted in 2012.

In accordance with the provisions of legislation and planning of environmental monitoring in the Environmental Management Efforts / Environmental Monitoring Efforts in 1995, the Company has been monitoring and managing the environment regularly and report the results to the Environmental Agency every 6 months. For example, the report of Environmental Management Efforts / Environmental Monitoring Efforts in second semester of 2015 to Environmental Agency of Kampar District on July 31, 2015. The Environmental Management Plan / Environmental Monitoring Plan containing management actions and monitoring parameters:

- Increasing community income
- Community Health

**Monitoring Methods:**

Documenting the number and distribution of local labor.  
Field survey, check the health data of employees and the communities.

Currently (January 2016), the Company mapped the positive and negative impact from operational activities of estates and mills, through a poll / questionnaire. Monitoring carried out with the participation of the affected parties. Stakeholders involved from villagers of Kota Garo, Kota Bangun Village, Kota Aman Village, Tapung Hilir District. Internal stakeholders namely sprayer, harvester, and sharecroppers.

The company, cooperative management and sharecroppers often conduct meetings, to discuss the issue of FFB quality, land conversion and legality.

Companies should facilitate the empowerment of cooperatives in order to improve the capability especially in the preparation of the RSPO certification in 2019. #OFI

**Status:**

**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.**

Procedure of communication and consultation SOP No. 19 revised date on August 19, 2013 explained about responsible PIC and the stages to conduct communication and consultation with the company. Ways of communication can be through letters from stakeholders and be recorded in the logbook. In addition, the companies routinely conduct communication and consultation with stakeholders at least once a year.

Examples of consultations conducted routinely by the company is consulting related to the determination of the CSR program on January 27, 2016 to the Kota garo Village, on January 25, 2016 to the village of trimanunggal, on January 25, 2016 to the Kota Bangun Village, on January 25 to the Kota Baru Village, 27 January 2016 to Kota Aman Village and Suka Maju Village, provided attendance and the results of the consultation in the form of the conclusion of the questionnaire.

The company has set a responsible officer in terms of consultation and communication with local communities and other stakeholders, the officer assigned is Manager of Public Relations, placed in Pekan Baru office. The designation contained in the document of person in charge list in various aspects of RSPO updated on February 10, 2016 ratified by Estate Coordination Manager.

All stakeholders associated with PT SA have been recorded in the document list of stakeholders, updated on February 10, 2016. Stakeholders are registered consists of agency as many as 13 legal bodies, organizations of workers as many as 3, health services and medicines as many as 17, suppliers of workshop / spare part / electronic / fertilizers / pesticides as many as 27, local government and the local community as many as 13, contractors as many as 2, NGO as many as 5, and others as many as 3 (Sector Police Chief, Commando Military and labor of PT SA).

Note of the entire communication, confirmation of receipt and efforts to ensure the understanding of all affected parties,



and records of all actions which taken as response to the input of the stakeholders has been archived and stored. Archives and reports are stored in the form of log book of information requests, socialization and public consultation. During the period of January 2016 there is 1 letter of requesting information that comes to Tapung Kanan POM from Environmental Agency of Kampar about field verification of the application for re-registration permission of PT SA Hazardous Waste on January 28, 2016. Related to this has been met with approval and implementation of the re-verification on January 28, 2016, all of the data required has been provided, the request for information has been responded properly. During the period of January 2016 there were no requests for information to the Tapung Kanan Estate, requests for information recorded in a request book of information and socialization. Based on the public consultation performed by the community around the plantation known that the mechanisms for communication and consultation have been known, the officer who handles, related to it, has been set by the company and has been known by the public. The Company has received and responded well when there are parties who will conduct communication and consultation.

Status:

**6.3**

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

Grievance mechanisms described in the SOP of complaints and objections SOP No. 20 dated August 1, 2013. Stages starting from introduction of issue, validation the issues that arise, dialogue and conversation, dialogue and negotiation, reception and storage of records. In the KLK Group's sustainability policy in points 3.2.xii mentioned that the group provides a confidential means for all stakeholders and personnel to report the activities that are unethical / violations and complaints.

Records of grievances and complaints and the process of completion has been recorded and archived in the log book of complaints, communications and consultations. During the period of 2015/2016 there were no complaints submitted to the POM and Tapung Kanan Estate. Letters and forms of incoming communication are in the form of requests for help and have been responded properly by the company. Based on the public consultation that performed with the community around the estate known that the mechanism of grievance and complaint has been submitted, people understand the steps that must be done if they will make grievances or complaints, and have known the officers relating to it.

Status:

**6.4**

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

PT Sekarbumi Alamlestari has owned Land Acquisition and Compensation Procedure (SOP No. 2). It contains a description about:

- Identification of land to be acquired by means of coordination with community leaders.
- Examining the legality and land administration.
- Examining the documents of agreement between landowners and companies.
- Verifying in the field over the land to be acquired.
- Granting compensation in accordance with the stipulated agreement.
- There is a Statement letter of land handover to State Land, Indigenous Lands, Village Cooperative Land, group or individual arable land.
- Submission of fund requests for compensation payments.
- Research and verification of payment documents.
- The supporting documents of land / soil handover deal, known to government officials, the Minutes review of the location, the Minutes of the measuring results, transaction documents of payment for compensation

Communities of Kota Aman and Kota Garo, Official Staff in Kampar District stated that during 2015 there is no compensation for land clearing.

Status:

**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.**

At the time of ASA-03 audit is conducted, wage determination in the period of 2016 has not been issued by the Governor of Riau, so the company still refers to the Governor Decree No. KPTS.244 / III / 2015 on March 31, 2015 about subsector minimum wage of agricultural / plantation and oil palm and rubber plantations in 2015. The company showed the Decree of PT SA Director No. 001 / Kep / Dir / Pnt / SA / V / 2015 about adjustments of monthly employee wage in 2015 for estate and mill, employee gross monthly salary increased from the previous year

Payment of employees wages detailed as follows:

- POM Employee wages in the period of December 21, 2015 until January 20, 2016 informed the name, job title, total gross salaries, cuts (Labor Social Insurance Agency and income tax 21), overtime, incentive, the amount of gross received, other cuts (loans, defaulters, premium of Health Social Insurance Agency) and wages after cuts.
- Employee wages of KTK II and KTK III Estate informed Personnel Identification Number, employment status, name, position, status of dependents, the amount of working days, basic wages, allowances, gross salary, loans, Labor Social Insurance Agency, Health Social Insurance Agency, the amount paid.

Based on the review of the document, it is known that the company has already paid the wages of employees in accordance with the applicable regulations. It has also been confirmed to employees through interviews for example with the harvesters in block 98C division 4B KTK III and sprayers in block 94F division 4B KTK III, the employee states that the wage is in accordance with District Minimum Wages set by the Government.

Employment law concerning the rights and obligations of the company are described in the following documents:

- Company Regulation in the period of 2014 to 2016 was approved by Labor and Transmigration Agency in accordance with Decree No. KPTS.560 / DSTK-PHI / 2014/05 on April 21, 2014. The things described in the document is the scope of the company; conditions of admission, placement and transfer of the employee's duties; time and work attendance; wage system; overtime; wages cuts; work facilities; social security; permission to leave work and leave; code of Conduct; mutation; sanctions and layoffs.
- Collective Labor Agreement (CLA) between Sumatra Plantation Company Cooperation Agency (BKS-PPS) with the Central Board of the Federation of Workers Union of Agricultural and Plantation of Indonesian Workers Union (PP.FSP.PP-SPSI). Collective Labor Agreement has already been registered by Decree of Directorate General of Industrial Relations and Labor Social Security decision Number: Kep 88 / PHIJSK-PKKAD / PKB / VI / 2015 on June 18, 2015 the period of 2015 to 2017. In the Collective Labor Agreement regulates about the rights and obligations of employees, such as the rights of employees within the association, work hours, overtime, social security, and the rights and other obligations of employees.
- Each labor has had the agreement / contract with the company, for example:
  - Decree of mill monthly hiring No. 001 / Kep / Dir / Pkt / SA / V / 2015 on May 20, 2015. The decree has clarified the positions, wages, rights and obligations of employees.
  - Decree of Unit payment appointment No. 015 / CEC-SA / SKU / II / 2015 on February 6, 2015 for employees with Employee Identification Number No. 4B352, the decree has explained the responsibilities, positions, wages and rights and obligations of employees.

Facilities and infrastructure provided by the company to support the welfare of the employees have been provided with sufficient and adequate, it is verified by the auditor both in documents and based on field observations. Facilities and infrastructure are provided such as: housing, sport facilities, places of worship, employees cooperative, clean water, lighting, health facilities (clinics, Maternal and child health center and ambulance) and means of supporting education (School Bus).

At the time of ASA-02, based on field visits known that the source of water for barracks bathroom in Housing of KTK 3 division 3A and 3B inadequate and sewer of domestic water that is less maintained. In terms of housing cleanliness, are not yet available sufficient bins to accommodate domestic trash, **Non conformity No. 2015.16**

**Verification on February 15, 2015**

The company has provided wellbore in employee housing, for example in housing of KTK 2 amounted to 4 units (divisions 3A, 3B and 3C), KTK1 (Divisions 1A, 1B, 2A and 2B) 4 units and KTK3 (Divisions 4A and 4B) 4 units. Associated with the management of domestic waste, the company has been providing bins in each employee housing in the form of a sack, once a week the transporting waste carried out by officers who have been assigned. The company showed examination checklist evidence of domestic trash and landfills. Based on field observations known that the wellbore as clean water supply and management of domestic waste has been provided with adequate, it has also been confirmed through interviews with employees in the field and in the housing. So based on the description above, **Non conformity No. 2015.14 stated has been fulfilled.**

The company's efforts to monitor and improve access for food that is decent, fairly and with reasonable prices indicated by the employees cooperative "Kopkarsa", the cooperative has been providing basic food materials required by the employee. In addition the distance between the locations of the estate with the market centers in the district only about 4-5 Km. The Company has also provided a fixed allowance of employees in the form of distribution of rice supply as much as 15 kg for workers and in proportion for each employee dependents (up to 3 children).

Status:

**6.6**

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

PT Sekarbumi Alamlestari have a policy about the Freedom for Association were approved by the Regional Director on October 1, 2011. The policy is written in Indonesian language, stating that the company gives the freedom for workers to associate with legitimate in accordance with the applicable laws.

There are provisions in the company Collective Labor Agreement that recognizes the existence of worker unions in Article II point 1a. that is Cooperation Agency of Sumatera Plantation Companies represent all its members to recognize worker Unions Federation of Agriculture and Plantation of Indonesian Workers' Union FSP-PP-SPSI as the Workers' Organizations to act and represent all its members who work in companies Plantation member of Cooperation Agency of Sumatera Plantation Companies in the implementation of labor relations and working conditions set forth in this Collective Labor Agreement.

In the KLK Group's sustainability policy, points 3.2.v mentioned that the group and the supplier / contractor must recognize and respect the right of employees to form and join worker unions of their choice which are subject to the restrictions set forth in the legislation in the related country.

Proof of registration of worker unions to the related agencies on October 7, 2013 with recording No. 251 / DTSK-SPPP-SPSI / 2013/12. The composition of the daily board consists of 5 people (chairman, deputy chairman, secretary and treasurer) and members of the plenary amounted to 15 people.

A list of employees who are members of worker unions for the period of 2016 can be demonstrated by the company that is as many as 358 people (estate and mill).

Worker Unions meetings both internally and with management to do if there are labor issues that have been raised by the company Agriculture and Plantation Workers Union. The company showed internal meeting minutes of Agriculture and Plantation Workers Union on August 20, 2015 with the number of participants as many as 7 people about the calculation of employee overtime.

Status:

**6.7**

**Children are not employed or exploited.**

Policy about Child Labor on October 1, 2011, signed by the Director which contains that the Company is committed not to employ children under the age of eighteen.

In SOP No. 21 about Management and Labor on December 18, 2012 signed by the Senior Manager described the conditions of workers admission at PT SA, one of which is the minimum age requirement is 18 years old. Also available the policy from the Senior Manager on September 1, 2013 about a ban to bring the child to the work site. In the KLK Group's sustainability policy, points 3.2.ii mentioned that the group and suppliers / contractors consciously will not hire or support the use of child as a labor.

Based on a review of documents on the list of employees known that the entire labor of PT SA has over 18 years old. At the time of field observations and interviews with workers known that there are no labor under 18 years old, employees were sampled to be interviewed mention that the company prohibits bringing a child into the workplace and recruitment performed by ensuring the employees age.

Status:

**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.**

Policy about Opportunity and Equal treatment in recruitment on October 1, 2011, signed by the Director (Tan Kei Yoong) containing that the Company always fair and provide equal treatment without distinction of race, ethnicity, caste, nationality, religion, gender, sexual orientation and union membership.

Based on a study document on the list of employees showed by the company note that the company does not hire employees with ages below 18 years old and not do discrimination in the recruitment process and career promotion.

Interviews with employees mentioned that so far the recruitment of employees by companies without distinction based on groups including local communities, women, and migrant workers.

The process of selection, recruitment and promotion of workers can be demonstrated. In the SOP of Human Resource management which is owned by the company can be seen that the process has been based on the expertise, capacity, quality and medical health of prospective labor / labor. Recruitment policy described in the document of Recruitment System Policy / Company Policy of KLK Agriservindo document No. KLKA / CP-HR / 001 on April 18, 2011 and the Director letter of PT Sekarbumi Alamlestari No. 67 / SA-Press / IX / 2008 on September 16, 2008.

At the time of ASA-03, the auditor has conducted interviews with employees, and mentions that so far the recruitment that company conducted has been based on the expertise, capacity, quality and medical health which are needed for the job.

Status:

**6.9**

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

There are policies about Sexual Harassment and Violence were signed by Tan Kei Yoong on October 1, 2011:

- The Company does not tolerate sexual harassment and violence against women in the workplace.
- Sexual harassment and violence is a serious mistake so that the company will give firm action against the perpetrators.
- The Company will comply with all legal and regulatory requirements relating to the reproductive rights.
- Gender committee will be formed to implement and monitor this policy.

The management should be an example and take responsibility as role models and prevent sexual harassment and violence.

In the KLK Group's sustainability policy, points 3.2.xi mentioned that the group and the supplier / contractor will not tolerate any form of sexual harassment or violence.

Records of these policies are shown by the formation of a gender committee with the arrangement of the chairman, secretary and members of each unit and the division as a representative. Socialization related to the policies have been

carried out by the company, based on interviews with employees, for example in spray and fertilizer activities in KTK II and KTK III, it is known that the employee was aware the existence of gender committee and have understood the mechanism if there is a specific complaint. At the time of ASA 3 activities conducted there are no special complaints related to gender violence and sexual harassment in PT SA.

Interviews with gender committee showed that when ASA-03 activity is conducted, there are no complaints from employees about sexual harassment or violence at work.

Available SOP No. 21. Management and Employees on December 18, 2012 signed by the Senior Manager which describes the rights of employees related to the protection of reproductive rights (maternity leave, breastfeeding women prohibited to doing work by using chemicals and menstruation leave).

Grievance mechanisms described in the SOP of complaints and objections SOP No. 20 on August 1, 2013. Stages starting from introduction of issue, validation the issues that arise, dialogue and conversation, dialogue and negotiation, reception and storage of records. In the KLK Group's sustainability policy in points 3.2.xii mentioned that the group provides a confidential means for all stakeholders and personnel to report the activities that are unethical / violations and complaints.

Based on interviews with employees for example, employees in the housing of KTK III Division 4B known that the grievance mechanism has been known by employees and also mentioned that the complaints have been responded properly by the company.

Status:

**6.10**

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

Prices used now and earlier can be seen by the farmer. FFB pricing information has been communicated to the farmers (through Cooperative of 'Sahabat Lestari') through a letter in every month for example 008 / SA-UM / I / 2016, dated January 6, 2016. FFB prices according to the price set by the authorities.

The company set the price of outsider FFB adjust to the provisions of Plantation Agency, Riau. FFB prices information has been communicated to farmers (via cooperatives) through Letter No. 008 / SA-UM / I / 2016. FFB prices according to the price set by the authorities.

Planters dealing fairly and transparently with sharecroppers and other local businesses. Both sides agreed to establish cooperation, understanding agreed contractual agreement with fairly, legally and transparently. Planters are cooperated with local entrepreneurs, the field of housing construction, sale and purchase of FFB and trenches maintenance.

Housing development cooperation with PT Evan Sarana Engineera, poured on Cooperative Agreement Letter No. 005 / SPK-CEC / WG / VIII / 2015. Payments performed gradually according to the agreement of both parties. First payments paid on January 26, 2016.

**Verification on February 17, 2016.**

In the Cooperative Agreement Letter No. 005 / SPK-KOPNI / KG / IX / 2014 add No.009 / ADD / KOPNI-SL / SA / VI / 15 agreed that payments in every month (not mentioned the payments date). Review of payment documents known that Work of 'FFB Transporting" was completed on September 2015. The realization of the payment on October 28, 2015.

Status:

**6.11**

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

Plantation Office staff stated CSR activities have been conducted routinely, the assistance to the community has helped the communities economic development, the implementation of CSR in order to be conducted in accordance with the circular directives of Kampar Regent year 2015.

The company documented the assistances provided to local communities in the "CSR Bundle Report" Other support documents such as the handover of aid and implementation photo. Assistance realization of the company in 2015 as follows:

- Education. Providing assistance of facilities support for schools in Islamic School of Kota Aman Village

(January 15, 2016), Islamic School of Kota Baru Village (January 25, 2016) and Islamic School of Kota Bangun Village. News event is complete.

- Guiding Committee of Occupational Safety & Health Board held a blood donation on August 10, 2015 / Semester II in collaboration with Indonesian Red Cross Society/ PMI. 100 participants were involved in these activities and the results of its donors are distributed to UTDC Indonesian Red Cross Society of Pekanbaru as many as 56 bags and Indonesian Red Cross Society of Kampar Regency as many as 44 bags.
- Funds assistance for catfish farming activities for communities in the village of Kota Garo.

Kota Aman Villagers stated that the company provide road maintenance / transportation in the village. All this time the Village Chief is communicating with Public Relations Staff, If the communities need something.



**Figure 3. Meetings with stakeholders**

Corporate Social Responsibility / CSR drafted in 2015 and 2016 still not involve the affected party, or based on the consultation with local communities. **Non conformity 2016.03.**

Farmer groups independently manage 466 hectares, while 828 hectares managed by PT SA. Joint inspection has been carried out to monitor the quality of FFB from smallholdings. In addition, the company socialize the mechanism of FFB good harvest, take place on October 13, 2015.

The company, cooperative management and sharecroppers often conduct meetings, to discuss the issue of the quality of FFB, land conversion and legality.

Companies should facilitate the empowerment of cooperatives in order to improve the capability especially in the preparation of the RSPO certification in 2019. **#OFI**

<b>Status:</b>	
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**6.12**  
**No forms of forced or trafficked labour are used.**

All employees of PT SA are legal employees received under the company's own admission. Companies can show the proof of recruitment in the form of identity and employee Cooperative Agreement Letter. In the sustainability policy of the company, points 3.2.i mentioned that the group and the supplier / contractor will not employ or support the use of forced labor or human trafficking and will take appropriate measures to prevent the use of such labor.

Routinely company reported the number and employment status to relevant agencies through the documents of Labor compulsory report (WLTK). Last Labor Compulsory Report evidence that is the period of February 2015 to March 2016 for Tapung Kanan Estate with registration No. 700 / PWS / KPR / 2015/013 and Labor Compulsory Report of Tapung Kanan POM with registration No. 700 / PWS / KPR / 2015/014 reported on February 17, 2015.

There is no contract substitution at the time of recruitment, all workers accepted have had Cooperative Agreement Letter and the agreement before work begins. Based on interviews with workers in the field known that this type of work described in the contract of employment is the same as is done today.

The Company does not employ migrant workers and outside the region (inter-city inter-regional), all workers are come from the area around the plantation.

It has been verified through a review of documents on the list of employees who inform the regional origin and addresses of employees and through interviews with workers in the field.

Based on public consultations with Labor and Transmigration Agency of Kampar district, it is known that the entire labor is used by the company has been registered and reported annually. Labor inspectors also mentioned that there is no use of illegal or forced labor and migrant workers / inter-city inter-regional by the company, regularly it has been ascertained in the supervisory activities conducted four times a year.

Status:

**6.13**

**Growers and millers respect human rights**

In the KLK Group's sustainability policy endorsed by the Chief Executive Officer on December 1, 2014 points 3.1 mentioned that KLK and its subsidiaries are recognized individual dignity inherent in every person and to support the universal declaration of human rights by the United Nations.

Based on interviews with workers known that the company has socialized company policies regularly including policies on human rights. Socialization is done during the morning briefing before doing activities.

Status:

**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.**

Field inspection, and interviews with villagers of Kota Aman and Kota Garo, and the staff of the Ministry in the district of Kampar known during 2015 there is no land clearing compensation.

For PT. Sekarbumi Alamlestari, there is no new land clearing development after November 2005.

Status:

**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.**

In general, the Land Use Title area of PT SA including sloping land areas with slopes between 0-8%. This condition affects the amount of surface runoff and flow patterns and erosion and sedimentation in the estate area. The working area of KTK 2 estate has a height between 10-30 meters above sea level. It lies to the south of Tapung Kanan river relatively flat and mature peat.

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.**

The company has made a Disclosure of Liability on July 31, 2014 as directed by RSPO. The Disclosure has been submitted to RSPO for the entire unit of estates and mills under the group of Kuala Lumpur Kepong.

In the document, PT. Sekarbumi Alamlestari had Zero Liability, which no land clearing since November 2005.

However, there has been no evidence of implementation and submission of supporting documents such as Land Use Change Analysis (LUCA), which uses satellite imagery analysis to RSPO. It serves as the basis for determining the relevant RSPO necessity of performing the procedure of Remediation or Compensation. As well as evidence of the

Disclosure statement with Zero Liability of PT. Sekarbumi Alamlestari. (NC MAJOR 7.3.1).	
For PT. Sekarbumi Alamlestari, there is a new planting after November 2005 inside the concession permit. Year of Planting is 39 Ha (2006) and 26 Ha (2015).	
Status:	
<b>7.4</b>	
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
For PT. Sekarbumi Alamlestari, there is no new land clearing development after November 2005.	
Status:	
<b>7.5</b>	
<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
For PT. Sekarbumi Alamlestari, there is no new land clearing development after November 2005.	
Status:	
<b>7.6</b>	
<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	
For PT. Sekarbumi Alamlestari, there is no new land clearing development after November 2005.	
Status:	
<b>7.7</b>	
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
For PT. Sekarbumi Alamlestari, there is no new land clearing development after November 2005.	
Status:	
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
PT. Sekarbumi Alamlestari has been certified RSPO since April 24, 2013, the calculation of carbon stock using the RSPO PalmGHG Calculator (see Criterion 5.6). Because there is no land clearing after 2005 and POM has been operated.	
Status:	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	
The Company has conducted an internal audit took place on 21 to 22 December 2015. Audit is binding related to the implementation of sustainable management of oil palm both documentation and implementation in the field. Then management is conducted a review / re-verification on February 11, 2016, the results showed 27 from 39 discrepancies can be fulfilled.	
Status:	



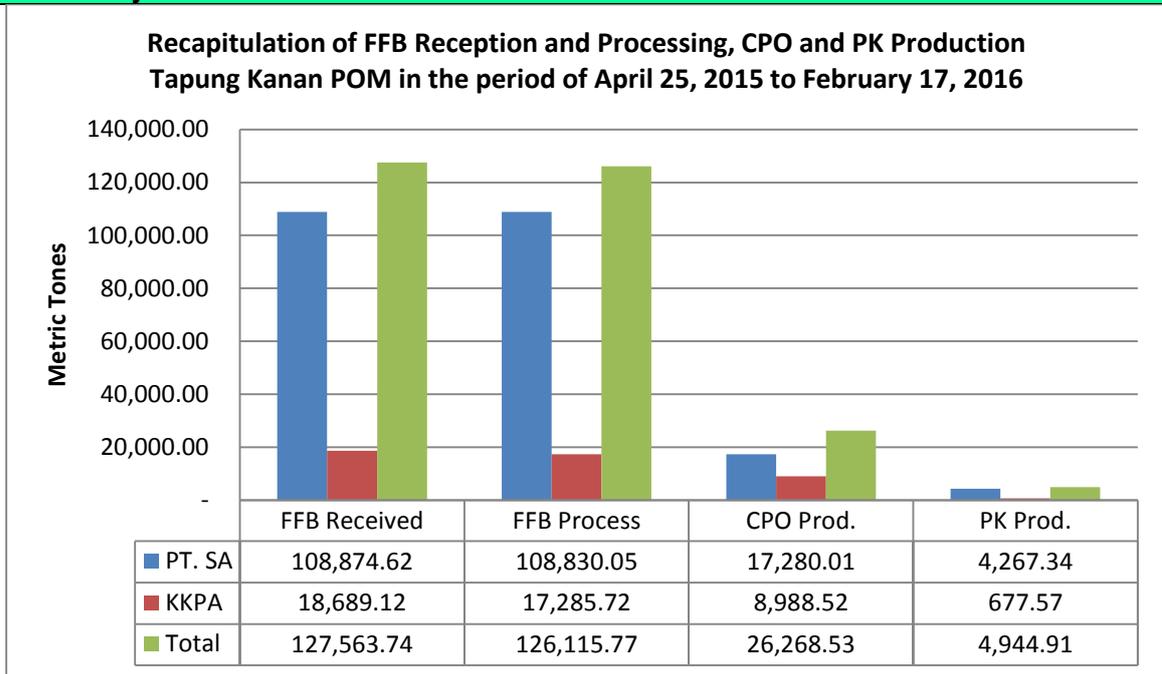
3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements																
E.1	<p><b>Definition</b></p> <p><b>E.1.1</b>  <b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>Until ASA-3, Tapung Kanan POM received fruits from nucleus estate (certified) and Sahabat Lestari KKPA (Non-Certified). So that, this POM still applied the SC Mass Balance Model.</p> <p><b>Status:</b></p>																
E.2	<p><b>Explanation</b></p> <p><b>E.2.1</b>  <b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>Estimated tonnage of certified products in Tapung Kanan POM is included in valid certificate attachments. When ASA-3 activity was performed, the auditor team still carry out verification of the volume of certified products produced and sold by the claims of RSPO Mass Balance. The entire information is contained in the final report and surveillance activities in the eTrace.</p> <p>Certificate Attachments of ASA-2:</p> <table border="1"> <thead> <tr> <th colspan="2">The volume of certified products in the Certificate attachments of ASA-2 (April 25, 2015 to April 24, 2016)</th> <th colspan="2">The actual volume of certified products during the audit of ASA-3 (April 25, 2016 to February 17, 2016)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>121,086 MT</td> <td>FFB</td> <td>108,874.62 MT</td> </tr> <tr> <td>CSPO</td> <td>25,694 MT</td> <td>CSPO</td> <td>17,280.01 MT</td> </tr> <tr> <td>CSPK</td> <td>6,405 MT</td> <td>CSPK</td> <td>4,267.34 MT</td> </tr> </tbody> </table> <p><b>Status:</b></p> <p><b>E.2.2</b>  <b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>Marketing Manager of KLK Group is the person who is responsible for monitoring eTrace for Tapung Kanan POM. Registration and use requirements of the RSPO IT Platform in the form of eTrace with the details of the data as follows:</p> <p>License Information:            Code Product: Palm Oil            Member ID: RSPO_PO1000000638            Member category: Oil Mill            License Status: Expired on April 23, 2016</p> <p>Member Name: Sekarbumi Palm Oil Mill            Account ID: RSPO_AC1000000666</p>	The volume of certified products in the Certificate attachments of ASA-2 (April 25, 2015 to April 24, 2016)		The actual volume of certified products during the audit of ASA-3 (April 25, 2016 to February 17, 2016)		FFB	121,086 MT	FFB	108,874.62 MT	CSPO	25,694 MT	CSPO	17,280.01 MT	CSPK	6,405 MT	CSPK	4,267.34 MT
The volume of certified products in the Certificate attachments of ASA-2 (April 25, 2015 to April 24, 2016)		The actual volume of certified products during the audit of ASA-3 (April 25, 2016 to February 17, 2016)															
FFB	121,086 MT	FFB	108,874.62 MT														
CSPO	25,694 MT	CSPO	17,280.01 MT														
CSPK	6,405 MT	CSPK	4,267.34 MT														

Such information has been verified by the auditor team through eTrace for the scope of the CB and the status of the license is still valid.	
	<b>Status:</b>
<b>E.3</b>	<b>Documented procedures</b>
<b>E.3.1</b>	
<p><b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b></p> <p><b>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></p> <p><b>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b></p>	
Until the activities of ASA-3, there was no change related to the procedures of Mass Balance supply chain models. All of the requirements including the responsible authority of each section in the application of supply chain model have no change.	
	<b>Status:</b>
<b>E.3.2</b>	
<b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b>	
<p>No changes to the current procedures of Supply Chain at ASA-3 activity. Tapung Kanan POM still apply the model of Mass Balance in its processing, because they still get a supply from estates that have not certified that is from Sahabat Lestari KKPA.</p> <p>Sekarbumi Alamlestari Palm Oil Mill has procedures that governing:</p> <ol style="list-style-type: none"> <li>FFB reception at security posts and weigh stations <ul style="list-style-type: none"> <li>FFB from internal suppliers are certified by RSPO</li> <li>FFB from external suppliers are not certified RSPO</li> <li>Details of the supplier and the scales results are input into the computer.</li> </ul> </li> <li>Production and storage tank - Plant &amp; Storage Tanks <ul style="list-style-type: none"> <li>CPO supply (for POM which operate the model of MB need to provide a separate sheet to calculate the quantity of CSPO (MB) that are produced every day. It produces calculation of total CPO x% FFB from internal suppliers).</li> <li>MB quantity produced next recorded every day to give a book of the actual production records in metric tons.</li> <li>For TBS derived from estate with certified RSPO must be stamped with RSPO at the weigh tickets.</li> <li>Recording the sustainable PK is as same as CPO.</li> </ul> </li> <li>Sales &amp; Dispatch to refinery <ul style="list-style-type: none"> <li>Sustainable CPO and PK</li> <li>The entire contract is sent directly to each POM from its headquarters in Ipoh Malaysia KLK according to SCCS module (MB).</li> <li>If there is a sale of CSPO, KLK will obey the procedures in accordance with the RSPO guidelines on communication and claim.</li> <li>Sustainable PK sales is as same as CPO</li> </ul> </li> </ol> <p>Supply chain models implemented today is Mass Balance (the product description printed in the documents of PK sales, for example on an invoice is MB).</p> <p>The management unit has a list of FFB suppliers that send FFB to Tapung Kanan POM consist of Internal: KTK 1, KTK 2 and KTK 3. While for External FFB: Smallholdings (KKPA) of Sahabat Lestari of Kota Garo Village.</p>	
	<b>Status:</b>
<b>E.4</b>	<b>Purchasing and goods in</b>

**E.4.1**

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



Status:

**E.4.2**

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

Up to ASA-3, there is no production of CSPO and CSPK that exceed the projections.

Certificate Attachment of ASA-2:

The volume of certified products in Certificate Attachment of ASA-2 (April 25, 2015 to April 24, 2016)		The actual volume of certified products during the audit of ASA-3 (April 25, 2016 to February 17, 2016)	
FFB	121,086 MT	FFB	108,874.62 MT
CSPO	25,694 MT	CSPO	17,280.01 MT
CSPK	6,405 MT	CSPK	4,267.34 MT

Status:

**E.5**

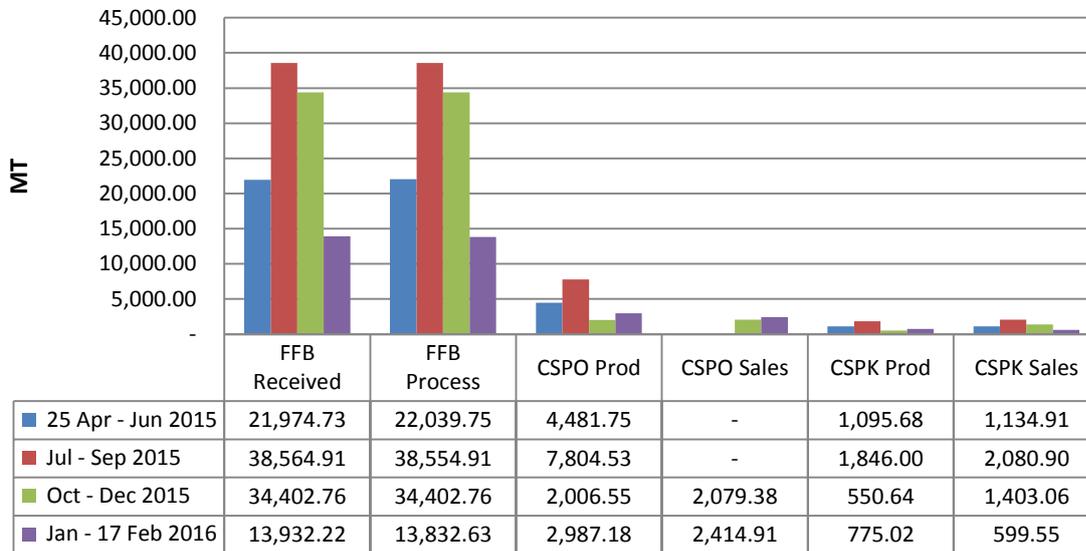
Record keeping

**E.5.1**

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

Reconciliation of Physical Stock With Certified Production

**Certified Product recapitulation of FFB, CSPO and CSPK  
Tapung Kanan POM in the period of April 25, 2015 to February 17, 2016**



**Recapitulation sales of Mass Balance CSPO and CSPK in Period of April 25, 2015 to February 17, 2016**

Period	No. Contract	Buyer	Quantity Contract	Volume Collected	Remark
November 2015	SBI/00086-S/CPO/MB	Kreasi Jaya Adhikarya	625.00	625.00	CSPO
	SBI/00088-S/CPO/MB		625.00	625.00	
	SBI/00089-S/CPO/MB		1,300.00	782.74	
December 2015	SBIC/00099-S/CPO-MB	Kreasi Jaya Adhikarya	1,300.00	517.26	
	SBIC/00090-S/CPO-MB		625.00	625.00	
	SBIC/00092-S/CPO/ISCC-EU		470.00	470.00	
	SBIC/00093-S/CPO/ISCC-EU		470.00	465.09	
January 2016	SBIC/00093-S/CPO/ISCC-EU	Kreasi Jaya Adhikarya	470.00	4.91	
	SBIC/00094-S/CPO/ISCC-EU		470.00	470.00	
	SBIC/00096-S/CPO/ISCC-EU		470.00	470.00	
	SBIC/00097-S/CPO/ISCC-EU		470.00	470.00	
	SBIC/00098-S/CPO/ISCC-EU		250.00	250.00	
	SBIC/00099-S/CPO/ISCC-EU		250.00	2.56	
1-17 February 2016	SBIC/00099-S/CPO/ISCC-EU	Kreasi Jaya Adhikarya	250.00	247.44	
	SBIC/00100-S/CPO/ISCC-EU		250.00	250.00	
	SBIC/00101-S/CPO/ISCC-EU		250.00	250.00	

Period	No. Contract using Internal Dispatch Advice (IDA)	Buyer	Quantity Contract	Volume Collected	Remark
25-30 April 2015	SBI/00448-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	150.00	20.08	CSPK
	SBI/00450-PK-MB		200.00	174.93	
May 2015	SBI/0051-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	150.00	150.00	
	SBI/0052-PK-MB		200.00	200.00	
	SBI/0050-PK-MB		200.00	25.07	

	SBI/0054-PK-MB		150.00	150.00
	SBI/0055-PK-MB		100.00	11.06
June 2015	SBI/00456-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	200.00	200.00
	SBI/00458-PK-MB		200.00	114.83
	SBI/00455-PK-MB		100.00	88.94
July 2015	SBI/00458-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	200.00	85.17
	SBI/00459-PK-MB		100.00	100.00
	SBI/00460-PK-MB		150.00	150.00
	SBI/00461-PK-MB		250.00	195.06
August 2015	SBI/00461-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	250.00	54.94
	SBI/00463-PK-MB		100.00	100.00
	SBI/00465-PK-MB		150.00	150.00
	SBI/00466-PK-MB		200.00	200.00
	SBI/00467-PK-MB		200.00	166.25
September 2015	SBI/00468-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	300.00	300.00
	SBI/00051-PK-MB		200.00	200.00
	SBI/00052-PK-MB		300.00	300.00
	SBI/00053-PK-MB		100.00	45.73
	SBI/00467-PK-MB		200.00	33.75
October 2015	SBI/00053-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	100.00	54.27
	SBI/00054-PK-MB		200.00	200.00
	SBI/00056-PK-MB		150.00	150.00
	SBI/00057-PK-MB		200.00	200.00
	SBI/00059-PK-MB		200.00	30.90
November 2015	SBI/00060-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	200.00	200.00
	SBI/00061-PK-MB		200.00	163.03
	SBI/00058-PK-MB		200.00	169.10
December 2015	SBI/00061-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	200.00	36.97
	SBI/00062-PK-MB		200.00	198.79
January 2016	SBI/00062-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	200.00	1.21
	SBI/00067-PK-MB		150.00	150.00
	SBI/00068-PK-MB		150.00	150.00
	SBI/00070-PK-MB		150.00	39.97
1-17 February 2016	SBI/00070-PK-MB	Mandau Kernel Crushing Plant (PT. ADEI P&I – KLK Group)	150.00	110.03
	SBI/00071-PK-MB		150.00	148.34
<b>Status:</b>				
<b>E.5.2</b>				
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.				
Not Applicable. Kernels are delivered to Mandau KCP.				
<b>Status: NOT APPLICABLE</b>				

3.3 Conformity Checklist of Certificate and Logo Use (*only apply for Surveillance Assessment Report*)

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-3</b>	TAPUNG KANAN POM has had permission to use certificate and logo which issued by CB with certificate No: MUTU-RSPO/025	
	<b>Status: COMPLY</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-3</b>	TAPUNG KANAN POM has had permission to use certificate and logo which issued by CB with certificate No: MUTU-RSPO/025	
	<b>Status: COMPLY</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-3</b>	TAPUNG KANAN POM has had permission to use certificate and logo which issued by CB with certificate No: MUTU-RSPO/025. During ASA-3, there is no logo used on product.	
	<b>Status: COMPLY</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-3</b>	TAPUNG KANAN POM has had permission to use certificate and logo which issued by CB with certificate No: MUTU-RSPO/025. During ASA-3, there is no logo used on product.	
	<b>Status: COMPLY</b>	

3.4 Summary of RSPO Partial Certification

<b>Management unit(s) observed:</b>		
1. PT. JABONTARA EKA KARSA 2. PT. HUTAN HIJAU MAS		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	<p>(1). PT. JABONTARA EKA KARSA – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Ijin Usaha Perkebunan: No. 440/Menhutbun-VII/2000 tanggal 25 April 2000, Luas: 14,086 Ha, PKS: 60 Ton TBS/Jam.</li> <li>- Surat Keputusan Menteri Kehutanan RI No. 642/Kpts-II/1995 tanggal 27 November 1995 tentang Pelepasan Kawasan Hutan, seluas ±14,006 Ha.</li> <li>- Hasil pemeriksaan tanah Panitia B Propinsi Kaltim tanggal 4 Februari 1997 Nomor 02/RPT/HGU-BER/II -1997 disimpulkan dapat diberikan Hak Guna Usaha atas tanah seluas 14,086 Ha.</li> <li>- Surat Kepala Kantor Wilayah BPN Propinsi Kaltim tanggal 31 Maret 1997 No. 540.2/021/BPN-16/1997, menyampaikan pertimbangan tidak berkeberatan pemberian HGU atas tanah seluas 14,086 Ha.</li> <li>- Sertifikat HGU: No. 1 sesuai SK Kepala BPN RI No. 70/HGU/BPN/97 tanggal 10 Juli 1997, luas: 14,086 Ha.</li> </ul> <p>(2). PT HUTAN HIJAU MAS – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Akta pendirian No. 18 Tanggal 29 April 2003 dibuat dihadapan Lily Widjaya, SH.</li> <li>- Ijin Usaha Perkebunan Budidaya: SK Bupati Berau Nomor 303 Tahun 2004 tanggal 11 Desember 2004. Luas: 7,430 Ha.</li> <li>- Ijin Usaha Perkebunan Pengolahan: SK Bupati Berau No. 662 tahun 2008 tanggal 30 desember 2008. Kapasitas Olah: 120 Ton TBS/Jam.</li> <li>- SK Kepala BPN RI No. 19-HGU-BPN RI-2008 tanggal 4 Juni 2008 tentang Pemberian HGU PT. HHM seluas 7,287.88 Ha.</li> <li>- No sertifikat HGU : 17 tanggal 31 Juli 2008, seluas 6,561.01 Ha.</li> <li>- No sertifikat HGU : 18 tanggal 31 Juli 2008, seluas 726.87 Ha.</li> <li>- No sertifikat HGB : 01 tanggal 9 Juni 2009, seluas 144,900 m2 (≈ 14.49 Ha).</li> <li>- No sertifikat HGB : 02 tanggal 27 Agustus 2009, seluas 14.20 Ha.</li> </ul>	
	<b>Status:</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	<p>(1). PT. JABONTARA EKA KARSA – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Ijin Usaha Perkebunan: No. 440/Menhutbun-VII/2000 tanggal 25 April 2000, Luas: 14,086 Ha, PKS: 60 Ton TBS/Jam.</li> <li>- Surat Keputusan Menteri Kehutanan RI No. 642/Kpts-II/1995 tanggal 27 November 1995 tentang Pelepasan Kawasan Hutan, seluas ±14,006 Ha.</li> <li>- Hasil pemeriksaan tanah Panitia B Propinsi Kaltim tanggal 4 Februari 1997 Nomor 02/RPT/HGU-BER/II -1997 disimpulkan dapat diberikan Hak Guna Usaha atas tanah seluas 14,086 Ha.</li> <li>- Surat Kepala Kantor Wilayah BPN Propinsi Kaltim tanggal 31 Maret 1997 No. 540.2/021/BPN-16/1997, menyampaikan pertimbangan tidak berkeberatan pemberian HGU atas tanah seluas 14,086 Ha.</li> <li>- Sertifikat HGU: No. 1 sesuai SK Kepala BPN RI No. 70/HGU/BPN/97 tanggal 10 Juli 1997, luas: 14,086 Ha.</li> </ul>	

	<p>(2). PT HUTAN HIJAU MAS – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Ijin Usaha Perkebunan Budidaya: SK Bupati Berau Nomor 303 Tahun 2004 tanggal 11 Desember 2004. Luas: 7,430 Ha.</li> <li>- Ijin Usaha Perkebunan Pengolahan: SK Bupati Berau No. 662 tahun 2008 tanggal 30 desember 2008. Kapasitas Olah: 120 Ton TBS/Jam.</li> <li>- SK Kepala BPN RI No. 19-HGU-BPN RI-2008 tanggal 4 Juni 2008 tentang Pemberian HGU PT. HHM seluas 7,287.88 Ha.</li> <li>- No sertifikat HGU : 17 tanggal 31 Juli 2008, seluas 6,561.01 Ha.</li> <li>- No sertifikat HGU : 18 tanggal 31 Juli 2008, seluas 726.87 Ha.</li> <li>- No sertifikat HGB : 01 tanggal 9 Juni 2009, seluas 144,900 m2 (≈ 14.49 Ha).</li> <li>- No sertifikat HGB : 02 tanggal 27 Agustus 2009, seluas 14.20 Ha.</li> <li>- Ganti Rugi Tanam Tumbuh (GRTT) seluas 45,48 Ha yang dikuasai oleh 15 orang warga Desa Gunung Sari, Kec. Segah, Kabupaten Berau periode Maret s/d Juni 2006 dan Agustus 2007.</li> </ul>	
	<b>Status:</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>
	<p>(1). PT. JABONTARA EKA KARSA – BERAU, KALTIM SOP 1 tentang Permintaan Informasi dan Tanggapan tanggal 1 Desember 2013. Didalamnya dijelaskan mengenai permintaan informasi/keluhan tentang isu lingkungan, social dan hukum.</p> <p>(2). PT HUTAN HIJAU MAS – BERAU, KALTIM SOP 1 tentang Permintaan Informasi dan Tanggapan tanggal 1 Desember 2013. Didalamnya dijelaskan mengenai permintaan informasi/keluhan tentang isu lingkungan, social dan hukum.</p>	
	<b>Status:</b>	
<b>6.4</b>	<b>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.</b>	<b>X or√</b>
	<p>(1). PT. JABONTARA EKA KARSA – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- SOP No. 26 perihal Prosedur Penyelesaian Sengketa Lahan, tanggal 1 Agustus 2013.</li> </ul> <p>(2). PT HUTAN HIJAU MAS – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- SOP No. 26 perihal Prosedur Penyelesaian Sengketa Lahan, tanggal 1 Agustus 2013.</li> <li>- Ganti Rugi Tanam Tumbuh (GRTT) seluas 45,48 Ha yang dikuasai oleh 15 orang warga Desa Gunung Sari, Kec. Segah, Kabupaten Berau periode Maret s/d Juni 2006 dan Agustus 2007.</li> </ul>	
	<b>Status:</b>	
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	<b>X or√</b>
	<p>(1). PT. JABONTARA EKA KARSA – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Sebaran Tahun Tanam: 2007, 2009, 2011, 2012, 2013, 2014.</li> <li>- Laporan Final Identifikasi Kawasan Bernilai Konservasi Tinggi (High Conservation Value Area) PT. Jabontara Eka Karsa, Agustus 2010. Luas HCV: 140.13 Ha.</li> <li>- PT. Jabontara Eka Karsa belum tercantum dalam Disclosure of Liability pada July 2014 yang diserahkan kepada RSPO.</li> </ul> <p>(2). PT HUTAN HIJAU MAS – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Sebaran Tahun Tanam: 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013.</li> </ul>	



	<ul style="list-style-type: none"> <li>- Laporan Final Identifikasi Kawasan Bernilai Konservasi Tinggi (High Conservation Value Area) PT. HHM pada Juni 2011 oleh PT. Jump Consulting. Area HCV teridentifikasi di dalam areal PT. HHM terdapat areal NKT1.2; NKT1.3; NKT4.1; NKT4.2 (90.50 ha di Sempadan Sungai Pura, 7.54 ha di Kawasan Utara Blim G03). Total area HCV seluas 98.04 Ha.</li> <li>- PT. Hutan Hijau Mas belum tercantum dalam Disclosure of Liability pada July 2014 yang diserahkan kepada RSPO.</li> </ul>	
	<b>Status:</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	<p>(1). PT. JABONTARA EKA KARSA – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Sebaran Tahun Tanam: 2007, 2009, 2011, 2012, 2013, 2014.</li> <li>- Laporan Final Identifikasi Kawasan Bernilai Konservasi Tinggi (High Conservation Value Area) PT. Jabontara Eka Karsa, Agustus 2010. Luas HCV: 140.13 Ha.</li> <li>- Status perolehan lahan silahkan mengacu pada Kriteria 2.2</li> </ul> <p>(2). PT HUTAN HIJAU MAS – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Sebaran Tahun Tanam: 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013.</li> <li>- Laporan Final Identifikasi Kawasan Bernilai Konservasi Tinggi (High Conservation Value Area) PT. HHM pada Juni 2011 oleh PT. Jump Consulting. Area HCV teridentifikasi di dalam areal PT. HHM terdapat areal NKT1.2; NKT1.3; NKT4.1; NKT4.2 (90.50 ha di Sempadan Sungai Pura, 7.54 ha di Kawasan Utara Blim G03). Total area HCV seluas 98.04 Ha.</li> <li>- Status perolehan lahan silahkan mengacu pada Kriteria 2.2</li> <li>- Ganti Rugi Tanam Tumbuh (GRTT) seluas 45,48 Ha yang dikuasai oleh 15 orang warga Desa Gunung Sari, Kec. Segah, Kabupaten Berau periode Maret s/d Juni 2006 dan Agustus 2007.</li> </ul>	
	<b>Status:</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	<b>X or√</b>
	<p>(1). PT. JABONTARA EKA KARSA – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Ijin Usaha Perkebunan: No. 440/Menhutbun-VII/2000 tanggal 25 April 2000, Luas: 14,086 Ha, PKS: 60 Ton TBS/Jam.</li> <li>- Surat Keputusan Menteri Kehutanan RI No. 642/Kpts-II/1995 tanggal 27 November 1995 tentang Pelepasan Kawasan Hutan, seluas ±14,006 Ha.</li> <li>- Hasil pemeriksaan tanah Panitia B Propinsi Kaltim tanggal 4 Februari 1997 Nomor 02/RPT/HGU-BER/II -1997 disimpulkan dapat diberikan Hak Guna Usaha atas tanah seluas 14,086 Ha.</li> <li>- Surat Kepala Kantor Wilayah BPN Propinsi Kaltim tanggal 31 Maret 1997 No. 540.2/021/BPN-16/1997, menyampaikan pertimbangan tidak berkeberatan pemberian HGU atas tanah seluas 14,086 Ha.</li> <li>- Sertifikat HGU: No. 1 sesuai SK Kepala BPN RI No. 70/HGU/BPN/97 tanggal 10 Juli 1997, luas: 14,086 Ha.</li> </ul> <p>(2). PT HUTAN HIJAU MAS – BERAU, KALTIM</p> <ul style="list-style-type: none"> <li>- Ijin Usaha Perkebunan Budidaya: SK Bupati Berau Nomor 303 Tahun 2004 tanggal 11 Desember 2004. Luas: 7,430 Ha.</li> <li>- Ijin Usaha Perkebunan Pengolahan: SK Bupati Berau No. 662 tahun 2008 tanggal 30 desember 2008. Kapasitas Olah: 120 Ton TBS/Jam.</li> <li>- SK Kepala BPN RI No. 19-HGU-BPN RI-2008 tanggal 4 Juni 2008 tentang Pemberian</li> </ul>	

	<p>HGU PT. HHM seluas 7,287.88 Ha.</p> <ul style="list-style-type: none"><li>- No sertifikat HGU : 17 tanggal 31 Juli 2008, seluas 6,561.01 Ha.</li><li>- No sertifikat HGU : 18 tanggal 31 Juli 2008, seluas 726.87 Ha.</li><li>- No sertifikat HGB : 01 tanggal 9 Juni 2009, seluas 144,900 m2 (<math>\approx</math> 14.49 Ha).</li><li>- No sertifikat HGB : 02 tanggal 27 Agustus 2009, seluas 14.20 Ha.</li><li>- Ganti Rugi Tanam Tumbuh (GRTT) seluas 45,48 Ha yang dikuasai oleh 15 orang warga Desa Gunung Sari, Kec. Segah, Kabupaten Berau periode Maret s/d Juni 2006 dan Agustus 2007.</li></ul>	
	<b>Status:</b>	

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

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

NCR No.	Ref Std	Findings	Area	Grade	Time Limimt	Corrective Actions	Observation	Status	Closing Date
2015.02	3.1.2	<p><b>Replanting program is reviewed every year</b>            The documents review of 7-year plan drafted by the company, has not shown a complete replanting program with block and assessment annually</p>	Minor	Estate	S-3	Companies must be able to show the replanting program in five years, followed with an assessment in every year.	<p>Preventive Action:  <b>Verification on February 15, 2016.</b></p> <p>The company has had planning about replanting in five years from 2016 to 2020 followed by a block of estate in KTK 1 and KTK 2 that will be replanted as the replanting plans in 2016 covering an area of 252 hectares, in 2017 89 hectares, in 2018 145 hectares, in 2019 298 hectares, and in 2020 250 hectares. In addition the Company has had an addendum to the environmental impact assessment contained in the Environmental Management Efforts / Environmental Monitoring Efforts describing the effects of environmental, social and ecosystem resulting from replanting. <b>Thus the non conformity stated fulfilled and will be verified again at the time of ASA-04</b></p>	Closed	February 15, 2016
2015.03	Minor 4.4.1	<p><b>Records of Water Management Program Implementation</b>            The company could not show the test results of clean water or communities wellbore</p>	Minor	Estate And Mill	S-3	Companies must perform testing of all wellbores water and ensure the quality meets the quality standards according to Regulation of Health Ministry No. 416 Year 1990 about the conditions and water quality	<p><b>Corrective Action:</b>            WTP Clean Water Test Results on November 16, 2015 to December 7, 2015. Testing was conducted by Material Testing of Technical Implementation Unit LP-750-IDN, Department Bina Marga, Riau Province. All parameters of PHYSICS, CHEMISTRY INORGANIC, ORGANIC CHEMISTRY and MICROBIOLOGY in accordance with the parameters of Health</p>	closed	February 15, 2016

						control in Attachment I or Attachment II.	Ministry Regulation No. 416 / Menkes / Per / IX / 1990. Status NC CLOSED		
2015.04	Minor 4.5.2	<b>Records of IPM and its training</b> The results of the document review have been conducted training of Integrated Pest Management in 2012, but since 2013 until now there is no training or evaluation of the training results that have been done.	Minor	Estate	S-3	Companies must be able to show the evaluation of the training that has been done, so it can determine whether or not to do the retraining.	<b>Root of the Problem:</b> there is no document which clearly indicates about the training of Integrated Pest Management (IPM), must be a relevant evidence about the evidence related to IPM training such as training materials, the parties who provide training materials, the objective of training, and documentations.  <b>Corrective Action:</b> The company has provided the corrective data regarding to IPM training for employees of PT SA as many as 30 people. Training contents from Applied Agriculture Research. On August 3, 2015. The materials are about the types of pests that attack the oil palm and how to control. The training took place in Mandau Selatan Estate. <b>Thus, these findings stated Closed</b>  <b>Preventive Action:</b> It is expected that company provides training about IPM understanding. This is because employees need to understand well how early detection of attacks, censusing the plant pests and diseases, and how to handle in case of attack.	Closed	February 15, 2015
2016.06	Minor 4.7.2	<b>Periodic checks for employees who work in stations or high-risk job by doctors.</b> Based on the document review of	Minor	Mill	S-3	Companies must be able to show the proof of audiometric examination conducted periodically for	<b>Verification on February 15, 2016.</b>  The Company has conducted an audiometric medical examination against 28	Closed	February 15, 2016

		audiometric examination last conducted in 2011 for workers in the POM that are working at the press stations, hosting crane, kernel stations, engine room. In 2014 the examination conducted on workers with risk in noise simply by ENT doctors examination, not audiometric. This is not in accordance with SOP No. 22 about medical examination. Inspection for boiler operators has not been proven to do.				employees who are at risk.	mill employees in collaboration with Thamrin Clinical Laboratory on August 24, 2015. The examination has covered the operator in press stations, hosting crane, kernel stations, engine rooms and boiler. Company shows the results of which inform the date, laboratory code, name, gender, part / position and the results of examination. The test results showed as many as 21 people suffered hearing loss for one / both ears. Related to the it, company has been doing follow-up such as the replacement of PPE from using ear plugs changed to earmuff, the company showed the evidence of earmuff distribution to the employees who are exposed to the noise. Against two people who have experienced <b>NSHL</b> , have been recommended by doctors to be examined further to the ENT doctor. The company has shown the results of the examination and consultation with ENT doctors of Ibnu Sina Hospital on February 16, 2016 and has received medical treatment, it will be reviewed during the next period of audiometric examination results. <b>Thus, the non conformity stated fulfilled and will be verified again at the time of ASA-04</b>		
2015.07	Minor 4.7.6	<b>Evidence of equipment compliance in the program of health and safety in the workplace.</b> Based on the field visits, it is known that: 1. Fire Extinguisher placement in the	Minor	Mill	S-3	Companies must show the evidence of equipment compliance of health and safety programs in the workplace.	<b>Verification on February 15, 2016</b> The Company has made improvements by replacing fire extinguisher in the POM chemical warehouse, hose hydrant connector replacement No.07, perform housekeeping of fire extinguisher routinely, maintenance the	Closed	February 15, 2016

		<p>POM chemical warehouse is not in accordance with the label, in addition the pressure needle of the extinguisher shows recharge position.</p> <ol style="list-style-type: none"> <li>2. Hose hydrant valve contained in box No. 7 in the boiler area is not functioning properly at the time of trial</li> <li>3. Housekeeping for Fire Extinguisher especially in the area of process is not performed routinely.</li> <li>4. Maintenance of the panel box, water pump in the WTP is not consistent.</li> <li>5. Still many cigarette butts in the work area such as in the area of carriage transfer and sterilizer.</li> </ol>					<p>water pump panel box in the WTP and perform socialization / induction of OHS to all mill employees, for example socialization on February 1, 2016 with the number of participants is 60 people. Such activities have been equipped with the news event.</p> <p>Field observations showed that the corrective actions have been performed, visit to the POM chemical warehouse showed the fire extinguisher in a state of function, WTP panel has been repaired, and a simulation to the mill hydrant is performed to ensure that the hydrant is functioning properly. Therefore <b>non conformity stated fulfilled.</b></p>		
2015.08	Minor 4.7.8	<p><b>Work Accident Reports</b> Based on the documents review, during the period of 2014/2015 there were no cases of accidents, but during an interview with a paramedic in the clinic there are records of accident as many as 10 cases.</p>	Minor	Estate	S-3	Companies must be able to show the work accident report.	<p><b>Verification on February 15, 2016</b> The company has shown corrective evidence by adjusting the work accident report with treatment due to an accident report at the company clinic, but it has to be readjusted in the work accident handling procedure that is all workplace accidents either light or serious will be reported to the company. Companies showed evidence of corrective reports as follows:</p> <ul style="list-style-type: none"> <li>- <b>Tapung Kanan Estate (KTK 1, 2 and 3)</b> : Work accident analysis report in period of 2015 (January to December) and the period of January 2016, there is a minor accident in November 2015 one case, in December 2015 and January 2016 with Zero Accident.</li> <li>- <b>Tapung Kanan POM</b> Showed the work accident analysis report in period of 2015, Based on the description above</li> </ul>	Closed	February 15, 2016

							concluded that <b>non conformity NCR No. 2015.08 has been fulfilled.</b>		
2015.11	Minor 5.2.2	<b>Trained HCV Officer</b> Company is not yet realize the plan of management training and monitoring of HCV areas that should have been done in August 2014 as planned.	Minor	Estate	S-3	The company must implement the appropriate training that has been planned primarily for HCV officer.	<b>Corrective Action:</b> Based on training programs of Tapung Kanan Estate of PT. SA in 2016, HCV Training allocated in February 2016. While the actual implementation of the training carried out on 18 to 19 January 2016 by Mr. Stephen Tiong and was attended by 9 people (Division of Sustainability). Speakers have acquired HCV training graduation held by Wild Asia on 18 to 19 October 2012. Based on the corrective, the non conformity Minor 5.2.2 ASA-2 (Std. INA-NIWG 2008) stated FULFILLED / CLOSED.	closed	February 15, 2016
2015.12	Minor 5.3.1	<b>Hazardous Waste Management Plans</b> The company could not show cooperation document of clinical waste disposal (infectious) with third parties.	Minor	Estate	S-3	Companies must be able to show cooperation document of clinical waste disposal (infectious) with third parties.	<b>Corrective Action:</b> PT. SA has Cooperation Agreements of Medical Waste Disposal No: 047 / SA-UM / KPB / II / 2015, dated February 18, 2015. The agreement in the framework of waste disposal cooperation of medical / clinical from PT. SA with Lanud Roesmin Nurjadin Level III Hospital. The validity period of the agreement: February 18, 2015 to January 17, 2016. When activities of ASA-3, Cooperative Agreement Letter of medical waste crusher has been renewed on February 17, 2016. The validity period of the new agreement is February 17, 2016 up to January 17, 2017.	closed	February 15, 2016
2015.14	Minor 6.5.3	<b>Housing facilities</b> - The results of field visits known that the source of water for barracks bathroom in Housing of KTK 3 divisions 3A and 3B	Minor	Estate	S-3	Companies must provide housing for employees with decent and adequate conditions.	<b>Verification on February 15, 2015</b> The company has provided wellbores in employee housing, for example in housing of KTK2 amounted to 4 units (divisions 3A,	Closed	February 15, 2016

		inadequate and sewer of domestic effluent that is less maintained. It also fits with the complaint of one employee. In terms of housing cleanliness, are not yet available bins that are sufficient to accommodate domestic waste.					3B and 3C), KTK1 (Divisions 1A, 1B, 2A and 2B) 4 units and KTK3 (Divisions 4A and 4B) 4 units. Associated with the management of domestic waste, the company has been providing bins in each employee housing in the form of a sack, once a week transporting waste is carried out by officers who have been assigned. The company showed evidence in the form of examination checklist of domestic waste and landfills. Based on field observations known that the wellbore as water supply and management of domestic waste has been provided with adequate, it has also been confirmed through interviews with employees in the field and in the housing. So, based on the description above, <b>the Non conformity stated fulfilled.</b>	
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3.5.2 Identification of Findings, Corrective Actions and Observations at **ASA-3** Assessment

NCR No.	Ref Std	Findings	Area	Grade	Time Limimt	Corrective Actions	Observation	Status	Closing Date
2016.01	2.1.1	<p><b>The fulfillment of the requirements of applicable law and related.</b></p> <p>At the time of ASA-02, the auditor has noted daily workers who work more than 21 consecutive days who has not been appointed to be a permanent employee, related to this, the company has shown the corrective evidence so that the non conformity is stated fulfilled.</p>	Estate	MAJOR	60 days (April 18, 2016)	The Company must be able to show the evidence that the employment system and system of continuous improvement has been running including those associated with regulatory compliance, especially related to the appointment and employees career	<ul style="list-style-type: none"> <li>Root cause: Company has less understanding that Temporary Workers that have been working more than 21 workdays along 3 months continuously, the workers should be promote as Permanent Workers.</li> <li>Corrective action (+evidence) Collection data of temporary workers that will</li> </ul>	CLOSE D with Observation	5 April 2016



NCR No.	Ref Std	Findings	Area	Grade	Time Limimt	Corrective Actions	Observation	Status	Closing Date
		On the activities of ASA-3, have been conducted re-verification related to it, based on field visits, interviews with employees and review of absences documents (checkrol) known not yet entirely of daily workers who fulfilled the requirements to be promoted as permanent workers, for example, harvesters in block 98C division 4B of KTK III.				system.	<p>be promote as permanent workers and develop the program for it. There are official promotion letters for 33 workers start from March 2016. This promotion job level is completed with contractual agreement for workers. i.e: named Suwito, Budi Darmawan and Karli.</p> <ul style="list-style-type: none"> <li>Preventive action: Monitoring of all working days for temporary workers by checkroll systems.</li> <li>Auditor conclusion: Company has identified to all temporary workers that fulfill the requirements to promote as permanent workers. In the company decree No. 063/KM-TKE/SA/III/2016 dated 14 March 2016 explained that 73 workers are proper to be promotion as permanent workers. Program for temporary workers appointment will be conducted within 3 stages, in March 2016 (33 workers); April 2016 (25 workers); May 2016 (15 workers). Letter of Response from company dated 16 March 2016 with No. 070/Sa/III/2016, stated that company has approved for the proposal of promoting job level (temporary to permanent). Sample of promoting workers agreement has been provided by the company. This NC was <b>CLOSED with Observation</b> during next assessment. </li></ul>		
2016.02	2.2.5	The process for resolving conflicts	Estat e	Minor	ASA 4	Every conflict or dispute over the land must be discussed	<ul style="list-style-type: none"> <li>Root cause:</li> </ul>	CLOSE D with	17 April 2016

NCR No.	Ref Std	Findings	Area	Grade	Time Limimt	Corrective Actions	Observation	Status	Closing Date
		<p><b>over land.</b></p> <p>There is a lawsuit from Communities of Kota Aman Village on the process of granting compensation for 1,500 hectares of land. The Company provides land compensation / compensation for the land of ± 683 hectares. While the remaining is 817 hectares of other areas, landowners / sharecroppers said not received compensation.</p> <p>The settlement process of disputes / claims above have not been discussed together involving the relevant stakeholders.</p>				<p>together involving the relevant stakeholders.</p>	<p>Company has less concern that every meeting must be documented.</p> <ul style="list-style-type: none"> <li>• Corrective action (+evidence)</li> </ul> <p>History of land conflict resolution that claimed by several villagers of Kota Aman village are completed with supporting evidences from Regent of Kampar and letter from Head of Kota Aman village.</p> <ul style="list-style-type: none"> <li>• Preventive action:</li> </ul> <p>Records of any conflict resolution meeting will be documented.</p> <ul style="list-style-type: none"> <li>• Auditor conclusion:</li> </ul> <p><b>17 April 2016</b> The Certificate Holder has sent the evidence of History of Land Dispute Resolution in Desa Kota Aman, also the minutes of each mediation or meeting and reference document issued by local government.</p> <p>In the last meeting 14 January 2016, there is no dealing was conclude between company and the communities. Company has given opportunities to community to proceed the legal recourse if the resolution was</p>	Observation	

NCR No.	Ref Std	Findings	Area	Grade	Time Limimt	Corrective Actions	Observation	Status	Closing Date
							not accepted. According to the evidence submitted, auditor teams conclude this NC's consider to be CLOSED with observation in the next assessment.		
2016.03	6.11.1	<p><b>Contribution of the sustainable development to local communities.</b></p> <p>Corporate Social Responsibility / CSR drafted in 2015 and 2016 do not involve the affected party, or in consultation with local communities.</p>	Estate and Mill	Minor	ASA 4	Contributions to local development should be based on the results of consultation with local communities.	<ul style="list-style-type: none"> <li>Root cause: Company has less concern that CSR program should contain of welfare improvement and not only donation.</li> <li>Corrective action (+evidence) Company makes an interview to affected villages and community leaders for gathering information about kind of community needs, so that it will be considered in the CSR program.</li> <li>Preventive action: Program for stakeholder consultation has been made annually.</li> <li>Auditor conclusion: <b>15 April 2016</b> The Certificate Holder has sent the evidence of approved CSR Program 2015-2016 that part of contribution to the communities already submitted (i.e. fisheries seed). Furthermore, the CH also conduct the consultation with local communities to develop social program on March 21, 2016. The CH has a commitment to always involved the local communities annually before produce</li> </ul>	CLOSED with Observation	17 April 2016

NCR No.	Ref Std	Findings	Area	Grade	Time Limimt	Corrective Actions	Observation	Status	Closing Date
							the CSR Program. This effectiveness will be verified during next assessment. The status of NC is CLOSED WITH OBSERVATION.		
2016.04	7.3.1	<p><b>Land Use Change Analysis</b></p> <p>The company has made a <i>Disclosure of Liability</i> on July 31, 2014 as directed by RSPO. The Disclosure has been submitted to RSPO for the entire unit of estates and mills under the group of Kuala Lumpur Kepong.</p> <p>In the document, PT. Sekarbumi Alamlestari including <i>Zero Liability</i>, which no land clearing since November 2005.</p> <p>However, there has been no evidence of implementation and submission of supporting documents such as <i>Land Use Change Analysis (LUCA)</i>, which uses satellite imagery analysis to RSPO. It serves as the basis for determining the relevant RSPO necessity of performing the procedure of Remediation or Compensation. As well as evidence of the Disclosure statement with Zero Liability of PT. Sekarbumi Alamlestari.</p>	PT. SA	MAJOR	60 days (April 18, 2016)	Companies must be able to show the evidence of disclosure of zero liability through the study of Land Use Change Analysis and submitted to RSPO.	<ul style="list-style-type: none"> <li>Root cause: Company has less concern that planting year in 2010 (50 ha) must have Land Use Change Analysis.</li> <li>Corrective action (+evidence) LUCA has been made by the company with attachment of Landsat imagery map for year 2000, 2005-2010, 2014 and 2015, and submitted to RSPO by using email on 13 April 2016.</li> <li>Preventive action: Every new planting after November 2005 prior to HCV assessment will be provide with LUCA and submit to RSPO.</li> <li>Auditor conclusion: <b>13 April 2016</b> The Certificate Holder has sent the LUCC template and submits to the RSPO for an area was cleared and planted since 2010 with size 50 Ha within the HGU area. Explanation for this issues that new planting commenced is due to pest infestation of the oil palm. The coefficient classified as zero in the LUCC report.</li> </ul>	CLOSED	13 April 2016

NCR No.	Ref Std	Findings	Area	Grade	Time Limimt	Corrective Actions	Observation	Status	Closing Date
							Based on the corrective actions made, auditor's team concludes the NC's consider to CLOSED.		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1.	<b>Minor</b> 4.1.2	<b>Realization of Digester Unit Repair</b> Companies should immediately implement the improvements realization of aluminum body on digester unit No. 01 that has been planned in the mill work program in 2015-2016.
2.	<b>Major</b> 4.8.1	<b>Programs and Training Records</b> <ul style="list-style-type: none"> <li>Companies are encouraged to enhance training programs related to the competence of employees based on the results of the analysis and identification of training needs.</li> <li>Companies can improve performance by creating a training report (the minutes of training event) with more informative.</li> </ul>
3.	<b>Major</b> 5.2.2	<b>Important Species Protection Plans</b> Companies need to create a plan of cooperation with conservation organizations (national or international) in the protection of endemic and endangered species identified in the plantation area of PT. SA, that is Sumatran tiger and Sumatran elephants.
4.	<b>Minor</b> 5.3.3	<b>Domestic Waste Management</b> Companies need to make continuous efforts in the socialization of domestic waste management to the employees, especially the understanding of awareness about waste management and sanitation in public places in the Housing Environment. <b>(Observation)</b>
5.	<b>Major</b> 6.5.2	<b>Direct employment contracts</b> Companies need to ensure that all workers of temporary workers have contracted work and distribute a copy to the related employee. <b>(Observation)</b>
6.	<b>Minor</b> 6.11.2	<b>Participation in smallholdings development</b> Facilitate the empowerment of cooperatives in order to improve the capability especially in the preparation of the RSPO certification in 2019.

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<b>Environmental Bodies of Kampar District</b>		
<ul style="list-style-type: none"> <li>The company has been dutiful and obedient in administration, all compulsory reports have been sent regularly to the Environmental Agency. The results of environmental testing are reported, so far there are no results which are below the quality standards set by national regulations.</li> <li>Based on the results of the company's annual monitoring conducted by Kampar Environmental Agency and verified in licensed hazardous waste warehouse owned by the company known that the license of hazardous waste warehouse will expire in 2017, Environmental Agency urged for the company to do an extension before the permit runs out.</li> <li>The entire waste management activities performed by the company had permission from Kampar Environmental Agency, such as land application activities, etc.</li> <li>So far there are no environmental issues reported by other parties related to the estate and mill operations of PT SA</li> </ul>	<ul style="list-style-type: none"> <li>Will be continued and improved. Environmental report is obligatory to company.</li> <li>Monitoring on all licenses will be handled by sustainability officer</li> <li>Compliances to all licenses will be maintain</li> <li>Thank you, it will be improved by management</li> <li>Company will concern into it.</li> <li>There is a progress on 23 December 2015 and have obtaine recommendation from Manpower Agency No. 560/DSTK-PHI/2016/389 named Edi Petrina and Edi Santoso Manurung.</li> <li>Company have a commitment to comply with all regulations</li> <li>Doctor and paramedic has been trained and certified for HIPERKES</li> <li>It's a constructive advice. Will be concern and improved in next future.</li> <li>There are programme for temporary workers for</li> </ul>	<ul style="list-style-type: none"> <li>Certificate holder shall maintain and comply with all requirements related Environmental Aspect as mentioned in Criteria 5.1 (EIA) and Criteria 5.3 (Waste Management).</li> </ul>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
	<ul style="list-style-type: none"> <li>• promotion as permanent workers.</li> </ul>	
<b>Labor Agency of Kampar District</b>		
<ul style="list-style-type: none"> <li>• The administration has been obedient in reporting the activities of OHS and employment, reporting OHS activities (Guiding Committee of Occupational Safety &amp; Health) to be carried out more quickly and does not exceed one week after the due date of reporting.</li> <li>• All operators have had SIO except hoisting crane operator as many as 2 people who have expired, Kampar Labor Agency urged to do the maintenance as soon as possible.</li> <li>• Resolving problems related to labor has been done well, for example, recently there was a problem of employee overtime calculation, this time the matter is closed. The completion of the problems have involved Kampar Labor Agency.</li> <li>• Have not done the training of First Aid Officer from PJK3, until this time, the training that conducted only limited to internal and trained by company's paramedic.</li> <li>• The contents of Guiding Committee of Occupational Safety &amp; Health report not containing the recommendations related to the implementation of OHS from Guiding</li> </ul>	<ul style="list-style-type: none"> <li>• Company will concern into it.</li> <li>• There is a progress on 23 December 2015 and have obtaine recommendation from Manpower Agency No. 560/DSTK-PHI/2016/389 named Edi Petrina and Edi Santoso Manurung.</li> <li>• Company have a commitment to comply with all regulations</li> <li>• Doctor and paramedic has been trained and certified for HIPERKES</li> <li>• It's a constructive advice. Will be concern and improved in next future.</li> </ul>	<ul style="list-style-type: none"> <li>• Certificate holder should be maintaining the report to statutory bodies related compliances of OHS requirements and regulations, including periodically monitoring. This also appropriate with Criteria 4.7</li> </ul>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>Committee of Occupational Safety &amp; Health to the company, the report only in the form of meeting activities and monitoring of workplace accidents.</p> <ul style="list-style-type: none"> <li>The entire employees have been included in Social Insurance Agency of Labor and Health.</li> <li>There are still daily workers in PT SA Tapung Kanan Estate who has worked for years with working days exceeding 21 days but have not been promoted to be permanent workers.</li> <li>Companies are encouraged to pay attention to the due date of production tools supervision in the mill, improving facilities and infrastructure of employee welfare and complete the facilities and infrastructure of firefighters.</li> </ul>	<ul style="list-style-type: none"> <li>Will be maintained to comply with regulations</li> <li>There are programme for temporary workers for promotion as permanent workers, start on March 2016.</li> <li>Thank you, it will be improved by management</li> </ul>	
<b>Plantation Agency of Kampar District</b>		
<ul style="list-style-type: none"> <li>Legality of plantation and mill of PT SA has been fulfilled entirely, now is owned by Plantation Business Permit – for Processing palm oil with capacity in license is 45 tons / hour but the realization is attached only 30 tons / hour, the company is encouraged to adjust between the permit and the installed, it is needed by Kampar Plantation Agency need to adjust the availability of plantations area with the number of mill capacity that has been there for</li> </ul>	<ul style="list-style-type: none"> <li>Thank you, it will be concerned by management</li> </ul>	<ul style="list-style-type: none"> <li>Compliances to legal and social aspect, the certificate holder shall be regularly communicate and update to all affected parties, includes statutory bodies and communities.</li> </ul>



Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>the whole district of Kampar.</p> <ul style="list-style-type: none"> <li>Routine reports have been submitted in accordance with the reporting schedules set by national regulations.</li> <li>The Company has realized the obligation to build a community estate (Smallholdings) has now been realized covering the area of ± 1200 hectares.</li> <li>CSR activities have been conducted routinely, the assistance to the community is really help in the communities economic development, the implementation of CSR in order to be conducted in accordance with the directives circular from Kampar Regent in 2015.</li> </ul>	<ul style="list-style-type: none"> <li>Thank you, it will be improved by management</li> <li>Thank you, it will be improved by management</li> <li>Thank you, it will be improved by management</li> </ul>	
<b>Forestry Agency of Kampar District</b>		
<ul style="list-style-type: none"> <li>Related to the status of the area for nucleus estate, PT SA has gained Decree of releasing area so that the current status of the land is in accordance with its use, but there is ± 1200 hectares Smallholdings of "Sahabat Lestari" built by PT SA that still in the area of production forest, according to the Ministry of Forestry Decree in 2014 stated that the areas that should not be used for utilization is area with forest status.</li> </ul>	<ul style="list-style-type: none"> <li>All legal permission for scheme smallholders is managed by cooperative independently. Currently, the smallholders area still waiting for progress of forest land status released by Ministry of Forestry.</li> </ul>	<ul style="list-style-type: none"> <li>Certificate holder shall ensure to smallholders organization relating progress of their land status against National Forest Land Status information. This will affect to smallholders participation within scope of RSPO certification that postponed upto 2019. This issue related to Criteria 2.1 and 2.2.</li> </ul>
<b>Village Chief of Kota Aman and Community Representatives (3 people)</b>		
<ul style="list-style-type: none"> <li>The Company provides road maintenance / transportation in the village. All this time, The Village</li> </ul>	<ul style="list-style-type: none"> <li>CSR programme also involve with affected parties, particularly with communities.</li> </ul>	<ul style="list-style-type: none"> <li>Compliances to legal and social aspect, the certificate holder shall be regularly communicate</li> </ul>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>chief is communicating with Public Relation staff (Mr. Mawardi), if the communities need something.</p> <ul style="list-style-type: none"> <li>The lack of employment opportunities for the communities from Kota Aman Village. There are only nine communities of the village who worked in PT Sekarbumi Alam Lestari.</li> <li>In 2010 the Company opened swamp area in KTK 2, in the Sepano riparian (formerly a land that was not planted with oil palm). They doubted that the land is located in the Company Land Use Title Certificate.</li> <li>Administratively, 1,500 hectares of agricultural lands included area in the Kota Aman Village. The company just provides land compensation / compensation for the land covering an area of ± 683 hectares. While the rest of other areas, landowners / sharecroppers are not compensated.</li> </ul> <p><b>Land Claims Officials (4 people)</b></p> <ul style="list-style-type: none"> <li>The company just provides land compensation / compensation for the land covering an area of ± 683 hectares. While the remaining 817 hectares of other areas, landowners / sharecroppers are not compensated.</li> <li>Since 2007, the officials perform land claims that have not received compensation for loss of land rights.</li> <li>Ever held a meeting on January 14, 2016. The officials sought a meeting through Sub District Head mediation, but the company is not willing to attend.</li> </ul>	<ul style="list-style-type: none"> <li>Workers recruitment is based on availability of job vacancies.</li> <li>There is no new planting on 2010 at KTK 2 (refer to hectare statement)</li> <li>During land compensation in 1991, an area of 683 Ha has been compensated by company. However, remains of its area is located at forest land status so that the company should follow the regulation that area returned to Indonesia States.</li> <li>In 2007, there is recommendation letter from Regent that if the company has complaints from villagers of Kota Aman, it must be resolved through legal recourse.</li> <li>There is no official announcement to the company. However, meeting was held by company with</li> </ul>	<p>and update to all affected parties, includes statutory bodies and communities.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>The company wants that the officials take legal / court ways.</p>	<p>affected communities at PT. Sekarbumi Office and attended by Public Relationship Officer (Bpk. Firman), Estate Manager, Head of Villages, Villagers and Community Organisation namely Karang Taruna.</p>	
<b>Worker Unions</b>		
<p><b>Negatif</b></p> <ul style="list-style-type: none"> <li>Employee tools such as chisel, Sickel, Sickel handle and wheelbarrows are not provided by the company. Employees must buy their own.</li> <li>There is no Collective Labor Agreement (CLA) between the company and the employee representatives, so that there is no clear agreement about rights and obligations between the two sides.</li> <li>Company Regulations (PP) is not given to each employee, and there is no policy socialization of company regulations. Drafted Company Regulation does not involve employees as employee representatives. According to him, the Head of Administration which performs signatories on behalf of employees is not appropriate because the Head of Administration is the part of the company's management.</li> <li>Not all daily workers who have been qualified to be</li> </ul>	<ul style="list-style-type: none"> <li>Company giving 20% subsidize for harvesting tools/equipment, while other equipment is given freely by company.</li> <li>Worker Agreement is available in place for period 2015 – 2017. It was approved by Workers Union and has been socialize to all workers.</li> <li>The socialization has been made on 3 February 2016</li> </ul>	<ul style="list-style-type: none"> <li>Compliances to workers and social aspect, the certificate holder shall be regularly communicate and update to all affected parties, includes workers and contractors.</li> </ul>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>permanent workers.</p> <p><b>Positif</b></p> <ul style="list-style-type: none"> <li>The Company has revised the policy calculation of overtime wage system. Currently the amount of overtime payment is Rp 12,286 / hour has been adjusted to the requirements of applicable laws.</li> <li>Employees who work in hazardous stations have been medically examined periodically.</li> <li>The worker union has been registered to the Labor Agency of Kampar District.</li> </ul>	<p>by sustainability team.</p> <ul style="list-style-type: none"> <li>Thank you, it will be improved by management</li> </ul>	
<b>Gender Committee of PT SA (Mill and Estate)</b>		
<ul style="list-style-type: none"> <li>The company has always supported the activities of gender committees for example maternal and child health center in every month, the implementation of regular meetings of members and fulfillment of facilities and infrastructure in daycare (TPA).</li> <li>There is a suggestion from gender committee related to the establishment of kindergarten or early childhood until now has not been done, has been informed by gender committee to the management and have been responded.</li> <li>There are suggestions that have been submitted through the minutes of the meeting to the</li> </ul>	<ul style="list-style-type: none"> <li>Thank you, it will be improved by management</li> <li>To improve relationship with communities, the company use village facilities for Kindegarten</li> <li>It will be submit to top management</li> </ul>	<p>Certificate holder shall maintain and comply with all requirements related workers union.</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>management related to the extrafooding addition of sprayers and fertilizer amounted to Rp 1,000 or replace with giving milk, so far there has been no response and realization.</p>		
<b>Contractor</b>		
<ul style="list-style-type: none"> <li>Contract payments are not timely, in the Cooperative Agreement Letter stated that payment is carried out every date of 24.</li> <li>Local contractors around the estate has not fully prioritized to completing their existing jobs. There is only one contractor from Kota Garo Village that is routinely transporting FFB. Housing construction work and repairing trenches are using contractors from Pekanbaru.</li> </ul>	<ul style="list-style-type: none"> <li>Limitation of payment are not mentioned in the contract, however the payment is routinely paid every month.</li> <li>Selection of contractor is based on approval by head office. Profile of contractor is considered by track records.</li> </ul>	<p>Certificate holder shall maintain and comply with all requirements related workers and contractor.</p>
<b>Koto Garo Village (2 people).</b>		
<ul style="list-style-type: none"> <li>Government Staff of Kota Garo Village declared administratively the plantation area in the village of Kota Garo. Landowners have previously been compensated for the release of their land rights. The company has acquired land from the rights of land owners before. if there are not yet compensated, surely they will demand to the company.</li> <li>PT SA do not involve local contractors to complete the work procurement and construction.</li> <li>The company providing assistance, for example, lending Ambulance, participate in building a mosque</li> </ul>	<ul style="list-style-type: none"> <li>Land compensation has been accomplished</li> </ul> <p>Selection of contractor is based on approval by head office. Profile of contractor is considered by track records.</p>	<ul style="list-style-type: none"> <li>Compliances to legal and social aspect, the certificate holder shall be regularly communicate and update to all affected parties, includes statutory bodies and communities.</li> </ul>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>and school infrastructure. Proposed: in 2016, Better prioritize the community development assistance in order to improve the local economy. Communities need business assistance such as cattle, goats, fish cages, crops and other productive businesses than the physical assistance that had been done.</p> <p>They exemplifies the Community Development Program / CSR from PT Bina Pitri Jaya, giving the cattle business opportunities.</p>	<p>It will be concerned by management</p>	

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

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

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

Signed on behalf of:

PT. SEKARBUMI ALAMLESTARI  
Management Representative (Position)



**TAN KEI YOONG**  
Monday, 18<sup>th</sup> April 2016

Mutuagung Lestari  
Lead Auditor



**YUDWI WISNU RAHMANTO**  
Monday, 18<sup>th</sup> April 2016

APPENDICES

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

No	Institusi/LSM/Masyarakat	Alamat	Telepon/Email	Bentuk komunikasi	Tanggal	Respon	
						Ya	Tidak
1	Badan Lingkungan Hidup Kabupaten Kampar	Kabupaten Kampar		Kunjungan langsung	16 Feb 2016	ya	
2	Dinas Sosial dan Ketenagakerjaan Kabupaten Kampar	Kabupaten Kampar		Kunjungan langsung	16 Feb 2016	ya	
3	Dinas Sosial dan Ketenagakerjaan Kabupaten Kampar	Kabupaten Kampar		Kunjungan langsung	16 Feb 2016	ya	
4	Dinas Kehutanan Kabupaten Kampar	Kabupaten Kampar		Kunjungan langsung	16 Feb 2016	ya	
5	Kepala Desa Kota Aman dan perwakilan warga (3 orang)	Kabupaten Kampar		Kunjungan langsung	16 Feb 2016	ya	
6	Pengurus Tuntutan atas Lahan (4 orang)	Kabupaten Kampar		Kunjungan langsung	16 Feb 2016	ya	
7	Serikat Pekerja	Kabupaten Kampar		Kunjungan langsung	16 Feb 2016	ya	
8	Komite Gender PT SA (Pabrik dan Kebun)	Kabupaten Kampar		Wawancara langsung	18 Feb 2016	Ya	
9	Kontraktor	Kabupaten Kampar		Wawancara langsung	18 Feb 2016	Ya	
10	Wahana Lingkungan Hidup Indonesia (WALHI)		<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Kuisisioner by email	10 Feb 2016		Tidak
11	Lembaga Pemberdayaan Masyarakat Riau (LPM-RIAU)		<a href="mailto:nunung.nurulikhshan@mailcity.com">nunung.nurulikhshan@mailcity.com</a>	Kuisisioner by email	10 Feb 2016		Tidak
12	Jaringan Kerja Penyelamat Hutan Riau (JIKALAHARI)		<a href="mailto:jikalahari@indo.net.id">jikalahari@indo.net.id</a>	Kuisisioner by email	10 Feb 2016		Tidak
13	Sawit Watch Indonesia		<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Kuisisioner by email	10 Feb 2016		Tidak
14	Desa Koto Garo (2 orang).	Kabupaten Kampar		Wawancara langsung	18 Feb 2016	Ya	



Appendix 2. Assessment Program

DATE / TANGGAL	15 – 19 February 2016	
ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
<b>Senin / Monday, 15 February 2016</b>		
05.50 – 07.45	Penerbangan Jakarta – Pekanbaru // <i>Flight Jakarta to Pekanbaru</i>	TIM AUDITOR
08.05 – 10.00	Perjalanan Tim Auditor (Pekanbaru – Sekarbumi Alamlestari) // <i>Travelling of Auditor team (Pekanbaru – Sekarbumi Alamlestari)</i>	TIM AUDITOR
10.00 – 12.00		
	Opening meeting <ul style="list-style-type: none"> <li>• Presentasi Auditee (Perkenalan PIC, Profil Perusahaan) // <i>Auditee Speech (Introduction of PIC, Profile of Company)</i></li> <li>• Presentasi Tim Auditor (Perkenalan, Penjelasan Tujuan Audit, Ruang Lingkup Audit, Pembahasan Rencana Audit, Penentuan Sampel Audit, Penyampaian Transparansi dan Kerahasiaan) // <i>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</i></li> </ul>	Management Representative PT SAL
12.00 – 14.00	Break and Lunch	YWR
14.00 – 16.00		
16.00 – 17.00	Verifikasi hasil temuan penilaian sebelumnya dan <b>status kesiapan KKPA Sahabat Lestari</b> // <i>Review on previous assessment findings and preparedness of Scheme smallholders status (KKPA Sahabat Lestari).</i>	
	Persiapan penetapan kunjungan lapangan hari ke-2 // <i>Preparation of field observation on Day-2</i>	TIM AUDITOR
<b>Selasa / Tuesday, 16 February 2016</b>		
08.00 – 12.00	Konsultasi paripihak ke Dinas Kabupaten Kampar // <i>Stakeholders consultation to statutory bodies in Kampar Regency</i>	SP
	Observasi lapangan <b>TAPUNG KANAN-2 Estate</b> // <i>Field observation of TAPUNG KANAN-2 Estate:</i>	
	<ul style="list-style-type: none"> <li>• Observasi lapangan Aspek Agronomi (Panen &amp; Transportasi, Pemupukan, Aplikasi Pestisida, Perawatan Jalan, Monitoring Pengendali Hayati, Aplikasi Janjang Kosong) // <i>Field observation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</i></li> <li>• Observasi lapangan Aspek Keselamatan dan Kesehatan Kerja (Pengelolaan Gudang Bahan Kimia, Pupuk, Gudang Limbah B3, Workshop, Fasilitas Pengendali Kebakaran, Pengelolaan Sampah dan Limbah) // <i>Field observation of Occupational Health &amp; Safety Aspect (Management of Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</i></li> <li>• Observasi lapangan penerapan Prosedur dan mekanisme Aspek Ketenagakerjaan // <i>Field observation of Employment Procedure and Mechanism Aspect are well implemented</i></li> <li>• Observasi lapangan Aspek Legal (Legalitas Kepemilikan Lahan, Tata Batas, Perijinan) // <i>Field observation of Legal Aspect (Land Ownership, Legal Boundaries, Permits)</i></li> <li>• Observasi lapangan Aspek Konservasi // <i>Field observation of Conservation Aspect</i></li> <li>• Observasi lapangan Aspek Sosial (Komunikasi dan Transparansi, Prosedur dan</li> </ul>	JA  YWR  MM  MM  YWR

DATE / TANGGAL	15 – 19 February 2016	
ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
	Mekanisme Keluhan) // <i>Field observation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance)</i>	MM
12.00 – 14.00	Istirahat siang // <i>Break and lunch</i>	TIM AUDITOR
14.00 – 17.00	Melengkapi daftar periksa dan konfirmasi kepada PIC terkait hasil kunjungan lapangan // <i>Completing checklist and review to the PIC related field findings.</i>	TIM AUDITOR
<b>Rabu / Wednesday, 17 February 2016</b>		
08.00 – 12.00	Observasi lapangan <b>TAPUNG KANAN-3 Estate</b> // <i>Field observation of TAPUNG KANAN-2 Estate:</i> <ul style="list-style-type: none"> <li>• Observasi lapangan Aspek Agronomi (Panen &amp; Transportasi, Pemupukan, Aplikasi Pestisida, Perawatan Jalan, Monitoring Pengendali Hayati, Aplikasi Janjang Kosong) // <i>Field observation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</i></li> <li>• Observasi lapangan Aspek Keselamatan dan Kesehatan Kerja (Pengelolaan Gudang Bahan Kimia, Pupuk, Gudang Limbah B3, Workshop, Fasilitas Pengendali Kebakaran, Pengelolaan Sampah dan Limbah) // <i>Field observation of Occupational Health &amp; Safety Aspect (Management of Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</i></li> <li>• Observasi lapangan penerapan Prosedur dan mekanisme Aspek Ketenagakerjaan // <i>Field observation of Employment Procedure and Mechanism Aspect are well implemented</i></li> <li>• Observasi lapangan Aspek Legal (Legalitas Kepemilikan Lahan, Tata Batas, Perijinan) // <i>Field observation of Legal Aspect (Land Ownership, Legal Boundaries, Permits)</i></li> <li>• Observasi lapangan Aspek Konservasi // <i>Field observation of Conservation Aspect</i></li> <li>• Observasi lapangan Aspek Sosial (Komunikasi dan Transparansi, Prosedur dan Mekanisme Keluhan) <b>ke Desa sekitar</b> // <i>Field observation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) to adjacent villages.</i></li> </ul>	JA  SP  MM  YWR  YWR  MM
12.00 – 14.00	Istirahat siang // <i>Break and lunch</i>	TIM AUDITOR
14.00 – 17.00	Melengkapi daftar periksa dan konfirmasi kepada PIC terkait hasil kunjungan lapangan // <i>Completing checklist and review to the PIC related field findings.</i>	TIM AUDITOR
<b>Kamis / Thursday, 18 February 2016</b>		
08.00 – 12.00	Observasi lapangan <b>TAPUNG KANAN POM</b> // <i>Field observation of TAPUNG KANAN POM:</i> <ul style="list-style-type: none"> <li>• Implementasi Penerapan Persyaratan Rantai Pasok (Penerimaan TBS, Penimbangan TBS, Sortasi TBS, Observasi Proses Pengolahan, Despatch CPO) // <i>Implementation on Supply Chain Requirements Mechanism (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</i></li> </ul>	YWR, JA

DATE / TANGGAL	15 – 19 February 2016	
ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
	<ul style="list-style-type: none"> <li>• Observasi lapangan Aspek Keselamatan dan Kesehatan (Pengelolaan Gudang Bahan Kimia, Gudang Limbah B3, Workshop, Simulasi Fasilitas Pengendali Kebakaran, Pengelolaan Limbah Pabrik / IPAL) // <i>Field observation of Occupational Health &amp; Safety Aspect (Management of Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond</i></li> <li>• Observasi lapangan penerapan Prosedur dan mekanisme Aspek Ketenagakerjaan // <i>Field observation of Employment Procedure and Mechanism Aspect are well implemented</i></li> </ul>	<p><b>SP</b></p> <p><b>MM</b></p>
12.00 – 14.00	Istirahat siang // <i>Break and lunch</i>	<b>TIM AUDITOR</b>
14.00 – 17.00	Melengkapi daftar periksa dan konfirmasi kepada PIC terkait hasil kunjungan lapangan // <i>Completing checklist and review to the PIC related field findings.</i>	<b>TIM AUDITOR</b>
<b>Jum'at / Friday, 19 February 2016</b>		
08.00 – 10.00	Diskusi internal tim auditor untuk persiapan Closing Meeting // <i>Internal discussion by auditor team preparing for Closing Meeting</i>	<b>TIM AUDITOR</b>
10.00 – 12.00	Closing Meeting:	<b>TIM AUDITOR</b>
	<ul style="list-style-type: none"> <li>• Penjelasan hasil temuan audit (Komponen Positif, NC's, OFI, Kesimpulan) // <i>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Conclusion)</i></li> <li>• Tanggapan, Komentar dan Pertanyaan // <i>Comments, Responses and Questions</i></li> </ul>	
12.00 – 14.00	Perjalanan (Kebun – Pekanbaru) // <i>Travelling from Plantation to Pekanbaru</i>	
16.00 – 18.00	Penerbangan Pekanbaru – Jakarta // <i>Return flights Pekanbaru - Jakarta</i>	<b>TIM AUDITOR</b>