

**Roundtable on Sustainable Palm Oil Certification  
RSPO**

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : Sungai Bangko Palm Oil Mill – PT. Gunung Mas Raya subsidiary of PT. Salim Ivomas Pratama, Tbk  
 Plantation Name : PT Gunung Mas Raya: Sungai Bangko Estate (Division 1, Division 2, Division 3)  
 PT Cibaliung Tunggal Plantation : Cibaliung Estate  
 Location : Village of Bangko Mas Raya, Sub District of Bangko Pusako District of Rokan Hilir, Province of Riau, Indonesia  
 Certificate Code : **MUTU-RSPO/095**  
 Date of Certificate Issue : **17 April 2014**                      Date of License Issue : **17 April 2017**  
 Date of Certificate Expiry : **16 April 2019**                      Date of License Expiry : **16 April 2018**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	09 – 13 January 2017	Yudwi Wisnu Rahmanto (Lead Auditor), Moh Arif Yusni, Fuji Lestari, Arif Faisal S	Octo HPN Nainggolan	Tony Arifarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	12 October 2017

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### FIGURE

Figure 1. Location Map of PT. GUNUNG MAS RAYA & PT. CIBALIUNG TUNGGAL PLANTATIONS

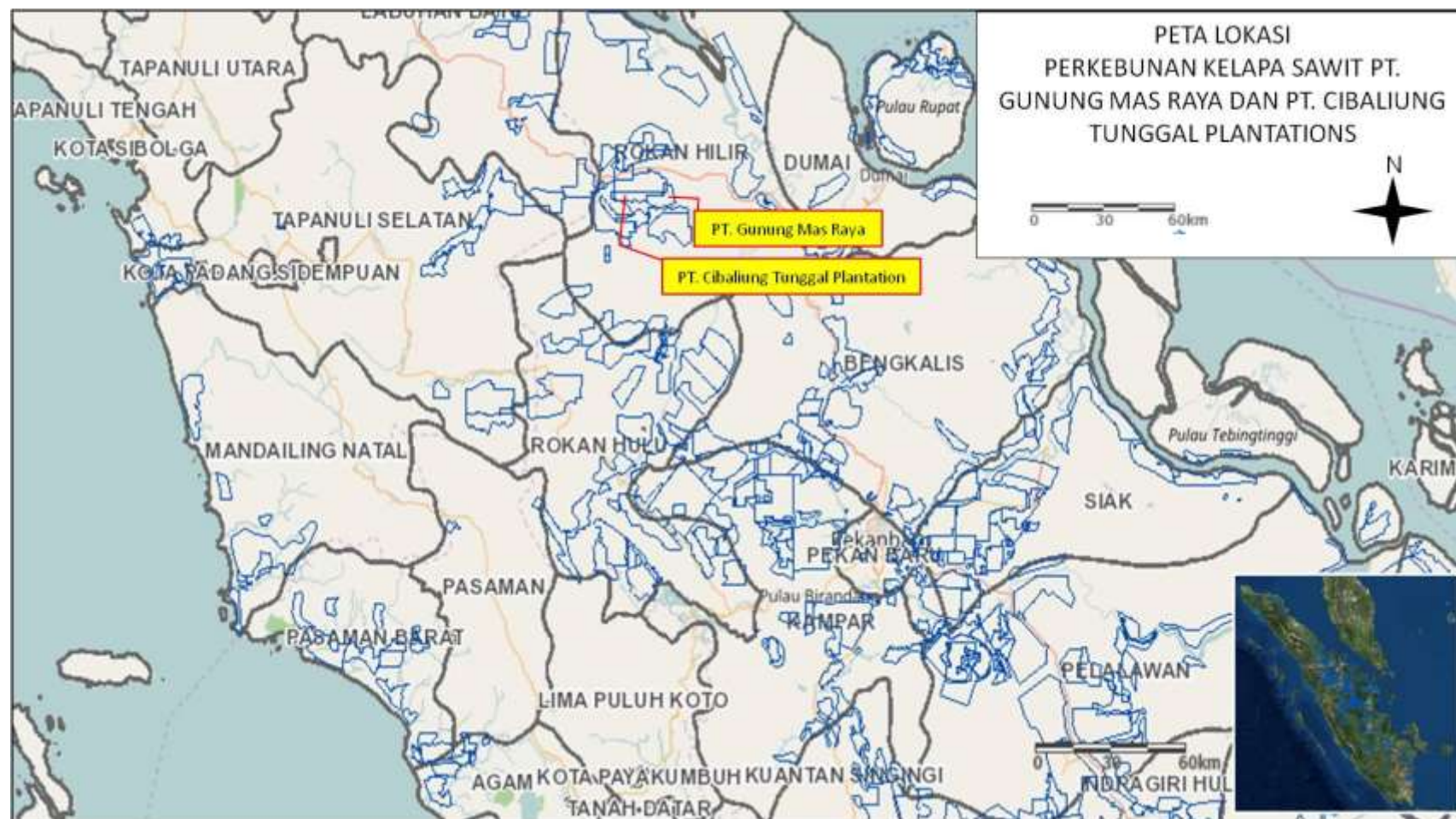


Figure 2. Operational Map of Sungai Bangko Estate & Mill – PT. Gunung Mas Raya

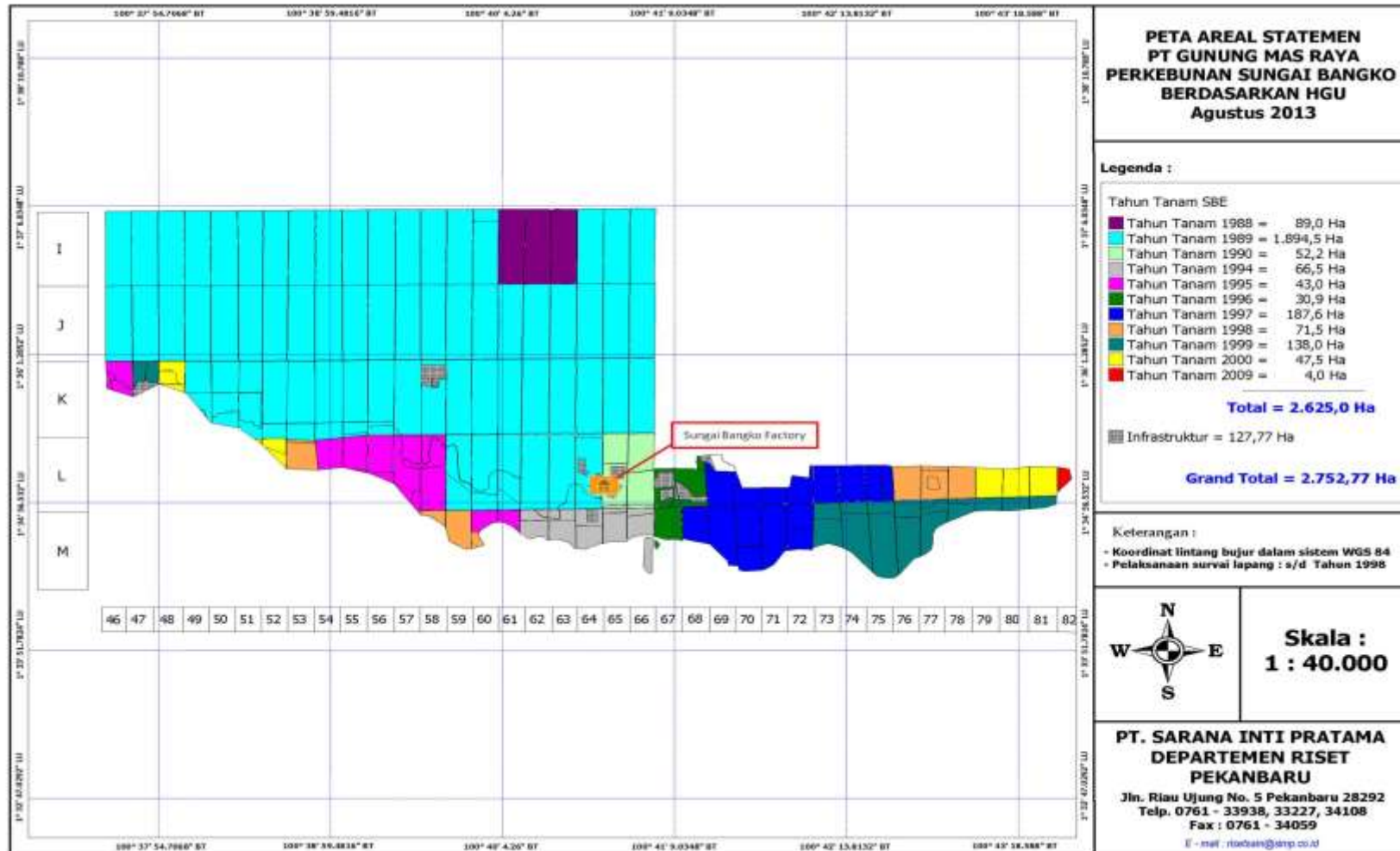
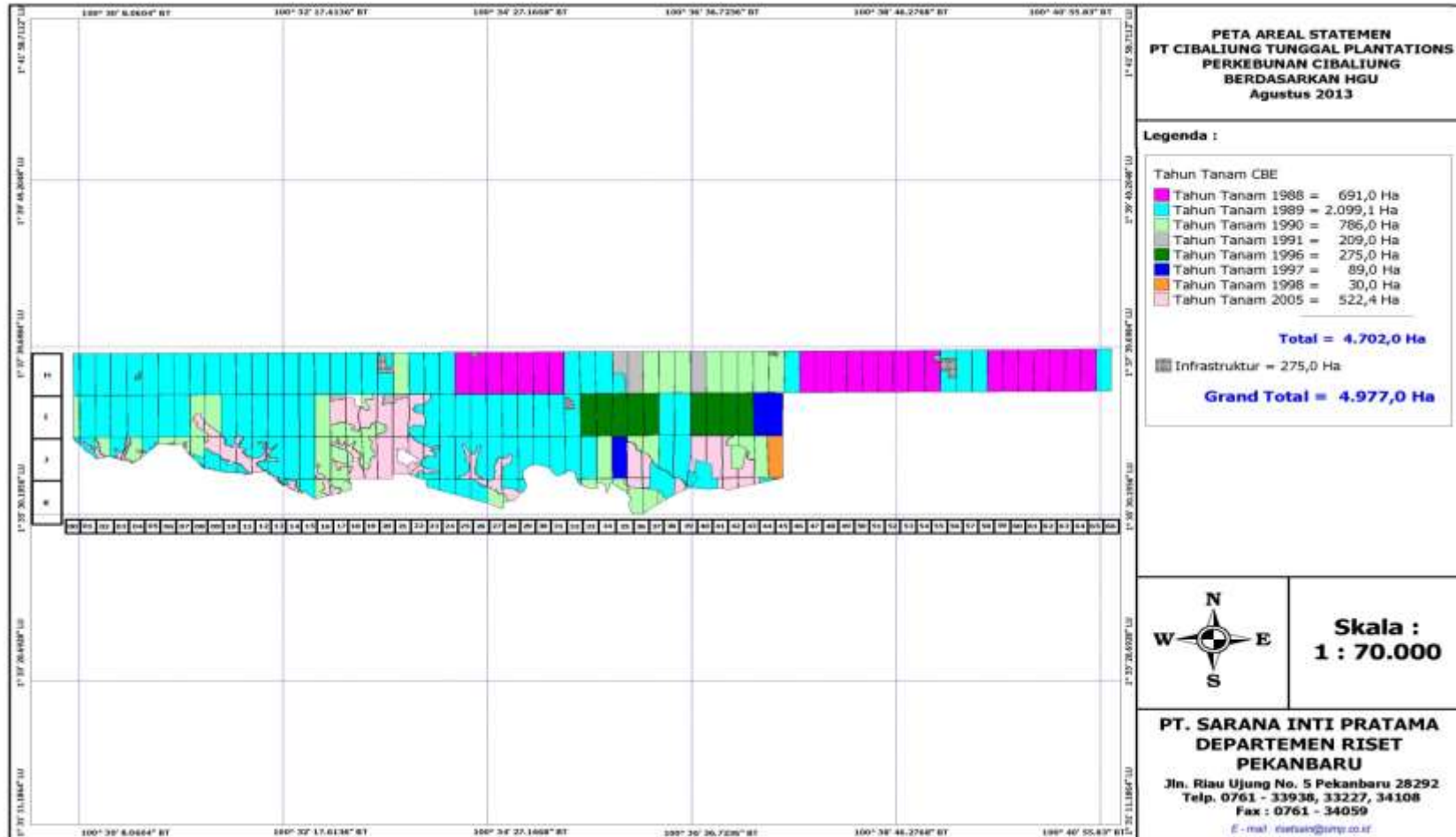




Figure 3. Operational Map of Cibaliung Estate – PT. Cibaliung Tunggal Plantations



**Glossary**

ASA	: Annual Surveillance Assessment	IUP	: Plantation Permit/Licenses
BMP	: Best Management Practices	JAS	: Japan Agriculture Standard
BOB	: Barn Owl Boxes	MoU	: Memorandum of Understanding
C.A.F.E	: Coffee and Farmer Equity	MSDS	: Material Safety Data Sheet
CB	: Certification Body	MUTU	: Mutuagung Lestari
CBE	: Cibaliung Estate	NGO	: Non Government Organisation
CDP	: Community Development Program	NIOSH	: The National institute for Occupational Safety and Health (are the united states federal agency responsible for conducting research and making recommendations of work – related injury and illness.)
CPO	: Crued Palm Oil	NOP	: National Organic Programme
CSPK	: Certified Sustainable Palm Kernel	OHSAS	: Occupational Health and Safety Assessment Series
CSPO	: Certified Sustainable Palm Oil	P&C	: Principle and Criteria
CSR	: Corporate Social Responsibility	PIC	: Personel In Charge
CTP	: Cibaliung Tunggal Plantations	PK	: Palm Kernel
EFB	: Empty Fruit Bunches	POM	: Palm Oil Mill
EHS	: Environmental, Health and Safety	PPE	: Personel Protective Equipment
EIA	: Environmental Impact Assessment	PR	: Public Relationship
EU	: European Union	RSPO	: Roundtable on Sustainable Palm Oil
FFB	: Fresh Fruit Bunches	SBE	: Sungai Bangko Estate
FGD	: Focus Group Discussion	SBF	: Sungai Bangko Factory
FM/COC	: Forest Management/Chain of Custody	SCCS	: Supply Chain Certification System
FPIC	: Free, Prior and Informed Consent	SFM	: Sustainable Forest Management
FSC	: Forest Stewardship Council	SIA	: Social Impact Assessment
GHG	: Green House Gases	SOP	: Standard Operating Procedure
GMR	: Gunung Mas Raya	ST-2	: Stage-2 Assessment/Audit
GRTT	: Ganti Rugi dan Tanam Tumbuh (Land Compensation)	TPKD	: Tim Penanggulangan Keadaan Darurat (Emergency Response Team)
HCV	: High Conservation Value	WHO	: World Health Organisation
HGU	: Hak Guna Usaha (Land Use Title/Right)	WWTP	: Waste Water Treatment Plant
HRD	: Human Resources Development/Department		
ISCC	: International Sustainability and Carbon Certification		
ISO	: International Standard Organisation		
ISPO	: Indonesia Sustainable Palm Oil		

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
<ul style="list-style-type: none"> <li><i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, July 2016. Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016).</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	PT Gunung Mas Raya – PT Salim Ivomas Pratama Tbk	
1.2.2	Contact person	Muhammad Waras (Sustainability Coordinator of Indo Agri)	
1.2.3	Organisation address and site address	<b>Head Office:</b> Jln. Jenderal Sudirman, Kav 76-78, Sudirman Plaza - Indofood Tower Lt.11, Jakarta 12910  <b>Site:</b> Bangko Pusako, Rokan Hilir Regency, Riau Province Indonesia	
1.2.4	Telephone	021 – 57958822	
1.2.5	Fax	021 – 57937503	
1.2.6	E-mail	Muhammad.Waras@londonsumatra.com	
1.2.7	Web page address	<a href="http://www.simp.co.id">www.simp.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Muhammad Waras	
1.2.9	Registered as RSPO member	1-0041-07-000-00	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base <ul style="list-style-type: none"> <li>Sungai Bangko Mill, Gunung Mas Estate &amp; Cibaliung Estate</li> </ul>	
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>
	Sungai Bangko Factory	Village of Bangko Mas Raya, Sub District of Bangko Pusako Rokan Hilir Regency, Province of Riau	N 01° 35' 02.94"      E 100° 40' 42.49"
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>
	Cibaliung Estate (PT. Cibaliung Tunggal Plantation)	Village of Balai Jaya, Sub District of Balai Jaya, Rokan Hilir Regency, Province of Riau	N 01° 37' 27.66"      E 100° 39' 17.03"

Sungai Bangko Estate		Village of Bangko Mas Raya, Sub District of Bangko Pusako Rokan Hilir Regency, Province of Riau		N 01° 34' 54.9"		E 100° 41' 047"	
<b>1.5 Description of Area Statement</b>							
1.5.1 Tenure							
• State		7,729.77				Ha	
• Community						Ha	
1.5.2 Area Statement							
Item		PT GUNUNG MAS RAYA (Ha)		PT CIBALIUNG TUNGGAL PLANTATION (Ha)		Total (Ha)	
• Total Area		2,752.77		4,977.00		7,729.77	
• Planting Area		2,624.77		4,702.00		7,326.77	
• Emplishment / Housing		36.00		36.00		72.00	
• Road		79.00		239.00		318.00	
• Mill /Factory		11.00		-		11.00	
• Other Area (Cemetery)		2.00		-		2.00	
• HCV Area*		165.04		34.83		199.87	
* the HCV area are still include in the planted area							
<b>1.6 Planting Year and Cycles</b>							
1.6.1 Age profile of planting year							
Planting Year		Hectarage (Ha)				Total	
		PT GUNUNG MAS RAYA Sungai Bangko Estate (Ha)		PT CIBALIUNG TUNGGAL PLANTATION Cibaliung Estate (Ha)			
1988		89.00		691.00		780.00	
1989		1,894.50		2,099.10		3,993.60	
1990		52.20		784.00		836.20	
1991		-		209.00		209.00	
1994		66.50		-		66.50	
1995		43.00		-		43.00	
1996		30.90		275.50		306.40	
1997		187.67		91.00		278.67	
1998		71.50		487.40		558.90	
1999		138.00		-		138.00	
2000		47.50		-		47.50	
2005		-		65.00		65.00	
2009		4.00		-		4.00	
<b>TOTAL</b>		2,624.77		4,702.00		7,326.77	
1.6.2 New Planting area after January 2010		-				Ha	
1.6.3 Planting Cycle		1 <sup>st</sup> Cycle & 2 <sup>nd</sup> Cycle					



1.7 Description of Mill and Supply Base							
1.7.1 Description of Mill							
Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		
			Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
Sungai bangko	60	181,051,310	37,007.019	20.44	8,986,472	4.96	
*Production data source from January – December 2016							
1.7.2 Description of Certification Scope of Supply Base							
Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill		
					FFB (tonnes/year)	%	
Sungai Bangko Estate (Division 1; Division 2 & Division 3)	2,752.77	2,624.77	58,224.53	22.18	58,224.53	100	
Cibaliung Estate	4,977.00	4,702.00	110,148.80	23.03	43,481.69	39,48	
<b>TOTAL</b>	<b>7,729.77</b>	<b>7,326.77</b>	<b>168,373.33</b>	<b>22.98</b>	<b>101,706.22</b>	<b>60.41</b>	
*Production data source from January – December 2016							
1.7.3 FFB description from other source							
Name of sources	Organisation	Location	Supplied to Mill				
			FFB (tonnes/year)	%			
Kayangan Estate (RSPO Certified)	PT Salim Ivomas	Rokan Hilir Regency, Province of Riau	66,867.52				
Sungai Bangko Estate - Division 4 (Non-Certified)	PT Gunung Mas Raya (637.80 Ha)		12,477.57				
<b>TOTAL</b>			<b>79,345.09</b>				
*Production data source from January – December 2016							
1.7.4 Product categories			<b>FFB, CPO, PK</b>				
1.8 Estimate Tonnage of Certified Product							
1.8.1 Past Annual Claim Certified Product		Previous Certificate Claim ..... to ..... (tonnes/year)		Actual certified product ..... to ..... (tonnes/year)			
• FFB Production		-		-			
• CPO Production		-		-			
• Palm Kernel (PK) Production		-		-			
The certificate holder didn't received volume of certified product from previous assessment since Annual Surveillance Assessment-1 (conducted by another CB)							
1.8.2 Estimate of Certified FFB Claim							
Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
Sungai Bangko Estate (Division 1; Division 2 & Division 3)	2,752.77	2,624.77	58,224	22.18			
Cibaliung Estate	4,977.00	4,702.00	110,148	23.03			

<b>TOTAL</b>		7,729.77	7,326.77	168,372	22.98		
<i>*Projected FFB production for 12 months of certificate</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>
	Sungai Bangko	60	168,372	35,358	21	8,419	5
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>							
<b>1.9</b>	<b>Other Certifications</b>						
	ISO 9001:2008	-					
	ISO 14001: 2004	-					
	OHSAS 18001:2007	-					
	ISCC	-					
	Others	-					
<b>1.10</b>	<b>Time Bound Plan</b>						
1.10.1	<b>Time Bound Plan for Other Management Units</b>						

No	MILL	Supply Base Estate	Region	District	Status	Target Certified	
1	Sungai Dua Factory (SDF)	Sungai Dua Estate (SDE)	PT. Salim Ivomas Pratama	Riau	Rokan Hilir	Certified (2014)	-
		Sungai Rumbia Estate-1 (SRE-1)	PT Gunung Mas Raya	Riau	Rokan Hilir		
		Balam Estate (BLE)	PT. Salim Ivomas Pratama	Riau	Rokan Hilir		
2	Balam Factory (BLF)	Sungai Rumbia Estate-2 (SRE-2)	PT Gunung Mas Raya	Riau	Rokan Hilir	<ul style="list-style-type: none"> <li>- Audit stage 1 bulan agustus 2013 oleh Tuv Nord Indonesia</li> <li>- Audit stage 2 bulan November 2013 oleh Tuv Nord Indonesia</li> <li>- Tuv Nord Indonesia di suspend di transfer ke Tuv Nord Integra</li> <li>- Audit ulang dilakukan Januari 2015 oleh TuvNord Integra</li> <li>- Komentar Integra untuk report februan 2016 dan di followup maret 2016.</li> </ul>	-
3	Kayangan Factory (KYF)	Kayangan Estate (KYE)	PT. Salim Ivomas Pratama	Riau	Rokan Hilir	Certified (2012)	-
		Rencana Estate (KCE)	PT. Salim Ivomas Pratama	Riau	Rokan Hilir		
4	Sungai Bangko Factory (SBF)	Sungai Bangko Estate (SBE)	PT. Gunung Mas Raya	Riau	Rokan Hilir	Certified (2014)	-
		Cibalong Estate (CBE)	PT. Cibalong Tunggal Plantation	Riau	Rokan Hilir		
		Tekuk Palau (TPE)	PT. Gunung Mas Raya	Riau	Rokan Hilir		
5	Lubuk Raja Factory (LRF)	Lubuk Raja Estate (LRE)	PT. Serikat Putra	Riau	Pelalawan	Certified (2017)	-
Bukit Raja Estate (BRE)	PT. Serikat Putra	Riau	Pelalawan				
6	Nagai Factory (NPF)	Nagai Estate (NPE)	PT. Indriplant	Riau	Indragiri Hulu	Certified (2016)	-
7	Muara Merang Factory (MRF)	Muara Merang Estate (MRE)	PT. Mentari Subur Abadi	South Sumatra	Musi Banyuasin	Stage-1 (28-30 Des 2015)	2017
		Manggang Estate (MSE)		South Sumatra	Musi Banyuasin		2017
		Karang Agung Estate (KAE)		South Sumatra	Musi Banyuasin		2017
		Hulu Merang Estate (HME)		South Sumatra	Musi Banyuasin		2017
		Pulai Gading Estate (PGE)		South Sumatra	Musi Banyuasin		2019
8	-	Bumi Subur Estate (BSE)	PT. Cangkul Bumi Subur	South Sumatra	Musi Banyuasin	-	2019
		Bukit Indah Estate (BIE)	PT. Cangkul Bumi Subur	South Sumatra	Musi Banyuasin	-	2019
9	-	Sungai Ampalau Estate (SAE)	PT. Cangkul Bumi Subur	South Sumatra	Musi Banyuasin	-	2019
10	-	Mengah Abadi Estate (MAE)	PT. Cangkul Bumi Subur	South Sumatra	Musi Banyuasin	-	2019
10	-	Mancang Estate (MCE)	PT. Pelangi Inti Permai	South Sumatra	Musi Banyuasin	-	2019
11	Kedukul Factory (KDF)	Kedukul Estate (KDE)	PT. Citranusa Inti Sawit	West Kalimantan	Sanggau	Stage-1 (28-30 Des 2015)	2017
		Trimulya Estate (TME) – Plasma		West Kalimantan	Sanggau		2018
		Sei Mawang Estate (SME) – Plasma		West Kalimantan	Sanggau		2018
		Sekubong Estate (SKE)		West Kalimantan	Sintang		2019
		Ubau Estate (UBE) – Plasma		West Kalimantan	Sintang		2019
12	Kembayan Factory (KBF)	Sepaak Estate (SKE)	PT. Citra Kalbar	West Kalimantan	Sintang	-	2019
		Tempunak Estate (TPE) – plasma		West Kalimantan	Sintang		2019
12	-	Kembayan Estate (KBE)	PT. Kebun Gandu Prima	West Kalimantan	Sanggau	Stage-1 (28-30 Des 2015)	2017
		Tayan Hulu Estate (THE) – Plasma		West Kalimantan	Sanggau		2018
13	Nanga Slat Factory (NSF)	Nanga Slat Estate (NSE)	PT. Riau Agrotama Plantation	West Kalimantan	Kapuas Hulu	Stage-1 (28-30 Des 2015)	2019
		Kapuas Estate (KKE)		West Kalimantan	Kapuas Hulu		2019
		Bukit Setanggul Estate (BSE) – Plasma		West Kalimantan	Kapuas Hulu		2019
		Miau Merah Estate (MME) – Plasma		West Kalimantan	Kapuas Hulu		2019
14	-	Lopak Dalam	PT. Hijau Pertiwi Indah Plantation	Central Kalimantan	Kapuas	-	2019
		Kuala Kapuas		Central Kalimantan	Kapuas		2019
		Bunga Tanjung		Central Kalimantan	Kapuas		2019
15	Mariango Factory (MGF)	Mariango Estate (MGE)	PT. Kebun Mandiri Sejahtera	East Kalimantan	Pasir Utara	Stage-1 (1-7 Des 2015)	2017
16	Ampinas Factory (AMPF)	Ampinas Estate	PT. Guntur Samba	East Kalimantan	Kutai Timur	Stage-1 (1-5 May 2016)	2017
		Elang Estate		East Kalimantan	Kutai Timur		2017
17	Ciptagraha Factory (CGF)	Cipta Graha Estate	PT. Multi Pacific International	East Kalimantan	Kutai Timur	Stage-1 (23-24 October 2016)	2019
		Perdian Estate		East Kalimantan	Kutai Timur		2017
		Kerayuan Estate		East Kalimantan	Kutai Timur		2017
		Muara Bulan Estate		East Kalimantan	Kutai Timur		2019
		Beay Estate		East Kalimantan	Kutai Timur		2019
18	Bengkayang Factory (BKYP)	Bengkayang Estate	PT. Mitra Intisejati Plantation	East Kalimantan	Kalbar, Bengkayang	-	2019

1.10.2

### Progress of Associated Smallholders and Outgrowers for Certifiable Standard

Certificate holder did not purchase FFB from smallholders or outgrowers and also no smallholder's scheme

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-3</b>	<p><b>1. 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 the assessment he assigned to verify legal, HCV, Conservation land dispute and social aspect.</p> <p><b>2. Moh Arif Yusni (Auditor).</b> Indonesian citizen, bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection) Faculty of Agriculture. He has a working experience for 2 (two) years since 2010 as Operational staff in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. Training attended: ISO 19011, ISO 9001; ISPO 14001, RSPO Lead Auditor, ISPO Lead Auditor, OHS Expert, OHS Auditor based on National Government No 50 year of 2012. Since 2012 has been following many audit as auditor for ISPO and RSPO Scheme for several aspect, During the assessment he assigned to verify OHS Aspect, Environmental, and SCCS</p> <p><b>3. Arif Faisal Simatupang (Trainee Auditor).</b> Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV). He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify Integrated Pest Management, Best Management Practices, Good Manufacture Practices, management and Economic aspect.</p> <p><b>4. Fuji Lestari (Trainee Auditor).</b> Bachelor of Agribusiness Management. She has participated on ISPO Auditor Training, Awareness RSPO, Training ISO 9001:2008 and lead auditor ISO 14001:2005. During this assessment she was observed and audit on transparency of information and social aspect.</p>
<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. auditor          Number of days for <b>ASA-3</b> at site : 4 days          Number of working days for <b>ASA -3</b> at site : 16 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 PT Gunung Mas Raya &amp; PT Cibaliung Tunggal Plantation to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, July 2016. Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016) and Supply Chain Requirement for CPO Mill</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</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 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-3 report**

The assessment program please find Appendix 2

2.2.3	<b>Location of Assessment</b>
ASA-3	<p>Number of units in this certification activity is two estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (Sungai Bangko POM) and two estates (Gunung Mas estate and Cibaliung Estate)</p> <p><b>Sungai Bangko Mill</b></p> <ol style="list-style-type: none"> <li>1. <b>Security.</b> Observation and interview with key personnel related to implementation of Supply Chain Requirement</li> <li>2. <b>Weighbridge.</b> Observation and interview with key personnel related to implementation of Supply Chain Requirement</li> <li>3. <b>Grading Station.</b> Observation and interview with key personnel related to implementation of FFB grading system.</li> <li>4. <b>All processing station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier).</b> Observation on FFB processing.</li> <li>5. <b>WTP Station.</b> Observation on water management plan for Mill processing.</li> <li>6. <b>Boiler Station.</b> Observation of renewable fuel using Fibers and shell, and interview of OHS implementation with key personnel.</li> <li>7. <b>Generator and Kernel Station.</b> Observation and interview on OHS implementations and working mechanism.</li> <li>8. <b>Workshop.</b> Observation on maintenance activities and interview with foreman related understanding of working procedure.</li> <li>9. <b>Hazardous Waste Temporary Warehouse.</b> Observation on hazardous waste management.</li> <li>10. <b>Emergency Response at Mill.</b> Observation on emergency response facilities (hydrant hose reel) and drill.</li> <li>11. <b>POME pond.</b> Observation on wastewater management and probability of potential leakage to the environment.</li> </ol> <p><b>Sungai Bangko Estate</b></p> <ol style="list-style-type: none"> <li>1. <b>Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).</b> Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.</li> <li>2. <b>Scheduled Waste.</b> Observation on hazardous waste management.</li> <li>3. <b>Health Clinic.</b> Observation on first aid mechanism, medical waste management and work accident record monitoring.</li> <li>4. <b>Creche and Daycare.</b> Observation on facilities and interviewing related labour aspect and grievance mechanism to the person in charge.</li> <li>5. <b>Housing complex at.</b> Observation on workers facilities, domestic waste management, temporary storage near division office.</li> <li>6. <b>Emergency Response in Estate Unit.</b> Observation on emergency response facilities (fire extinguisher, water tank for fire fighting, etc.) and its mechanism.</li> <li>7. <b>Circle and Path spraying, Block L58 Division 2.</b> Observation on spraying activity, OHS, and welfare aspect</li> <li>8. <b>EFB Mulching Application, Block L58 – L59, Division 2.</b> Observation on EFB mulching application in sandy area.</li> <li>9. <b>Peat Management, Block M58, Division 2.</b> Observation on peat management, drainage system, water level</li> </ol>



monitoring, subsidence monitoring, and ground cover.

10. **Barn Owl Box, Block M58, Division 2.** Observation on integrated rat control by installing barn owl box.
11. **POME Land Application, Block J65, Division 3.** Observation on POME Land Application, OHS, and environmental contamination control.

**Cibaliung Estate**

1. **Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop).** Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.
2. **Scheduled Waste.** Observation on hazardous waste management.
3. **Health Clinic.** Observation on first aid mechanism, medical waste management and work accident record monitoring.
4. **Creche and Daycare.** Observation on facilities and interviewing related labour aspect and grievance mechanism to the person in charge.
5. **Housing complex at.** Observation on workers facilities, domestic waste management, temporary storage near division office.
6. **Emergency Response in Estate Unit.** Observation on emergency response facilities (fire extinguisher, water tank for fire fighting, etc.) and its mechanism.
7. **Boundaries pole BPN CTP 50, 51, 52, 59 (Block J20-J21 Div. 2 Cibaliung Estate),** all the legal boundaries are well demarcated, visibly maintained and appropriate with coordinates
8. **IPM , Block J44/45,** Observation about IPM, OHS and welfare aspect
9. **Harvesting. Block I44/45 Division 5,** Observation on harvesting, FFB transport, OHS, and welfare aspect.
10. **Manual weeding. Block Block J43 Division 4,** Observation on manual weeding , FFB transport, OHS, and welfare aspect
11. **Harvesting. Block I37/38 Division 4,** Observation on harvesting, FFB transport, OHS, and welfare aspect

**Stakeholders**

12. Local Environmental Body of Rokan Hilir Regency; Plantation Agency of Rokan Hilir Regency; Labor and Transmigration Agency of Rokan Hilir Regency; National Land Agency of Rokan Hilir Regency
13. Bangko Balam Village
14. Pasi Putih Village
15. Gender Committee

<b>2.3 Stakeholder Consultation and Stakeholders Contacted</b>	
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-3</b>	Summary of stakeholder consultation process Consultation of stakeholders for PT. Gunung Mas Raya and its Supply base was held by: Public Notification (14 Days before ASA-03 at 28 December 2016) Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples at 10 and 11 January 2017 Numbers of input from stakeholders were clarified by the company as a part of the report.
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4 Determining Next Assessment</b>	
	The next visit ( <b>ASA-04</b> ) will be determined one year after this <b>ASA-03 (January 2018)</b>

**3.0 ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of Sungai Bangko Factory – PT Gunung Mas Raya under Subsidiary of PT Salim Ivomas Pratama Tbk operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were twelve (12) Nonconformities were assigned against Major Compliance Indicators; five (5) nonconformities were assigned against Minor Compliance Indicators and and two (2) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions, also the auditor conducting of MAJOR verification onsite on 13-16 June 2017. The updateing result of Major verification assessment had been reviewed and accepted by Auditors.

MUTUAGUNG LESTARI found that Sungai Bangko Factory – PT Gunung Mas Raya under Subsidiary of PT Salim Ivomas Pratama Tbk complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, July 2016. Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and Supply Chain Requirement 21 November 2014 for CPO Mill.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **ISSUED**

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<p><b>1.1.1</b>            The company has stakeholders list of 2016. Based on an interview with management, known that the stakeholder document will be renewed if there is any change by phone. The company also has document list that can be accessed by public with the form number FORM/PROS-04/02, rev.02, dated on February 4, 2013.</p> <p>SOP related to this information is included in SOP with document number SIMP-PROS-04, rev. 01, dated on January 2, 2012 about communication, participation, and consultancy. Internal communication of achievement result of environment management program and OSH (Occupational Safety and Health), control result, potential hazard identification and significant environmental impacts, inspection result, audit result, management review, and environmental information and OSH from others are communicated to all level of the company.</p> <p>Based on interview result with the local people and Government, known that the stakeholder knows how to access the information to the company. The government states that information request can be delivered through public relation staff or legal department of the company. The local people said that information can be delivered through PR, chief assistant or company manager.</p>	

**1.1.2**

The company has SOP with document number SIMP-PROS-04, rev. 01, dated on January 2, 2012 about communication, participation, and consultancy. Internal communication of achievement result of environment management program and OSH, control result, potential hazard identification and significant environmental impacts, inspection result, audit result, management review, and environmental information and OSH from others are communicated to all level of the company.

SOP owned by the company has included transparency elements in giving information related to environmental, social, and legal issue. The company has also socialized it to the stakeholder about the communication flow, information, and their complaint. In SOP document of Communication, explained that information from external party must be followed up at least 10 days after information received.

Information request record is saved in External Communication Logbook. In the logbook there is no information request since main assessment done, there is only request for help from local people.

**Status: COMPLY**

**1.2**

**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

**1.2.1**

The company also has document list that can be accessed by public with document number FORM/PROS-04/02, rev.02, dated on February 4, 2013. Information/document that can be accessed by public is available in each unit office. Document provider is competent one in the document that can be accessed, for example in OSH the provider is P2K3 administrator of Estate Unit and Palm Oil Mill, related to the certification provider is Sustainability Department, and etc. Mandatory report owned by the company has been accessible to the public and has been reported routinely for related agency.

**Status: COMPLY**

**1.3**

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

**1.3.1**

Direction Decision number 003/SK/X/2014 dated on October 1, 2014 about code of conduct stated that code of conduct policy in PT Salim Ivomas Pratama Tbk and its subsidiaries, one of them is corruption prohibition, bribery and fraud, and use of fund with transaction statement of the related party that: the company member may not take, request and receive advantage financially from the customer/business partner that does the business transaction with the company. Besides that, related to the dividend, it states that company member and the relatives are banned to receive the dividend directly or indirectly (not limited to giving money, gifts, and certain facility) and rewards.

Documentation and information are available in Bahasa Indonesia therefore it is easily to be understood by workers of the company. Based on the interview with the workers representative, known that the workers have known the policy of prohibitions of any kind of corruptions.

**Status: COMPLY**

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

**2.1**

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

**2.1.1**

Certificate holder has the evidence of compliance with relevant legal requirements, among others: Land permit, Plantation permit, Environmental Impact Assessment (AMDAL). Related to compliance with Occupational Health and Safety, the CH is not complying with regulation on specific medical surveillance for pesticide operator. Within regulation of Ministry of Labour "Permenaker no. 3 Tahun 1986" stated that specific medical surveillance should be conducted at

least once at 6 month, particularly for pesticide operator.

Also, during field observation in Sungai Bangko Estate Div. 3 Block M74, auditor found family members which has no contract is helping the workers for harvesting activities. This is not complying with applicable regulation Act of Employment "UU Ketenagakerjaan No. 13 Tahun 2003". Nevertheless, the CH has had memorandum No. AMA.II-EM AREA II-/IX/2016/019, dated 20 September 2016 regarding Standard of Worker Agreement for Daily Workers which is in the statement mentioned that daily workers without contracts is prohibited. **Based on the explanation, raised the Non-Conformance No 2017.01 with Major category**

2.1.2; 2.1.3

A documented system, which includes written information on legal requirements are available in place. Certificate holder has a mechanism for ensuring compliance, starts with applicable procedure. "Prosedur Identifikasi & Evaluasi Kepatuhan Penerapan Peraturan Perundangan & Persyaratan Lainnya (No. Dok: SIMP-PROS-02, Rev. 02)" is the procedure for ensuring compliance with legal and other requirements. Within the procedure mentioned that responsible person for implementing are Estate/Mill Manager (for ensuring implementation of procedure) and HSE officer (inventory and identification of legal and other regulation changes). Beside, internal audit for relevant requirements also performed by CH once a year.

2.1.4

A system for tracking any changes in the law is performed by the CH during internal audit following its procedure. For instance, list of identification of law and regulations period January-June 2016 is the result from internal audit RSPO on 3-8 August 2015.

2.1.1	Status: NCR.2017.01 With Major non conformance
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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.**

**2.2.1**

Sungai Bangko POM supplied from 2 estates and 2 different companies, which are Sungai Bangko Estate and Mill is under management of PT. Gunung Mas Raya, whereas Cibaliung Estate is under management of PT. Cibaliung Tunggal Plantation. The CH has had documents showing legal ownership or lease, history of land tenure and the actual legal use of the land for both companies and supply bases, among others: User Right Decree of PT. Gunung Mas Raya (SK HGU) Nomor: 46/HGU/BPN/2000, dated 3<sup>rd</sup> October 2000 with total legal size 12,825.77 Ha. This right is divided in two Certificate, No. 01 dated 19<sup>th</sup> January 2001 (2,752.77 Ha) for Sungai Bangko Estate and Mill (based on RSPO scope certification). Another certificate is No. 02 dated 19<sup>th</sup> January 2001 (10,073 Ha) which is not includes in this scope certification.

While, another supply base is Cibaliung Estate which supplied to Sungai Bangko POM is under management of PT. Cibaliung Tunggal Plantation. This area has clear legal permit in form of User Right Certificate No. 05 dated 30<sup>th</sup> July 1999 with coverage area is 4,977 Ha. Total area for this RSPO scope certification is 7,729.77 Ha.

All the documents showing legal ownership and its history are available in place and able to demonstrate during this audit.

**2.2.2**

Legal boundaries of this scope certification area are demonstrated clearly visible and maintained. Auditor verified on field observation by using GPS tools Garmin GPSmap 62s for sampling boundary markers at Poles BPN CTP 50, 51, 52, 59 (Block J20-J21 Div. 2 Cibaliung Estate). All the boundaries are visible and clearly maintained. The CH has had procedure "Prosedur Pemantauan dan Pemeliharaan Patok HGU (No. Dok: SIMP-PROS-36, Rev. 00), tanggal berlaku 12 Januari 2015" for ensuring the boundaries are maintained and monitored.

**2.2.3; 2.2.4; 2.2.5' 2.2.6**

According to interview with relevant agencies and surrounding local communities (Desa Bangko Balam and Desa Pasir Putih), since 2007 there is an absence of significant land conflict in the certified area. To prevent this issue raised, the CH has had procedure “SOPP Penanganan Konflik Eksternal Perusahaan No: CR-AGR-104-PKE.06.11-1, tanggal 31 Agustus 2013” for conflict resolution and “SOPP No: CR-AGR-709-FPIC.06.11-1, tertanggal 21 Juni 2011” for FPIC mechanism.

During field observation at Cibaliung Estate Block J21-J22 Div. 2, auditor found an area was planted with rubber inside the HGU area. Also, auditor met the land owners (Mr. JWR) and makes an interview. The information concludes that the rubber plant is located in the company area and 4 persons identified as land ownership. The land owners admit that they recognize the land is located within the company’s permit and over the years, the company does not intimidate or coerce them to gave/release their land. Both parties were respectful existence of its land and demonstrate of FPIC mechanism. This area are mapped in “Peta Overlay Areal HGU Skala 1:65,000” and identified as enclave area.

**Status: COMPLY**

**2.3**

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

2.3.1

The CH has maps with appropriate scale showing the extent of recognized legal namely “Peta Overlay HGU PT. Cibaliung Tunggal Plantation, skala 1:65,000” for Cibaliung Estate. Land compensated (GRT T) and enclave area (land occupied) are identified within the map. However, during the field observation at Cibaliung Estate Block J21-J22 Div. 2, auditor found an area was planted with rubber inside the HGU area. Also, auditor met the land owners (Mr. JWR) and makes an interview. The information concludes that the rubber plant is located in the company area and 4 persons identified as land ownership. The land owners admit that they recognize the land is located within the company’s permit and over the years, the company does not intimidate or coerce them to gave/release their land.

According to this, the CH have not given evidence that identification of rubber plants area within the HGU of PT Cibaliung Tunggal Plantation in Block J21-J22 Div.2 CBE, including size of area and land ownership are developed through participatory mapping involving affected parties. Besides, a remark in the area statement of Cibaliung Estate for an occupied area by other parties is absence and also the map of area statement is not update. Based on the explanation, raised the **Non-Conformance No 2017.01 with Major category**

2.3.2; 2.3.3; 2.3.4

Cibaliung Estate has planting years 1988-1991, 1996-1998 and 2005. According to Criteria 2.3 Guidance stated that “all indicators are applied to all oil palm plantations developed after November 2005, with exception to plantations developed prior to November 2005 that may not have records dating back to the time of decision making. So that, copies of negotiated agreements including the process of FPIC for planting year 2005 are available and can demonstrate the evidence in place. For instance, documents of Farmer Group BERKAT GOGO RANCA that has 15 land owners and total land compensated is 46 Ha. Supporting documents to prove the FPIC process are: Statement Letter of Releasing the Land Rights, dated 28 November 2002; Statement Letter of No Dispute over the land and map of its land. Both of these documents recognized by relevant parties and informed in Bahasa.

2.3.1 | **Status: NCR.2017.02 With Major non conformance**

**PRINCIPLE #3 Commitment to long-term economic and financial viability**

**3.1**

**There is an implemented management plan that aims to achieve long term economic and financial viability.**

3.1.1

Certificate holder has established management plan for the period 2016 -2021. The management plan contain Fresh Fruit Bunch (FFB) yield trends, FFB Processed, Oil Extraction Rate trends, Kernel Extraction Rate trends and Cost of Production (Estate Cost and Mill Cost). based on document verifications obtained informations in the long term management plan does not yet explained about financial indicators including forecast prices and profit projections. Based on the explanation, raised the **Non-Conformance No 2017.03 with Major category**



3.1.2

The company has replanting program for all blocks in 2017. Annual review of the replanting program has been carried out every year in budget meeting. Type of seed that will be used is SAIN variety; this seed has been certified and registered by Government

3.1.1 **Status: NCR.2017.03 With Major non conformance**

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

**4.1**

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

4.1.1

Certificate holder has procedures of plantation dated on 31 August 2013, and procedures of palm oil mill processing dated on 2 June 2011. The procedures of plantation covers all activities ranging from land clearing, seeding, planting, LCC crop planting, maintenance of immature plant, fertilization, pest and disease control, harvesting and transportation of FFB. In addition the company also has processing procedures ranging from production process control, dispatch CPO, PKO, kernel, engineering maintenance and repair. Procedures and work instructions are available on-site audit and written in bahasa and understood by the worker.

Based on the field visit at harvesting, spraying circle in CBE and SBE as well as the processing of FFB in the mill, the activities have been conducted in accordance with procedures established by the company. The harvesters can explain the standards of ripe fruit and can demonstrate better harvesting techniques. As well as the spraying worker can explain safe working practices to avoid exposure to chemicals, including the use of PPE in accordance with the risk analysis.

4.1.2

Certificate holder has a mechanism to check consistent implementation of procedures using in accordance with the Internal Audit Procedure (No. SIMP-PROS-33) dated on 2 January 2012. Inspections, operational internal audit, and RSPO internal audit are conducted regularly to maintain consistency of procedure implementations. These activities are carried out by the Internal Audit Department, Sustainability Department, Managers, or Area Managers.

4.1.3

The results of internal audits and inspections both for plantation and processing year of 2016 have been well documented, including the results of corrective actions.

4.1.4

Certificate holder did not purchase FFB from smallholders or outgrowers and also no smallholder's scheme. All FFB Process Supplied from the company under subsidiary of PT Salim Ivomas Pratama namely PT Gunung Mas Raya (Gunung Mas Estate), PT Cibaliung Tunggal Plantation (Cibaliung Tunggal Estate) and PT Salim Ivomas (Kayangan Estate).

**Status: COMPLY**

**4.2**

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

4.2.1

Certificate holder has procedure of anorganic fertilization (No. CR-AGR-206-PPK.06.11-1) and EFB manuring (No. CR-AGR-207-JJK.06.11-1). Fertilization activities are based on fertilizer recommendations made by the research department, with consideration of the results of the soil and leaf analysis.

4.2.2

Certificate holder has documented fertilization and manuring activities. The records describes total plan and applied each semester. Based on documents it is known that activities for the first and second semester 2016 has been implemented in accordance with the program me, for example application in SBE Division 2, Block M28 with urea 0,32 kg/tree, RP 0,16 kg/tree, and MOP 0,3 kg/tree.

4.2.3

Certificate holder has routinely monitored the changes on the nutrient status based on soil and leaf analysis. The leaf analysis conducted annually, whereas the soil analysis conducted periodically as needed in detailed/semi-detailed soil survey. The result of leaf analysis year of 2016 has been documented and used in fertilization recommendation year of 2017. The last soil analysis is conducted in 2010.

4.2.4

Certificate holder implemented POME land application and EFB mulching application. Fiber and shell from the processing fully used for boiler fuel. There is no replanting activity in SBE dan CBE. The POME land application implemented in SBE covered 165 ha areas, dosage 750 tonnes/ha/year in three rotations. EFB application has been implemented both in SBE dan CBE focused on sandy area, by strips method dosage 40 tonnes/ha/year. Field observation in POME land application and EFB mulching application in SBE dan CBE, it is known that the implementations has been accordance with the procedures.

Overall, there is no nutrient deficiency symptoms are visible on the oil palm canopy in CBE and SBE.

**Status: COMPLY**

**4.3**

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

4.3.1

CBE and SBE has semi-detail map in scale of 1:25,000 which describes the unit of soil map, land suitability, boundary factors and hectarage which was accordance semi-detailed soil survey documents. According to those documents, identified 976 ha (35.46%) of peat soil in SBE, and 856 ha (17.21%) of peat soil in CBE. The soil slope description in CBE are 2,517 ha (50.5 %) flat and 2,460 ha (49.5 %) undulating, whereas SBE are 1,534 ha (55.7 %) flat and 1,218 ha (44.3 %) undulating.

4.3.2

Based on field observations and interviews with management it is known that for the first generations of oil palm, there are no implementation of single and contour terrace due to management policy at the time. However for the next replanting programme, single or contour terrace will be applied in specific slope area, in accordance with procedures of soil and water conservation (No CR-AGR-701-KTA.06.11-1). Nevertheless, certificate holder has been implementing conservation on slope areas such as frond stacking parallel to contour lines and selective spraying.

4.3.3

In general, from document review is known that the road maintenance in CBE and SBE has been conducting well. Current road maintenance activity are road grading by road grader. Based on field observation, main roads and collection roads are in good conditions. The drainage system is well organized to ensure passable in all weather conditions.

4.3.4

Certificate holder has determined the strategy of peatland management. Field observation in CBE Division 2 Block M58, established drainage system, weirs, water level meter, water table meter (piezometer), and installing peat subsidence stake. According to the monitoring data, there was 5,4 cm average subsidiency per year since first monitoring in 2012, and 50 – 60 cm water level in December 2016.

4.3.5

Based on document and interview with management, is known that the first phase of replanting in peat area will be held in 2019. Certificate holder do not yet have the document of peat soil drainability.

4.3.6

Certificate Holder has several strategies to manage sandy areas with low organic material. Field observation of sandy soil area in SBE Division 2 Block L58, certificate holder has implemented EFB mulching application to add organic

material, selective spraying to keep the soft fern and 'U-shape' frond stacking to maintain soil mousturiser an minimising the evaporation.

**Status: COMPLY**

**4.4**

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

4.4.1; 4.4.2

Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting are demonstrated by the CH. Water management plan for estate and mill are refered to the HCV area management that has been identified since 2010. According to the report of HCV identification 2010, watercourses were identified within the Sungai Bangko Estate and Cibaliung Estate is Riparian Buffer Zones and Reservoir Buffer Zone. In the HCV map of CBE scale 1:55,000, there are 7 watercourses identified as field drain/ditches, while in the HCV map for SBE scale 1:40,000, there are 2 watercourses identified (field drain/ditches) and Palm Oil Mill reservoir.

The CH has had a procedure of management area for protection purposes "Prosedur Identifikasi dan Pengelolaan Areal yang Memiliki Fungsi Lindung (No. Dok: AGR-712-KWL.06.14.1, tanggal 15 September 2014" which refered to Indonesian regulation.

Based on field observation in Block J57-J58 SBE, sign board and paint marker on palm trees are visible to indicates that riparian is an conservation area, also for chemical nor spraying activities within the markers is prohibited.

4.4.3

Evidence that the CH are concern about protection of watercourses, records for monitoring effluent from Mill especially BOD indicator was analized by the national accredited laboratory periodically (every month). Result of laboratory analysis for Mill effluent period January to November 2016 concludes that acidity level (pH) average is normal conditions (6.9 – 7.1). Whilst, the BOD indicator in same period indicate is appropriate with national requirements threshold (less than 5,000 mg/L). This is due to POME pond management that implemented by the CH.

4.4.4

Also, an effort to protect of watercourses that has been implemented by the CH is water usage for FFB process in the Mill. Based on monitoring and records of water usage per ton FFB of Sungai Bangko Factory period 2014, 2015 and 2016 are 0.91 m3/ton FFB (2014); 1.25 m3/ton FFB (2015) and 0.95 m3/ton FFB (2016). This is indicates that CH used the water for FFB processing efficiently.

**Status: COMPLY**

**4.5**

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

4.5.1

Certificate holder's policy on integrated pest management stipulated in procedure of pest and disease control (No. CR-AGR-203-PHP.06.11-1) and procedure of tyto alba management (No. CR-AGR-204-BHT.06.11-11). Those procedures describe the potential pest and disease, early warning system, economic threshold, biological control, and chemical control if exceeded the economic threshold. Early warning system programmed in regular detection for all blocks (every 3 month) and monthly cencus for specific block with a high potential of infestation. Moreover there are programmes such as planting and upkeep beneficial plant, barn owl box monitoring, and IPM training.

Based on summary of detection and cencus in 2016 for CBE and SBE, it is known that there is no pest and disease infestation over the economic threshold, so there is no use of chemicals for pest and disease control. Field verification on harvesting activities in CBE and SBE, neither symptom of leaf eater caterpillar infestation in the canopy, nor rat infestation on FFB's harvested.

Certificate holder monitor barn owl box occupation at least once a month. The monitored parameter are the existing of barn owl in the boxes, left food, and sign of reproduction such as egg or owl. Field observation of barn owl box in SBE Division 2 Block M58, the box occupied and in good condition. Furthermore beneficial plants such as *Turnera subulata* and *Antigonon leptosus* are well maintained in main and collection roads. Selective spraying was implemented to keep soft weeds as the host of leat eater caterpillar predators.

4.5.2

Training of integrated pest management was held regularly in CBE and SBE, conducted by research department. The training materials covered detection and census, biological control, mechanical control, chemical control, as well as beneficial plant. Field observation and interview on census activity in CBE Division 4 Block J44, is known that detection operator understood the census method, types and stadia of pests, and determination of infestation area.

Status: COMPLY

4.6

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

4.6.1

The company have procedure of weeds control (No. CR-AGR-202-GLM.06.11-1) describe the usage of selective products for specific target and has a narrow spectrum. In procedure of pest and disease control (No. CR-AGR-203-PHP.06.11-1), the use of pesticides intended for infestation over economic threshold.

To ensure pesticide used in accordance with the target, certificate holder identified types of weed in operational area. Based on documents verifications and observation in chemical storage is known that CBE and SBE use pesticides with active ingredient of Isopropil amina glyphosate, Metil metsulfuron, and Paraquat dicloride. Those pesticides trademarks have been registered in the Commission of Pesticides, Ministry of Agriculture.

4.6.2

CBE and SBE have documented records of pesticide toxicity. The document describes the trademark, active ingredient, LD50, area treated, amount of pesticides applied, and pesticide unit (litre act per ton FFB). During the year of 2016, the use of pesticide in SBE are Isopropil amina glyphosate 1.68 gr/ton FFB, Metil metsulfuron 0.72 gr/ton FFB, and Paraquat dicloride 2.06 gr/ton FFB, while CBE are Isopropil amina glyphosate 1.57 gr/ton FFB, Metil metsulfuron 0.57 gr/ton FFB, and Paraquat dicloride 0.86 gr/ton FFB.

4.6.3

Certificate holder has implemented integrated pest management in order to reduce usage of pesticides. Based on document review and field observation, several IPM program with biological approach has been implemented such as instalation of barn owl boxes, planting and maintain the beneficial plant. Moreover, selectively spraying implementation and utilize soft weeds as the host of predator. Based on document review, there is no use of pesticide for pest and disease control or prophylactic use of pesticides for weed control.

4.6.4

During the year of 2016, SBE use Paraquat dicloride amount 2.06 gr/ton FFB, while CBE 0.86 gr/ton FFB. The use of paraquat is intended for noxious weed only (such as *Stenochlaena palustris*) on a specific area selectively, one rotation a year. Certificate holder has provided mandatory training for operators that use limited pesticide such as Paraquat dicloride on January 2016.

Managing Director of Indoagri Group in 2013 issued a memorandum about the gradual reduction of Paraquat dicloride, as a commitment to sustainable palm oil. Available plans of gradual reduction to no use at all (zero paraquat). Based on that document, in 2018 CBE and SBE will not use Paraquat anymore.

4.6.5, 4.6.7, 4.6.8, 4.6.9.

The results of field visits and interviews with workers in Sungai Bangko Estate it is known that the employees understand about safe work practices. Based on field visit to spraying activities, Company applies pesticide by using *Knapsack/sprayer* and do not apply pesticide by air. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures. Based on field observations in chemist activity on Sungai Bangko Estate Division 2 Block L58 it is known if PPE for respiratory protection are cloth mask and replaced if it's broken. But in the SOP "Penanganan dan Pengelolaan Pestisida (SOPP – CR- AGR-205-PST.06.11-1)" mentioned in Mask / respirator are

- Mask must be certified from NIOSH – England, to preclude the inhalation of toxic fumes from pesticides. The specifications of mask must in accordance with specified hazard identification and material safety data she

- The condition of mask should be clean, not broken and used only for 8 hours (one shift), after that must be decommissioning

This is be non-conformance in indicator 4.7.3

**4.6.6**

Based on visit to agrochemical warehouse, it is revealed that all utilized agrochemicals are separated from other substances. Warehouse has been equipped with PPE, OHS symbols, *emergency shower* and *eye washer*, there is also *Material Safety Data Sheet*, and the arrangement already separates liquid and solid materials. But There are some MSDS written in English on Pesticide storage Cibaliung Estate and Sungai bangko Estate (Ie Decis and Regent). This is be non-conformance in indicator 4.7.4

**4.6.11**

Certificate holder has conducted special medical examinations such as special examination Cholinesterase against pesticide operator. The last medical examination is conducted in December 2016 and the test results showed that all employees who work with chemicals in a healthy condition. Interview with workers known that they are never get experience of occupational injury which caused by chemical such as irritation.

**4.6.12**

Certificate holder has has a procedure which states that female workers in conditions of pregnant and breast-feeding prohibited from doing work related to chemicals. The company carries out monthly checks to ensure that employees who work with chemicals (spraying) is not in the condition of pregnancy. Based on field observations and interviews with the workers known that there were no personnel sprayers women who are pregnant and breastfeeding, and stated that policies related to the prohibition of pregnant and breastfeeding women to spray has been understood

**Status: COMPLY**

**4.7**

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

4.7.1

Certificate holder already had a policy concerning Occupational Health and Safety (OHS) which is signed by Chief Executive Officer on 01 May 2009 aiming to ensure the compliance to all laws and regulations related to Occupational Health and Safety (OHS). As implementation of the policy company already had procedures related to OHS, Work Plan concerning OHS and performing campaign and socialization

4.7.2

Certificate holder has had document of risk analysis for OHS program. The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident, however based on document verifications, Field Observations and interview with management obtained information if:

- There is no evidence if the document of risk analysis has been review annually ( at least one (1) time every year) as stipulated in the "SOP Identifikasi Aspek Dampak, Bahaya Resiko dan Evaluasi dampak penting, resiko dan penetapan tujuan sasaran program lingkungan dan K3 (SIMP-PROS-01)".
- Based on field observations in Sungai Bangko Estate, Cibaliung Estate and Gunung Mas Estate there is some risk control that has not been applied such as:
- There is utilization former wheels, drums and wood as a drag (jack) the vehicle that was under repair in the workshop.
- There is FFB Loader sitting in front and roof of vehicle and also hanging in vehicle tank, for example in Divison 2 Sungai Bangko Estate.
- There is no monitoring PPE used in the field. Based on field observations in Sungai Bangko Factory, Sungai Bangko Estate and Cibaliung Estate do not use PPE according to the risk identification that has been set, for example:
- Some harvester do not use PPE such as Safety Helmet, Safety shies and goggles
- Some FFB Loader do not uses PPE according to the risk identifications such as Safety helmet and safety shoes



- Welder operator at Tresher station do not use welding clothes and gloves while working
- The employees at Tresher and Sterilizer station do not use safety helmet
- The employees in Kernel Station do not use ear muff and mask (respiratory protection)

Related to this the certificate holder has not been able to show evaluation and monitoring of risk identification. **Based on the explanation, raised the Non-Conformance No 2017.04 with Major category**

#### 4.7.3

Result of document verifications the certificate holder it is known that the certificate holder has provided PPE and have been given training in safe work practices, however:

1. Based On documents verifications obtained informations if Sungai Bangko Estate and Cibaliung Estate has been provided PPE for harvester with allocation 1 (one) time in a year. Based on field observations and interview with harvester it is known if PPE used is broken, the employees will provide its own until subsequent allocations period. Related to that the certificate holder cannot show the mechanisms which regulate the procedure Provision of Personal Protective Equipment including the replacement if damaged due to work
2. Based on field observations in chemist activity on Sungai Bangko Estate Division 2 Block L58 it is known if PPE for respiratory protection are cloth mask and replaced if its broken. But I the SOP "Penanganan dan Pengelolaan Pestsida (SOPP – CR-AGR-205-PST.06.11-1)" mentioned inf Mask / respirator are:
  - o Mask must be certified from NIOSH – England, to preclude the inhalation of toxic fumes from pesticides. The specifications of mask must in accordance with specified hazard identification and material safety data sheet
  - o The condition of mask should be clean, not broken and used only for 8 hours (one shift), after that must be decommissioning

**Based on the explanation, raised the Non-Conformance No 2017.05 with Major category**

#### 4.7.4

The certificate holder has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. But based on documents verifications its known if the secretary of guiding committee for occupational health and safety organization in Cibaliung Estate and Sungai Bangko Estate are not OHS expert and it is not in accordance with Manpower Decree No 4 year of 1987 about "*Panitia Pembina Keselamatan Dan Kesehatan Kerja Serta Tata Cara Penunjukan Ahli Keselamatan Kerja*". **Based on the explanation, raised the Non-Conformance No 2017.06 with Major category**

Guiding Committee of Occupational Safety & Health Board has drafted an OHS working program and evaluates the implementation of OHS program in the field. In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a meeting with workers routenaly. The interview result with Manpower and Transmigration Agency in Rokan Hilir Regency revealed that the management unit has submitted the guiding committee for occupational health and safety's periodic report every 3 months. The guiding committee for occupational health and safety report covers the entire occupational health and safety activity within company's operation activity.

#### 4.7.5

Certificate Holder has a procedure for emergency response, for example Procedure of First Aid, Procedure of Handling Accidents and Work Diseases and Procedure of Emergency Preparednes. Results of Document verifications its known if the certificate holder has been provided a facility for emergency response and first aid in the workplace, but based on the results of field visits found that:

- There are some MSDS written in English on Pesticide storage Cibaliung Estate and Sungai bangko Estate (Ie Decis and Regent)
- There is some MSDS written in English in Oil Storage and chemical storage Sungai Bangko Factory (Ie Nalco 2811 & Soda Ash)
- There is no oil trap in oil storage Cibaliung Estate
- There are some components of first aid box which have been expired. (As for the exampl : Rivanol, Povidon

Iodine and Bioplasenton)

- The completeness for the content of first aid box still not yet accordance with the list that has been established (manpower decree No 15 Year of 2008)
- There's no information on the usage form during the using of the component.

**Based on the explanation, raised the Non-Conformance No 2017.07 with Minor category**

**4.7.6**

The Certificate holder provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, PT GMR – PT CTP has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. But based on documents verification PT GMR has not been able to show the evidence of insurance claims handling for heirs employees who get fatality accidents on 27 April 2016 In Sungai Bangko Estate. **Based on the explanation, raised the Non-Conformance No 2017.08 with Minor category**

**4.7.7**

The certificate holder can show records of occupational injuries using lost time accident metrics. **Based on the explanation, raised the Non-Conformance No 2017.09 with Minor category**

4.7.2	Status: NCR.2017.04 With Major non conformance	
4.7.3	Status: NCR.2017.05 With Major non conformance	
4.7.4	Status: NCR.2017.06 With Major non conformance	
4.7.5	Status: NCR.2017.07 With Minor non conformance	
4.7.6	Status: NCR.2017.08 With Minor non conformance	
4.7.7	Status: NCR.2017.09 With Minor non conformance	

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

**4.8.1**

The company has had a training program for workers included All staff, Workers and contract workers for period of 2016 which consists of understanding the RSPO. Based on field observation and interviews it is known that the workers do not understand the result of training, such as

1. Understanding of PPE, occupational risks and safe working practices for all level of operation in mill and Estate
2. Understanding of chemicals handling for storage keeper
3. Understanding of SCCS for weighbridge operator

Related to this the certificate holder has not been able to show of the effectiveness of the training that has been conducted It became a **nonconformance Based on the explanation, raised the Non-Conformance No 2017.10 with Major category**

**4.8.2**

Certificate holder has documented record of training followed by workers in the documents result of training of employees which demonstrated records of trainings to all employees (workers, staff and Daily Basis Paid Workers). Moreover, contractors also have been involved in training activities such as trainings related to OHS.

4.8.1	Status: NCR.2017.10 With Major non conformance	
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**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**

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

5.1.1	<p>An environmental impact assessment document for each unit of CH is available in place. For Sungai Bangko Estate and Factory (PT. Gunung Mas Raya) has had document of Environmental Evaluation Study (SEL) since 1993. While, for Cibaliung Estate (PT. Cibaliung Tunggal Plantation) has had document of Environmental Management and Monitoring Effort (UKL-UPL) since 1999. Both of these documents are conducted by consultant which has been acknowledge in national requirements.</p>
5.1.2; 5.1.3	<p>Environment management plan document to prevent negative impacts and its implementation report is available in place and can be demonstrate by the CH. The responsible personse for the implementation of the documents are EHS Officer, Estate/Mill Manager and SPO clerk. The CH also submits the required periodical environmental management and monitoring report (Laporan Pelaksanaan UKL-UPL) to the relevant agency (Environmental Agency). The latest UKL-UPL report is Semester 1 Year 2016, submitted to the Environmental Agency of Rokan Hilir Regency is on August 2016.</p> <p>According to the information gathered during stakeholders consultation (relevant agencies and local communities), there is no issues raised for the CH related to environmental aspects for the last five years.</p>
<b>Status: COMPLY</b>	
<b>5.2</b>	<b>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</b>
5.2.1; 5.2.2; 5.2.4	<p>The CH has records on results of HCV assessment conducted in 2010 based on legal entity area. Sungai Bangko Estate &amp; Mill – PT. Gunung Mas Raya has been assessed for HCV identification on April-June 2010, while the HCV assessment for Cibaliung Estate – PT. Cibaliung Tunggal Plantations conducted on February-March 2010. HCV assessment team consist of RSPO approved HCV assessor. Result of the assessment indicates of total HCV area in PT. Gunung Mas Raya is 165.04 Ha (HCV 1.2; HCV 4.1; HCV 5). Meanwhile, total HCV areas were identified in PT. Cibaliung Tunggal Plantations is 34.83 Ha (HCV 1.2 and HCV 4.1). Presence of protected area within the CH comprises of riparian zone from watercourses in the planted area. So that, total of HCV area in the certification scope is 199.87 Ha and the RTE's species is absence based on IUCN Redlist.</p> <p>Management and monitoring plan of HCV area made by Sustainability Department of the holding company. The latest report made on October 2016 (SBE) and November 2016 (CBE). The monitoring activities of flora and fauna planned and conducted periodically, every February and August.</p>
5.2.3	<p>Programs to socialize of protected, RTE's species to all workers including records of appropriate sanction disciplinary measures has been conducted concurrently with HCV assessment and monitoring activities every 6 months.</p>
5.2.5	<p>During field observation in SBE and CBE, auditor did not found any HCV areas that overlapped with an identified local community's land/rights.</p>
<b>Status: COMPLY</b>	
<b>5.3</b>	<b>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b>
5.3.1	<p>Certificate holder has identified Waste and emission Sources that information location, waste source, waste type and handling. Certificate holder have implemented waste management in accordance with the existing plan, for example:</p> <ul style="list-style-type: none"> <li>• Based on field visit to Sungai Bangko Factory it is revealed that shells and fiber waste is used as boiler fuel.</li> <li>• Based on field visit to WWTP pond in Sungai Bangko factory and liquid waste application area in PT Gunung Mas Raya it is revealed that liquid waste has been applied to the land.</li> </ul>

- Result of field visit and interview with workers it is revealed that domestic waste is collected and disposed periodically to landfill then burning. (this is being Non conformance on indicator 8.1.1)
- Based on field visit to Hazardous waste storage in Sungai Bangko factory, Sungai Bangko Estate and Cibaliung Estate it is revealed that all Hazardous waste produced by the company is collected in Hazardous waste storage and then sent to authorized third party.

**5.3.2**

Hazardous waste produced by management units is managed by storing it in authorized Hazardous waste storage and then sending it to the authorized third party. Evidence of cooperation between management units and authorized third party namely PT Primanru. Result of interview and document verification shows that certificate holder has reported hazardous waste management activities routinely every 3 months.

**5.3.3**

Management units have monitored and documented and applied waste management for example:

- Hazardous waste: Hazardous waste balance sheet that indicates quantities of incoming and outgoing waste from Hazardous waste storage and the official report of Hazardous waste shipment from Hazardous waste storage to final collector are available.
- POME: result of liquid waste quality analysis every month and data of liquid waste usage are available.
- Emission: result of emission quality analysis from generator and boiler every 6 months is available.

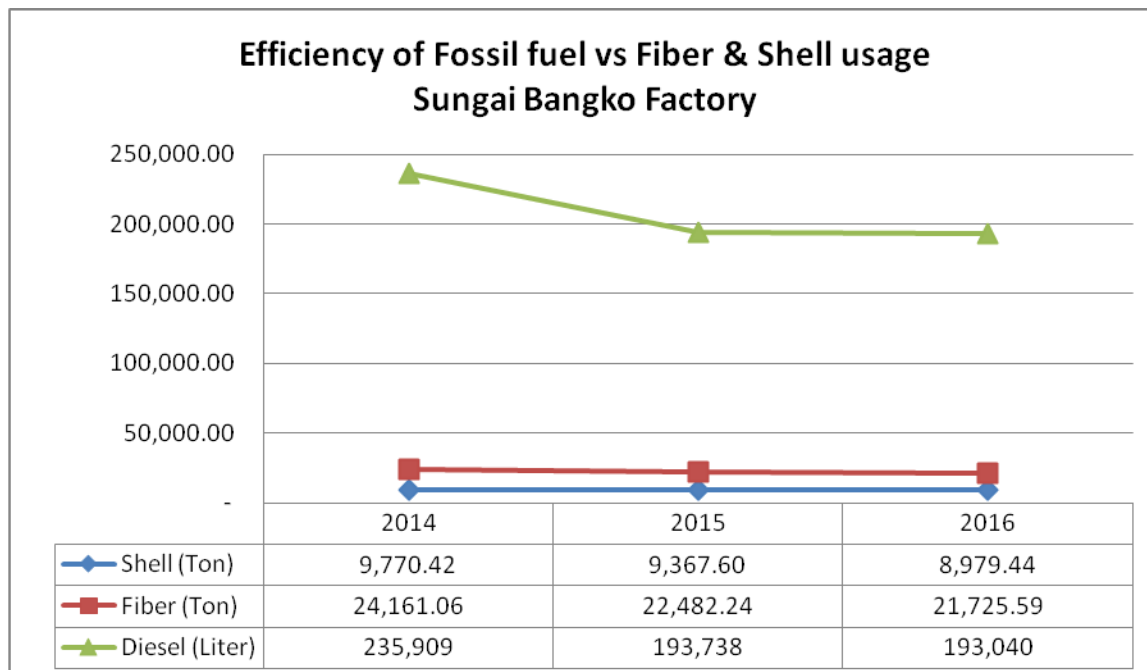
**Status: COMPLY**

**5.4**

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

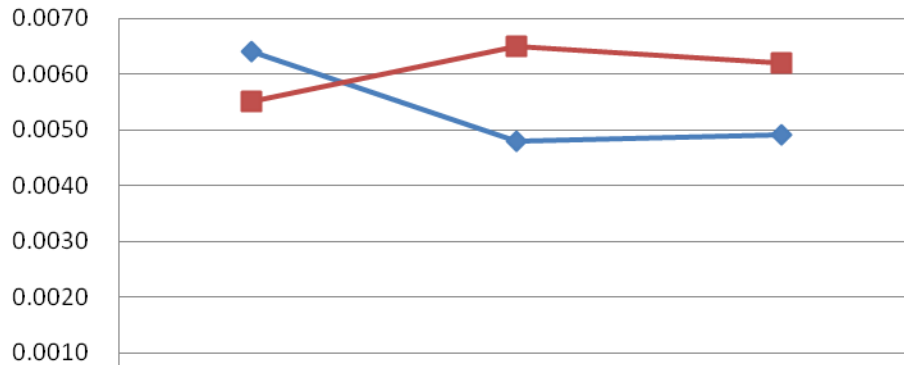
**5.4.1**

For all neither operations nor activities within CH plantations are using fossil fuel, particularly in estate operations. The CH also has a plan for improving of the use of fossil fuels through efficiency usage and optimising shell and fiber for Mill processing. According to data of diesel usage versus fiber and shell usage for last 3 years in Sungai Bangko Factory, can be seen as follow:



Meanwhile, fossil fuel usage of Sungai Bangko Estate and Cibaliung Estate for last 3 years as follow:

**Efficiency of Fossil fuel  
Sungai Bangko Estate and Cibaliung Estate**



	2014	2015	2016
—◆— SBE (Liter/Kg's FFB)	0.0064	0.0048	0.0049
—■— CBE (Liter/Kg's FFB)	0.0055	0.0065	0.0062

From the chart above, concludes that Diesel usage has reduced from year to year compare with FFB production.

**Status: COMPLY**

**5.5**

**Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

**5.5.1 and 5.5.2**

Certificate holder has had policies and procedures for land preparation without burning outlined in procedure of land clearing / preparation of new land which outlined the land clearing process without burning. The results of the document review, public consultation and field visits show if the company did not do a new land clearing.

**Status: COMPLY**

**5.6**

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

**5.6.1; 5.6.2**

Documents assessing pollution and emission sources, including significant pollutants and GHG emission from the CH has been identified and describes within procedure of GHG inventory and calculation (SOPP No: CR-AGR-710-GHG.06.14-1 Inventarisasi & Perhitungan Gas Rumah Kaca, tanggal 21 Juni 2011). A plan to reduce or minimize of emissions are available in GHG Mitigation Plan procedure (SOPP No: CR-AGR-709-GHG.06.14-1 Mitigasi Gas Rumah Kaca, tanggal 21 Juni 2011).

**5.6.3**

A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operation has been implemented through periodic measurement by accredited laboratory of environmental. Also, the CH has made an appropriate method for GHG calculating by using RSPO PalmGHG calculator version 2.1.1 and submitted to the RSPO on 4<sup>th</sup> May 2016.

However, according to RSPO Announcement on 14 December 2016 and RSPO reference document No. RSPO/TECH/GHG/009 (revised) dated 28 Desember 2016 related "Announcement on C5.6 & C7.8 public reporting starting 1<sup>st</sup> January 2017", the CH has fail to comply with this requirement. The announcement required that since 1<sup>st</sup> January 2017 GHG emission calculation should be using PalmGHG Calculator version 3.1 for every certification units (Mill and Supply Bases) and reported as a public summary. **Based on the explanation, raised the Non-Conformance**



<b>No 2017.11 with Minor category</b>	
5.6.3	<b>Status: NCR.2017.11 With Minor non conformance</b>
<b>PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills</b>	
<b>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.</b>	
6.1.1 The company can show assessment document of SIA conducted by BIOREF (Faculty of Forestry - Bogor Agricultural University) on January 3-7, 2017 but the document has not been ratified yet and still in draft. <b>Based on the explanation, raised the Non-Conformance No 2017.12 with Major category</b>	
6.1.2 The company conduct CSR and Social Economy Identification Survey. In operational area of PT Salim Ivomas Pratam & Subs Riau Utara states that parties that has been contacted are Kencana Village - Bagan Sinembah Sub-District, Pasir Putih Village - Bagan Sinembah Sub-District, Balai Jaya Village - Bagan Sinembah Sub-District, Balam Sempurna Village - Bagan Sinembah Sub-District, Bangko Pusako Village - Bangko Sempurna Sub-District, Pematang Damar Village - Bangko Sempurna Sub-District, and Pematang Langsung Village - Bulu Sub-District. In the survey activity there are some notes form impacted party.	
6.1.3 The company has management plan and social impact control document that engage impacted party and planned, the company also has determined PIC of the activity. Management plan and Control are included in Chapter IX SIA Document assessed on January 3-7, 2017 but the document has not been ratified yet and still in draft. <b>Based on the explanation, raised the Non-Conformance No 2017.01 with Major category</b>	
6.1.4 The company has conducted CSR and Social Economy Identification Survey in Operational Area of PT Salim Ivomas Pratama & Subs Riau Utara, Rokan Hilir District, Riau, in 2011 by Dompok Dhuafa team. The company has also reviewed Stakeholder meeting activity in PT Salim Ivomas Pratama Tbk & Subs on May 3, 2016. In the report, there is stakeholder exposure such as Pasir Putih Village which hopes for a social assistance of the House of Worship, etc. There are photos documentation and attendance list of 46 stakeholders from Representative of Police Sector of Bagan Sinembah, Rayon Military of Bagan Sinembah, Police Sector of Bangko Pusako and Region Representative Assembly (DPRD) Rokan Hilir, Head Village of Balai Jaya Kota, Kepenghuluan Balai Jaya Representative, Kepenghuluan Pasir Putih and NGO Representative.  SIA review recently done on January 3-7, 2017. In that activity, there is information about general condition of the company and its relation with impacted people, people characteristic, strategic issue and parameter analysis, Company existence impact, employment, management plan and control, and conclusion and recommendation.	
6.1.5 The company has no cooperation with small holding and there is no mandatory of making small holding.	
6.1.2; 6.1.3	<b>Status: NCR.2017.01 With Major non conformance</b>
<b>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.</b>	
6.2.1	

The company has SOP with document number SIMP-PROS-04, rev. 02 dated on November 01, 2011 about communication, participation and communication. The SOP explains about GRD Manager responsibilities such as informing complaint or suggestion form third party to the related party in the company, being a mediator and facilitator for complain and suggestion completion from third party to the company. HSE Coordinator responsibility is documenting notes and files, and HSE Officer responsible to ensuring communication, participation and communication activities done according to the schedule that has been made.

If there is suggestion/complaint/communication form external party, HSE officer in Mill and Plantation or GRD will receive and deliver the suggestion/complaint/communication from the external party to management. After that, they will form a team to settle. Then, management will communicate the corrective action to the external party and monitor it to the external party by HSE Officer/HES Coordinator/GRD.

Based on interview with local people and Government Agency, known that stakeholder knows how to access information to the company. The Government states that information request can be delivered through PR or Legal Department of the company. Local said that information can be deliver through PR, Chief Assistant, or Company Manager. Policy and rules has been socialized in the stakeholder meeting activity of PT Salim Ivomas Pratama Tbk. & Subs that done on May 3, 2016

6.2.2

The company has pointed an officer related to the stakeholder in each management unit accordance with decision letter.

Based on interview with local people and Government Agency, known that stakeholder knows how to access information to the company. The government states that information request can be delivered through PR or legal department of the company. The local people state that information can be delivered through PR, Chief Assistant, or company manager.

6.2.3

The company has incoming letter record noted in an information logbook (both incoming letter from division and management). In the logbook, there is an information about date, letter number, sender, subject, and address. There is no information request, only a requesting letter for assistance such as mill facility usage request, Heavy Equipment (Excavator) usage request to road reparation, etc.

The company socialized policy and rules that need to be socialized in the Stakeholder Meeting of PT Salim Ivomas Pratama Tbk & Subs on May 3, 2016. In the activity report, there are documentation evidences in photos and attendance list of 46 stakeholders from Representative of Police Sector of Bagan Sinembah, Rayon Military of Bagan Sinembah, Police Sector of Bangko Pusako and Region Representative Assembly (DPRD) Rokan Hilir, Head Village of Balai Jaya Kota, Kepenghuluan Balai Jaya Representative, Kepenghuluan Pasir Putih and NGO Representative.

Based on interview with local people and Government Agency, known that stakeholder knows how to access information to the company. The government states that information request can be delivered through PR or legal department of the company. The local people state that information can be delivered through PR, Chief Assistant, or company manager.

**Status: COMPLY**

**6.3**

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

6.3.1

The company has a procedure of workers complain (SIMP-PROS-35) and SOP with document number SIMP-PROS-04, rev. 02 date on November 1, 2011 about communication, participation and communication. Based on interview result with management and workers, workers will deliver their complaint to organization which formed such as gender committee and labor union available in each unit. In the Communication, Participation and Communication SOP number

SIMP-PROS-04 states that if the workers has any complaint, it can be delivered to the labor union and they will state with the chief of the company. The chief of the company will response at least in 10 days.

Complaint received from the workers will be recorded in a complaint logbook that owned by each management unit. Based on document study result on the logbook, during 2016 there is no complaint noted in the logbook. Based on the interview with the harvest workers in Block L63 - L64 division III and Sprayer in Block L58 - L59 Division II, known that the workers have known the mechanism of delivering complaint. The workers say that if there is any complaint will be delivered to SPSI and their supervisor.

The company has had procedure of handling complaint that regulated in Workers Complaints Procedure (SIMP-PROS-35) both internal complaint and Communication, Participation and Communication Procedure (SIMP-PROS-04) but the procedure has not regulated yet if joint resolution cannot be achieved, complaint can be delivered to RSPO Complaint System. **Based on the explanation, raised the Non-Conformance No 2017.13 with Major category**

6.3.2

The company has complaint logbook available in each management unit. Based on document study result to the logbook, unidentified any complaint received from the workers. Based on interview result with the harvest workers in Block L63 - L64 Division III and sprayer in Block L58 - L59 Division II, the workers never deliver any complaint to the company. The company also has had officer related to the stakeholder and documentation.

Based on public consultation result with BPN (National Land Body) of Rokan Hillir District and the local people, known that there is no land seizing since 2007. There is no complaint related to land dispute from the local people.

6.3.1	<b>Status: NCR.2017.13 With Major non conformance</b>
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**6.4  
Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

6.4.1; 6.4.2

A procedure for identifying legal, customary or user rights and people entitled to compensation is available in "Prosedur Pembebasan / Ganti Rugi Lahan (SR-AGR-102-GRL.06.11-1)" and "SOPP No: CR-AGR-709-FPIC.06.11-1, tertanggal 21 Juni 2011" for FPIC mechanism.

6.4.3

Compensation claims, process and outcome of any negotiated agreements have documented. Refer to Criteria 2.3 Guidance stated that "all indicators are applied to all oil palm plantations developed after November 2005, with exception to plantations developed prior to November 2005 that may not have records dating back to the time of decision making. So that, copies of negotiated agreements including the process of FPIC for planting year 2005 are available and can demonstrate the evidence in place. For instance, documents of Farmer Group BERKAT GOGO RANCA that has 15 land owners and total land compensated is 46 Ha. Supporting documents to prove the FPIC process are: Statement Letter of Releasing the Land Rights, dated 28 November 2002; Statement Letter of No Dispute over the land and map of its land. Both of these documents recognized by relevant parties and informed in Bahasa.

	<b>Status: COMPLY</b>
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**6.5  
Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

6.5.1

Labor Regulation involved in PKB (collective agreement) period of 2015-2017. In PKB (Collective Agreement) discuss about regulation of leave, work defaulter, dismissed, meal allowance, over time, and over time wage, premium provision, etc. That PKB has been ratified based on Decision of Director of Jenderal Pembinaan Hubungan Industrial dan Jaminan Tenaga Kerja (No Kep.88/PHIJSK-PKKAD/PKB/2015) about Registration of PKB (Labour Agreement) with Badan Kerjasama Perusahaan Sumatera (BKS-PPS) with Pengurus Pusat Serikat Pekerja Pertanian dan Perkebunan Serikat

Pekerja Seluruh Indonesia (PPFSP.PP-PSSI) on June 15, 2015.

The company has payroll list and paychecks evidence given to the workers of Sungai Bangko Estate, Sungai Bangko POM and Cibaliung Estate. For example: payroll list of December 2016. Based on interview with labor union representative and harvest worker representative in Block L62/63, Division III Sungai Bangko Estate, known that the workers never received their wage less than minimum wage. The result of public consultancy with Dinas Ketenagakerjaan (Labour Agency) of Rokan Hilir District states that negative issues related to their wage in the company are unidentified.

6.5.2

The company has PKB (Collective agreement) which discuss about regulation of leave, work defaulter, dismissed, meal allowance, over time, and over time wage, premium provision, etc. The company also has SPK (Work Agreement) with the workers which has been signed by both parties, workers and the company. Each party has a copy of the work agreement. It is available in Bahasa Indonesia that is understood by the workers.

Based on interviews with representative of workers and labor union of each management unit, known that there is no issue about payroll. Workers state that their wage is appropriate with minimum wage specified by the government and by the company.

The result of public consultation with Dinas Tenaga Kerja (Labour Agency) of Rokan Hilir District, state that there is no negative issue related the wage in the company. The company has paid their workers more than specified minimum wage.

6.5.3

The company has given proper housing facility to their workers. Based on field visit and interview with the workers, known that the company has provided proper housing to the workers. Provided electricity Sourced from generator. The water in the workers housing sourced from artesian well streamed to the workers houses using pipe. The company also provide clinic along with the paramedics with the distance from the housing around 15-30 minutes to the clinic. The company has also registered all the workers to BPJS Kesehatan (social security administration bodies). Children educational facility provided by the company such as school bus. Elementary school is not far from the workers housing. It is still in company area. In work agreement owned by the company, it state that to increase the workers' children education, the company will help them who have accomplishment (1st-3rd ranking) by giving IDR 150,000./years to elementary school, IDR 200,000./years for junior high school, and IDR 250,000./years to Senior High School. Besides housing, the company also provide other facilities such as place of worship, sport center, day care, etc.

6.5.4

Based on interview with representative of workers, labor union of each management unit, known that weekly market in every Saturday in the workers cabin is available. The company also provide cooperative nine basics for workers to ease the workers get their proper meal. Besides cooperative, the company also gives allowance every month in accordance with the workers' amenability. 15kg/month rice for the workers are given.

The workers has no difficulty to get their daily food resources. The food are available well enough for the workers with reasonable price. The company gives opportunity for the workers to gardening in their house which known as Program Kampung Iklim (PROKLIM). PROKLIM aims to maintain endurance food of the workers.

**Status: COMPLY**

**6.6**

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

6.6.1

The company has sustainable Palm Oil Policy of PT Salim Ivomas Pratama ratified by Chief Executive Officer (Mark

Wakeford) on May 1, 2009. "Giving equality of opportunity for the whole workers to negotiate, associate, and develop their career in accordance with their ability". Based on the interview with the representative of workers and labor union of each management unit, known that the company does not limit the workers, either permanent or temporary workers, to negotiate.

Based on that policy, the workers has formed labor union for each management unit. The labor union has been registered in Dinas Tenaga Kerja (labour agency) Rokan Hilir District in accordance with owned Agreement Letter.

6.6.2

Each management unit has labor union organization, such as in Sungai Bangko POM, Sungai Bangko Estate and Cibaliung Estate. Record of each meeting activity is available. Based on document study result and interview result with the representative of labor union of each management unit, known that the meeting done by the labor union conducted every 3 months to discuss about needed or problem solving of the workers.

Status: COMPLY

**6.7 Children are not employed or exploited.**

6.7.1

The company has policy of Sustainable Palm Oil of PT Salim Ivomas Pratama ratified by Chief Executive Officer (Mark Wakeford) on May 1, 2009. In that policy, there is a statement that the company ensure and protect the right of workers reproduction, **"not employ children (minors) and protect the workers from the sexual harassment in the company's environment."**

Based on document study result of the workers list of December 2016 in Sungai Bangko POM, Sungai Bangko Estate and Cibaliung Estate known that children workers under 18 years old is unidentified. Public Consultancy result with labour agency and representative of Labor Union, known that there is no issue of children (minors) in the company. The policy has been socialized to the workers on 11 January 2017 that attended by 74 workers representatives of PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation.

Status: COMPLY

**6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.**

6.8.1

The company has policy of Sustainable Palm Oil of PT Salim Ivomas Pratama ratified by Chief Executive Officer (Mark Wakeford) on May 1, 2009. In the policy, there is a statement that the company gives equal opportunity for all workers to **negotiate, associate, and develop their career in accordance with their ability.**

The policy stands for all workers in PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation which subsidiary of PT Salim Ivomas Pratama and has been socialized to the workers on January 11, 2017 that attended by 74 workers representatives of PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation.

Based on document study result of workers database on December 2016 in Sungai Bangko POM, Sungai Bangko Estate and Cibaliung Estate known that the workers of the company consist of different tribe, religion, and gender. The interview result with representative of workers also states that there is discrimination done by the company. The works and wage given are appropriate with the workers' ability. The company also conduct job promotion based on the workers' ability and their rating from their supervisor, there is no discrimination.

Public consultation result with Dinas Tenaga Kerja (Labour Agency) Rokan Hilir District and labor union representatives, known that there is no discrimination in the company identified. All workers employed and treated the same.

6.8.2



Based on the interview with the workers, known that the workers come from villages around the company but most of them are immigrant, such as coming from Java, Batak, Melayu, and Minang. The company also treats the workers based on their race, tribe, and religion. The company treats all workers equally. The assessment done based on workers' ability. The interview result with sprayer in Blok L58/L59 who is a woman, known that there is no discrimination to the women workers. The company gives respect to the woman workers' rights, such as H1 and H2 leave, pregnant and breastfeeding workers may not be employed in any work related to the chemical material, and the company provides daycare facility for the workers who have toddler therefor it will not hamper their work.

Based on the interview with the workers, labor union and Dinas Tenaga Kerja (Labour Agency) Rokan Hilir District, known that there is no complaint related to discrimination issues in the company.

6.8.3

Based on interview result with management representative, known that workers files saved as a file, including payroll, trail work record, medical history of the workers, document study result of workers database on December 2016 in Sungai Bangko POM, Sungai Bangko Estate and Cibaliung Estate, known that the workers consists of different tribe, religion and gender. The interview result with workers representative also stated that there is no discrimination done by the company. The works and the wage are given appropriate with the workers' ability. The company also conducts job promotion based on the workers' ability and assessment from their supervisor, there is no discrimination.

Status: COMPLY

6.9

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

6.9.1

The company has Policy of Sustainable Palm Oil of PT Salim Ivomas Pratama ratified by Chief Executive Officer (Mark Wakeford) on May 1, 2009. In the policy states that the company **ensure and protect reproductive rights of the workers, not employ children (minor) and protect the workers from sexual harassment are protected by the company.**

The company stands for the workers in PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation that are subsidiary of PT Salim Ivomas Pratama and has been socialized to all workers on January 11, 2017 that attended by 74 workers representatives of PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation.

The company has SOP number CR-OPR-105-KPS.11.11-1 Standard Operating Procedures & Policies of Preventing and Handling Sexual Harassment Case. The company also has Gender Committee Program, Women Protection in 2017.

Based on interview result with representative of gender committee (Head) from each management unit, known that the company gives opportunity to woman workers to breastfeed their children well. The company also makes the policy for the pregnant and breastfeeding workers to not work related to the chemical material. The woman workers also have opportunity to have H1 and H2 leave. H1 leave given for 2 days (first and second of their period) and H2 given for 3 months (1.5 months before labor prediction day and 1.5 months after it).

6.9.2

The policy stands for all workers in PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation which subsidiary of PT Salim Ivomas Pratama and has been socialized to the workers on January 11, 2017 that attended by 74 workers representatives of PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation.

6.9.3

The company has SOP number CR-OPR-105-KPS.11.11-1 Standard Operating Procedures & Policies of Preventing and Handling Sexual Harassment Case. The procedure explains the purpose, definition, policy, scope, reference, and

operational procedure (preventing procedure of sexual harassment, handling sexual harassment case, accomplishment of complaint/report, and punishment for sexual harassment doer). The SOP has been socialized to the workers on January 11, 2017 that attended by 74 workers representatives of PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation along with company policy.

Based on interview result with gender committee representative and sprayer in Block L58/59 in Sungai Bangko Estate who is a woman worker, known that there is no complaint or report related to harassment and violence identified. The worker states that there is no harassment and violence ever in the company.

**Status: COMPLY**

**6.10**

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

Certificate holder did not purchase FFB from smallholders or outgrowers and also no smallholder's scheme. All FFB Process Supplied from the company under subsidiary of PT Salim Ivomas Pratama namely PT Gunung Mas Raya (Gunung Mas Estate), PT Cibaliung Tunggal Plantation (Cibaliung Tunggal Estate) and PT Salim Ivomas (Kayangan Estate).

**Status: COMPLY**

**6.11**

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

6.11.1

The company has CSR (Corporate Social Responsibility) 2017 to Sungai Bangko Factory Unit, Sungai Bangko Estate, and Cibaliung Estate that has been arranged on June - July 2016.

The company also has Activity report of Stakeholder meeting of PT Salim Ivomas Pratama Tbk & Subs that conducted on May 3, 2016. There is explanation of stakeholder, such as from Pasir Putih Village that hopes social assistance for house of worship, etc. There are photos and attendance list documentation of 46 stakeholders such as representatives of Police Sector of Bagan Sinembah, Rayon Military Command (Koramil) of Bagan Sinembah, Police Sector of Bangko Pusako, Regional Representative Assembly (DPRD) Rokan Hillir representative, Head Village of Balai Jaya Kota, Kepenghuluan Balai Jaya, Kepenghuluan Pasir Putih and NGO. The stakeholder meeting aims to deliver information feedback of the stakeholder about policy and company program related to sustainable palm oil achievement.

6.11.2

The company has no cooperation with independent smallholders.

**Status: COMPLY**

**6.12**

**No forms of forced or trafficked labour are used.**

6.12.1

The company has policy of prohibition of employ workers without work agreement with the company through standard memorandum of work agreement for the daily workers from HRD and AMA-II. The company does not employ migrant workers, and forcibly employ the workers. The workers recruited directly, not through agent. In the work agreement, there is no statement that the workers will be charged when they resign before their work agreement ended. Based on document study result of workers list on December 2016 and explanation from management representative, known that there are no migrant workers. All workers are domestic, besides from the villages around the company, they also come from other provinces, such as Jawa Tengah, Jawa Barat, Jawa Timur, Sumatera Utara, Sumatera Barat, etc. The result of public consultancy with Dinas Tenaga Kerja (Labour Agency) of Rokan Hilir District, there is no migrant workers and forced labor issue identified in the company. Based on a worker's statement, known that the workers employed accordance with their ability and selection result. Practically, there is no discrimination issue and forced labor. The workers are not forced to work out of their work time and there is no limitation of communication between workers and external party.

6.12.2

The new workers recruitment, known that the recruitment system in the company done in accordance with the company requirement. The applicants will be selected first through the medical checkup in a clinic and files selection (ID Card and Family Certificate). Workers Recruitment process consists of activities: Planning, Publication, Administration Selection, Interview, Medical Check Up, Work Agreement execution, and placement.

All preliminary data related to the workers recruitment selection are saved in each unit. The company can show SPK of their workers. The SPK signed by both parties to proof that the workers employed in accordance with the agreement of both parties. Each worker has a copy of agreement letter.

Based on document study result of workers list on December 2016 and explanation from management representative, known that there are no migrant workers. All workers are domestic, besides from the villages around the company, they also come from other provinces, such as Jawa Tengah, Jawa Barat, Jawa Timur, Sumatera Utara, Sumatera Barat, etc. The result of public consultancy with Dinas Tenaga Kerja (Labour Agency) of Rokan Hilir District, there is no migrant workers and forced labor issue identified in the company. Based on a worker's statement, known that the workers employed accordance with their ability and selection result. Practically, there is no discrimination issue and forced labor.

r 6.12.3

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**Status: COMPLY**

**6.13  
Growers and millers respect human rights**

6.13.1

The company has policy of Sustainable Palm Oil of PT Salim Ivomas Pratama ratified by Chief Executive Officer (Mark Wakeford) on May 1, 2009 which consist of human rights. The SOP has been socialized to the workers on January 11, 2017 that attended by 74 workers represent The company also has Collective Agreement for period of 2015-2017 which discuss about regulation of leave, work defaulter, dismissed, meal allowance, over time, and over time wage, premium provision, etc.

The company also has Collective Agreement for period of 2015-2017 which discuss about regulation of leave, work defaulter, dismissed, meal allowance, over time, and over time wage, premium provision, etc.

**Status: COMPLY**

**PRINCIPLE #7 Responsible development of new plantings**

7.1

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

The planting have been conducted since 1988 and no replanting activities began for Sungai Bangko Estate and Cibaliung Estate. Therefore, there was no new planting nor expansion after November 2005.

**Status: COMPLY**

7.2

**Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

The planting have been conducted since 1988 and no replanting activities began for Sungai Bangko Estate and Cibaliung Estate. Therefore, there was no new planting nor expansion after November 2005.

**Status: COMPLY**

7.3

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

7.3.1; 7.3.2; 7.3.3; 7.3.4; 7.3.5	Planting year 2005 (420 Ha in CBE) and 2009 (4 Ha in SBE) are presence in the CH area and HCV Assessment has been conducted in 2010. Based on the HCV identification it was clear that planting year 2005 and 2009 have not replaced primary forest or HCV area. Disclosure of Liability and Land Use Cover Change Analysis for Salim Ivomas Pratama group as an RSPO member and its subsidiaries, including PT. Cibaliung Tunggal Plantation (PT. CTP) and PT. Gunung Mas Raya (PT. GMR) has been submitted to the RSPO on 29 December 2015. The result stated that PT. CTP and PT. GMR have zero liability.
	<b>Status: COMPLY</b>
<b>7.4</b>	<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>
	The planting have been conducted since 1988 and no replanting activities began for Sungai Bangko Estate and Cibaliung Estate. Therefore, there was no new planting nor expansion after November 2005.
	<b>Status: COMPLY</b>
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>
	The planting have been conducted since 1988 and no replanting activities began for Sungai Bangko Estate and Cibaliung Estate. Therefore, there was no new planting nor expansion after November 2005.
	<b>Status: COMPLY</b>
<b>7.6</b>	<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>
	The planting have been conducted since 1988 and no replanting activities began for Sungai Bangko Estate and Cibaliung Estate. Therefore, there was no new planting nor expansion after November 2005.
	<b>Status: COMPLY</b>
<b>7.7</b>	<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>
	The planting have been conducted since 1988 and no replanting activities began for Sungai Bangko Estate and Cibaliung Estate. Therefore, there was no new planting nor expansion after November 2005.
	<b>Status: COMPLY</b>
<b>7.8</b>	<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>
	The planting have been conducted since 1988 and no replanting activities began for Sungai Bangko Estate and Cibaliung Estate. Therefore, there was no new planting or expansion after November 2005.
	<b>Status: COMPLY</b>
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>
	There is some continues improvement conducted by the company such as Climate Village Programme (PROKLIM) to support food security for the employees.
	PT. Gunung Mas Raya (PT. GMR) - PT. Cibaliung Tunggal Plantation (PT. CTP) as subsidiary of PT. Salim Ivomas Pratama, Tbk (RSPO Member) has had the procedure for domestic waste management that's mentioned in SOP No.

SIMP-PROS-16, Rev. 00 about "Pengelolaan Sampah Domestik Padat", but

- Result of field observation in emplantment Division 3, Division 4 and Division 5 Cibaliung Estate, Emplantment Division 1 & Division 3 Sungai Bangko Estate and around of Sungai Bangko factory Office its known if domestic waste is collecting in one place and then burning.
- There is some EFB with burning methods, in example in Blocks L63 an L64

**Based on the explanation, raised the Non-Conformance No 2017.14 with Major categor**

8.1.1	<b>Status: NCR.2017.14 With Major non conformance</b>	
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**3.2 Summary of Assessment Report of Supply Chain Requirements**

Clause	(Module E) CPO Mills - Mass Balance Requirements
<b>E.1</b>	<b>Definition</b>
<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>Sungai Bangko Factory applied Mass Balance supply chain model because the mill receive and process all FFB's from certified and uncertified sources.</p> <p>Identification of certified sources:</p> <ol style="list-style-type: none"> <li>1. Sungai Bangko Estate Division 1, Division 2 &amp; Division 3 (PT Gunung Mas Raya)</li> <li>2. Cibaliung Estate (PT Cibaliung Tunggal Plantation)</li> <li>3. Kayangan Estate (PT Salim Ivomas Pratama)</li> </ol> <p>Identification of uncertified sources for last a year are Sungai Bangko Estate Division 4</p>
	<b>Status: COMPLY</b>
<b>E.2</b>	<b>Explanation</b>
<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>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in the Summary Report RSPO and Annexes certificate. During the annual surveillance assessment, the auditor team make an updating record for real time volume of CPO and PK produced from the mill. But during ASA-3 <i>The certificate holder didn't received volume of certified product from previous assessment (conducted by another CB)</i></p>
	<b>Status: COMPLY</b>
<b>E.2.2</b>	<b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the</b>



<b>RSPO supply chain managing organization (RSPO IT platform or book and claim).</b>	
<p>Sungai Bangko Factory has been met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim) with person in charge area Sustainability Department.</p> <ul style="list-style-type: none"> <li><b>RSPO IT Platform member registration number of SBF :</b> <b>Member id : RSPO_P01000002159</b></li> </ul>	
	<b>Status: COMPLY</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>	
<p>Identification Supply Chain (SOP No: CR-OPR-101-SPC.03.13-1). This procedure describes about:</p> <ul style="list-style-type: none"> <li>The definition of POM, FFB, CPO, OER, FFA, Mass Balance, SupplyChain. The mass balance system allowed mixing of palm oil products with RSPO certified and RSPO non-certified at any stage in the supply chain under the condition that the overall number of products controlled by the company, so that the RSPO certified products delivered will never exceed the volume received by the last user from the supply chain.</li> <li>The responsibility of Factory manage responsibility is to ensure the procedure of has been applied the operating unit.</li> <li>Identification of the material status (FFB) derived from the estate with RSPO certified characterized by the use of RSPO logo on each Delivery Order Letter.</li> <li>for the estimation of FFB processing and RSPO certified products produced in the mill through the calculation of daily production report and the delivery taken based on the weighing data, marked on each weigh ticket (weighbridge tickets).</li> <li>the storage period for the entire records or reports from FFB reception in the POM, palm oil processing, CPO product storage, palm kernel and CPO products delivery, kernel to the buyers is 10 years.</li> </ul>	
	<b>Status: COMPLY</b>
<b>E.3.2</b>	
<b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b>	
<p>The procedures of Identification and Product Traceability have been explained how the reception and processing of FFB with RSPO certified and non-certified. The identification of the material status (FFB) derived from the RSPO certified estate characterized by the use of RSPO logo on each Delivery Order Letter.</p> <p>The estimation of FFB processing and RSPO certified products based on the calculation of daily production reports and delivery reports based on the weighing data marked on each weighing ticket. The procedures need to be equipped with a mass balance calculation guide.</p>	
	<b>Status: COMPLY</b>
<b>E.4</b>	<b>Purchasing and goods in</b>
<b>E.4.1</b>	
<b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b>	
<p>Sungai Bangko Factory applied Mass Balance supply chain model because the mill receive and process all FFB's from</p>	

<p>certified and uncertified sources.          Identification of certified sources:</p> <ol style="list-style-type: none"> <li>1. Sungai Bangko Estate Division 1, Division 2 &amp; Division 3 (PT Gunung Mas Raya)</li> <li>2. Cibaliung Estate (PT Cibaliung Tunggal Plantation)</li> <li>3. Kayangan Estate (PT Salim Ivomas Pratama)</li> </ol> <p>Identification of uncertified sources for last a year are Sungai Bangko Estate Division 4</p> <p>This will be verified during ASA-4</p>	
	<b>Status: COMPLY</b>
<b>E.4.2</b>	
<b>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</b>	
<p>Will be verified at the time of ASA41 after the company received a new certificate. However, SOP Suply Chain (SOP No: CR-OPR-101-SPC.03.13-1) had arranged that the company will be given written information to the RSPO certification bodies, if there is an excessive production of RSPO certified from the projected.</p>	
	<b>Status: COMPLY</b>
<b>E.5</b>	<b>Record keeping</b>
<b>E.5.1</b>	
<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.)</li> </ol>	
<p>Will be verified at the time of ASA41 after the company received a new certificate. However, SOP Suply Chain (SOP No: CR-OPR-101-SPC.03.13-1) describes record balancing, delivery and sales of RSPO-certified oil palm in accordance with term of RSPO suply chain system is available.</p>	
	<b>Status: COMPLY</b>
<b>E.5.2</b>	
<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.</b>	
<p>Not Applicable. Sungai Bangko Factory does not conduct outsource activity to the independent palm kernel crushers.</p>	
	<b>Status: COMPLY</b>

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

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-3</b>	Sungai Bangko Factory and its supply base did not use certificate nor logo.	√
	<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>	Sungai Bangko Factory and its supply base did not use certificate nor logo.	√
	<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>	Sungai Bangko Factory and its supply base did not use certificate nor logo.	√
	<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>	Sungai Bangko Factory and its supply base did not use certificate nor logo.	√
	<b>Status: COMPLY</b>	

### 3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of PT Salim Ivomas Pratama, Tbk against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

Time Bound Plan (TBP) of PT Salim Ivomas Pratama, Tbk is explained in table 1.10. PT Salim Ivomas Pratama, Tbk has eighteen (18) mills and has informed the TBP progress to submit the certifications. MUTU has considered that PT Salim Ivomas Pratama, Tbk is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by PT Salim Ivomas Pratama, Tbk on 11 August 2017.

MUTU has verified partial certification for un-certified unit's subsidiary of PT Salim Ivomas Pratama, Tbk based on their Time Bound Plan. There are twelve (12) uncertified companies of PT Salim Ivomas Pratama, Tbk. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes and positive assurance is developed under PT Salim Ivomas Pratama, Tbk through an internal audit.  <b>Auditor verification</b> Based on the document review, there is a company internal audit that was conducted for each uncertified management units during period May 2015 upto September 2016 and the positive assurance is at this table that is also been verified.
2.1.2	No replacement after dates defined in Nis Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	Twelve (12) plantation companies under management of PT Salim Ivomas Pratama, Tbk has had land clearance after November 2005. HCV Assessment has been conducted in 2014. The companies among others: <ol style="list-style-type: none"> <li>1. PT Mentari Subur Abadi.</li> <li>2. PT Citra Nusa Inti Sawit.</li> <li>3. PT Kebun Ganda Prima.</li> <li>4. PT Riau Agrotama Plantation</li> <li>5. PT Kebun Mandiri Sejahtera</li> <li>6. PT Hijau Pertiwi Indah Plantation</li> <li>7. PT Citra Kalbar Sarana</li> <li>8. PT Jake Sarana</li> <li>9. PT Swadaya Bhakti Negaramas</li> <li>10. PT Cangkul Bumi Subur</li> </ol>

		<p>11. PT Intimegah Bestari Pertiwi 12. PT Pelangi Inti Pertiwi</p> <p><b>Auditor verification</b> Based on internal audit results and evidence provided, the all subsidiaries of PT Salim Ivomas Pratama, Tbk has sent the Disclosure of Liability and Land Use Change Analysis to RSPO on 29 December 2015.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p>There are ten (10) companies has had New planting after 1<sup>st</sup> January 2010, following are:</p> <ol style="list-style-type: none"> <li>1. PT Mentari Subur Abadi. NPP rejected by RSPO, sanction for planting upto 8 August 2017.</li> <li>2. PT Citra Nusa Inti Sawit. NPP reviewed by RSPO.</li> <li>3. PT Riau Agrotama Plantation. NPP ongoing progress by CB's.</li> <li>4. PT Hijau Pertiwi Indah Plantation. NPP ongoing progress by CB's.</li> <li>5. PT Citra Kalbar Sarana. NPP ongoing progress by CB's.</li> <li>6. PT Jake Sarana. NPP ongoing progress by CB's.</li> <li>7. PT Swadaya Bhakti Negaramas. NPP ongoing progress by CB's.</li> <li>8. PT Cangkul Bumi Subur. NPP ongoing progress by CB's.</li> <li>9. PT Intimegah Bestari Pertiwi. NPP ongoing progress by CB's.</li> <li>10. PT Pelangi Inti Pertiwi. NPP ongoing progress by CB's.</li> </ol> <p><b>Auditor verification</b> Based on internal audit, documented time of land clearing and liability disclosure sent to RSPO, there is new planting/land clearing after 1<sup>st</sup> January 2010 for several companies. NPP verification for some of these has been conducted and still ongoing progress.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Based on information that available on website browser, there is some land conflicts occurred.</p> <ol style="list-style-type: none"> <li>1. PT Intimegah Bestari Pertiwi</li> <li>2. PT Kebun Mandiri Sejahtera</li> <li>3. PT Riau Agrotama Plantation</li> </ol> <p><b>Auditor verification</b> Based on evidence provided, the companies has been resolved the conflict through participatory ways and FPIC mechanism.</p>



		<ol style="list-style-type: none"> <li>1. PT Intimegah Bestari Pertiwi. Conflict resolved on 20 March 2014.</li> <li>2. PT Kebun Mandiri Sejahtera. Still ongoing process with East Kalimantan Police Department, last information for resolving conflicts is on 19 June 2017.</li> <li>3. PT Riau Agrotama Plantation. Has been resolved on 6 June 2017.</li> </ol> <p>All documented evidence of its conflict was provided by the PT Salim Ivomas Pratama, Tbk.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is information gathered from website browser that labour conflict was raised on June 2015 at PT Cangkul Bumi Subur.</p> <p><b>Auditor verification</b> Auditor has verified based on evidence that provided by the company that information was not related to labour dispute. This case has been resolved following their own procedure and closed on July 2015.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>No legal non-compliance was raised.</p> <p><b>Auditor verification</b> Legal land for all subsidiaries is clear and documented.</p>



**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-3 Assessment**

<b>NCR No.</b>	: 2017.01	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: 11 March 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 14 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Based on document verifications and field observation obtained information if			
<ol style="list-style-type: none"> <li>1. PT. Gunung Mas Raya (PT. GMR) - PT. Cibaliung Tunggal Plantation (PT. CTP) as subsidiary of PT. Salim Ivomas Pratama, Tbk (RSPO Member) has been conducted specific medical surveillance for the employees who worry with pesticide once a year but in "Permenaker no. 3 Tahun 1986" stated that specific medical surveillance should be conducted at least once at 6 month, particularly for pesticide operator.</li> <li>2. During field observation in Sungai Bangko Estate Div. 3 Block M74, auditor found family members which has no contract is helping the workers for harvesting activities. This is not complying with applicable regulation Act of Employment "UU Ketenagakerjaan No. 13 Tahun 2003". Nevertheless, the CH has had memorandum No. AMA.II-EM AREA II-IX/2016/019, dated 20 September 2016 regarding Standard of Worker Agreement for Daily Workers which is in the statement mentioned that daily workers without contracts is prohibited. NC MAJOR 2017.01 was raised for this issue.</li> </ol>			
<b>Root Cause Analysis (filled by organization audited):</b>			
<ol style="list-style-type: none"> <li>1. the company has not conducted any special inspection of employees working with pesticides at least 1 (one) time in 6 (six) months, but it has been budgeted for the current year.</li> <li>2. There has been no socialization to the workforce that it is not allowed family members who do not have employment status to assist with work activities.</li> </ol>			
<b>Corrective Action (filled by organization audited):</b>			
<ol style="list-style-type: none"> <li>1. Immediately conduct special health checks of employees who manage pesticides.</li> <li>2. Immediately disseminate to the workforce about the prohibition of assisting family members who do not have employment status.</li> </ol>			
<b>Preventive Action (filled by organization audited):</b>			
<ol style="list-style-type: none"> <li>1. Schedule a special health check of employees who manage pesticides at least once in 6 months</li> <li>2. Conducts periodic socialization about the prohibition of assisting family members who do not have status of employment relationship and give strict sanction in the form of warning letter</li> </ol>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verify March 04, 2016</b>			
<ol style="list-style-type: none"> <li>1. The company may show the evidence in the form of AOP for environment and OHS of 2017 which explains that medical examination for employees working with chemicals will be done twice in 1 year and (1 (one) time in six months</li> <li>2. The Company may show the evidence of the form of socialization concerning the prohibition of employing non-employee wives and children for example on 04 February to all employees (foreman, harvesters, loader, sprayer)</li> </ol> <p>Based on evidence of improvements that have been submitted the auditor assessed the non conformities in this indicator is still open because there is not enough evidence available:</p>			

- Mechanisms to ensure that health checks go according to the schedule
- Mechanism to ensure / prevent that there are no employees who take / bring family members to the field

**Verify MAJOR June 14, 2017**

**Special Health Checkup**

Special Health Checkup activities for spraying force have been conducted on 25-29 April 2017 for all spraying worker in SBE and CBE. Special medical examination in collaboration with T Hamrin Clinic Pekanbaru with blood examination form (Cholinestrase). The total number of workers who have performed health checks include:

SBE: 33 people (Div.1-3) and 9 people (Div 4 Gulf Islands - out of scope). Results of interviews with 5 of 14 spray workers Div. 3 SBE, known to have received a special health examination by taking blood samples (Cholinestrase).

CBE: 44 people (Div. 1-5). The results of interviews with 5 of the 14 CBE Div.3 spray workers in Block I-24 / I-25 recognized that they had undergone a special medical examination in April 2017. In addition, they stated that PPE was an important tool in working to prevent exposure chemicals / pesticides. The type of mask used by spray is the "Half Mask Respirator Single Filter KW10-299" trademark Krisbow, where this mask uses filters that are routinely replaced every 1 month on spray activity.

**Workers**

The memorandum of the AMA-2 dated November 7, 2016 (AMA.II-EM AREA II- / XI / 2016/020) concerning the Implementation of Sustainability Policy. Where it has stated the statement: "2. Only registered workers are allowed into plantation and factory work areas.

Field interview results in Block K-62 Div. 3 SBE, 4 harvester stated that taking family/ children to help the field work is strictly prohibited by the company. They claimed never to invite family / children, because of dangerous and no guarantees, and the imposition of firm sanctions from the company. The foreman and assistant always conduct routine surveillance during working hours to ensure no such violations.

Meanwhile, the results of interviews with 5 harvester and 3 FFB loads of Div. 3 on Block I-26, provides the same explanation that it is not allowed to bring relatives to help with the work. The sanctions that apply if there is a violation is a warning until a strong warning.

On the basis of the application of the field to the improvements made, this nonconformitii is stated CLOSED WITH OBSERVATION

**Verified by : Moh. Arif Yusni / Yudwi Wisnu Rahmanto**

<b>NCR No.</b>	<b>: 2017.02</b>	<b>Issued by</b>	<b>: Yudwi Wisnu Rahmanto</b>
<b>Date Issued</b>	<b>: 12 Januari 2017</b>	<b>Time Limit</b>	<b>: 11 March 2017</b>
<b>NC Grade</b>	<b>: MAJOR</b>	<b>Date of Closing</b>	<b>: 14 June 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</b> <b>Audit checklist:</b>		

	<p>b. Is there evidence that the identification of legal, customary or user rights has been done through FPIC process?</p> <p>d. Is there a map of the extent of legal, customary or user rights? Is this map of appropriate scale (1:10,000)?</p>
<p><b>Non-Conformance Description &amp; Evidence observed :</b></p> <p>Cibaliung Estate (CBE) has had a map “Peta HGU PT. CTP Skala 1:72,000 and Peta Areal Statement Tahun 2016”. Within the map of area statement CBE 2016 also listed size of each division based on land use indicator.</p> <p>Based on field observation on 10 January 2017 at Block J21-J22 Div. 2 CBE (YoP 2005), auditor has found the rubber plants owned by local communities which located within the HGU or legal use right of the company. Also, auditor met the land owner and making an interview onsite. Auditor team identifying that area (rubber) as an occupied land.</p> <p>PT CTP has a map “Peta Overlay Areal HGU Skala 1:65,000” made by Research Department May 2007, where in the map legend has identified of total HGU area 4,977 Ha; Land compensated area 504 Ha and enclave area approximate +/- 100 Ha.</p> <p>According to this, the CH have not given evidence that identification of rubber plants area within the HGU of PT Cibaliung Tunggal Plantation in Block J21-J22 Div.2 CBE, including size of area and land ownership are developed through participatory mapping involving affected parties. Besides, a remark in the area statement of Cibaliung Estate for an occupied area by other parties is absence and also the map of area statement is not update.</p>	
<p><b>Root Cause Analysis (filled by organization audited):</b></p> <p>Not available occupation data and map of area statement that update according to actual field.</p>	
<p><b>Corrective Action (filled by organization audited):</b></p> <p>Provide occupational data and create a map of the statement area that updates according to the actual field.</p>	
<p><b>Preventive Action (filled by organization audited):</b></p> <p>Provide data of development of occupation and create map of area statement that update according to actual field.</p>	
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b></p> <p>Verify March 04, 2017</p> <p>Cibaliung Estate can show proof of improvement in the form of:</p> <ul style="list-style-type: none"> <li>- land compensation map of PT Cibaliung Tunggal Plantation, Cibaliung Estate with scale 1: 55.000 that informing that there is a compensation area of 504 Ha and inclave 10 Ha</li> <li>- Document of land compensation in PT Cibaliung Tunggal Plantation covering 504 Ha in Village Pasir Putih (46 ha), Balai Jaya Village (284 Ha) and village of Balam Sempurna (174 Ha) completed with details of the name of the people and the area of the compensated area</li> </ul> <p>Based on evidence of improvements that have been submitted the auditor assessed the non conformities in this indicator is NOT Comply because it can not be shown the document of land area statement / details of land use in PT Cibaliung Tunggal Plantation has been updated.</p> <p><b>Verify MAJOR June 14, 2017</b></p> <p>Map of the Statement Area of PT. Cibaliung Tunggal Plantation - Cibaliung Estate, Scale 1: 55,000 has an Enclave area of 10 Ha. Map created by Sustainability R &amp; D PT. Sarana Inti Pratama. Meanwhile, for the list of owners of enclave land have been identified and recorded in document Land Loss PT. CTP, where there are 4 owners of enclave land in the form of rubber in Afdeling 2 CBE. Details of the owner of the enclave area include the Owner's Name, Domicile, Location of Land and Area.</p> <p>Upon improvements submitted, then this Nonconformity is declared CLOSED.</p>	
<p><b>Verified by</b></p>	<p><b>: Moh. Arif Yusni / Yudwi Wisnu Rahmanto</b></p>



<b>NCR No.</b>	: 2017.03	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: 11 March 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 14 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 3.1.1 Harus tersedia dokumen rencana kerja perusahaan untuk jangka waktu minimum 3 tahun, termasuk rencana pengembangan petani plasma, jika ada		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Certificate holder has established management plan for the period 2016 -2021. The management plan contain Fresh Fruit Bunch (FFB) yield trends, FFB Processed, Oil Extraction Rate trends, Kernel Extraction Rate trends and Cost of Production (Estate Cost and Mill Cost). based on document verifications obtained informations in the long term management plan does not yet explained about financial indicators including forecast prices and profit projections.			
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Certificate holder has established management plan for the period 2016 -2021. The management plan contain Fresh Fruit Bunch (FFB) yield trends, FFB Processed, Oil Extraction Rate trends, Kernel Extraction Rate trends and Cost of Production (Estate Cost and Mill Cost). based on document verifications obtained informations in the long term management plan does not yet explained about financial indicators including forecast prices and profit projections.			
<b>Root Cause Analysis (filled by organization audited):</b>			
The estate unit has a Long Term Plan for the next 5 years, but no Forecast prices, Financial Indicators, including profit projection, since the documents are private and located in the Dept. Budget Jakarta that can only be accessed by certain PIC.			
<b>Corrective Action (filled by organization audited):</b>			
Provide long-term planning documents for the period 2017 -2021 that have explained about financial parameters / indicators such as revenues, cost of goods sold, Gross profit, Operating expenses, income from operation, other income (Expenses) net profit tax, tax & net during the verification audit dated March 1, 2017			
<b>Preventive Action (filled by organization audited):</b>			
Documenting the plan documents Forecast prices, Financial Indicators including profit projected in the estate. In addition KTU / Kasie coordinated with the Dept. Budget to provide projected financial profit documents in the estate.			
<b>Verified by</b>	: Moh. Arif Yusni / Yudwi Wisnu Rahmanto		

<b>NCR No.</b>	: 2017.04	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: 11 March 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 16 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.7.2 Harus tersedia Penilaian Resiko terdokumentasi dan terdapat catatan pelaksanaan		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Certificate holder has had document of risk analysis for OHS program. The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident, however based on document verifications, Field Observations and interview with management obtained information if:			
- There is no evidence if the document of risk analysis has been review annually ( at least one (1) time every			

year) as stipulated in the "SOP Identifikasi Aspek Dampak, Bahaya Resiko dan Evaluasi dampak penting, resiko dan penetapan tujuan sasaran program lingkungan dan K3 (SIMP-PROS-01)".

- Based on field observations in Sungai Bangko Estate, Cibaliung Estate and Gunung Mas Estate there is some risk control that has not been applied such as:
- There is utilization former wheels, drums and wood as a drag (jack) the vehicle that was under repair in the workshop.
- There is FFB Loader sitting in front and roof of vehicle and also hanging in vehicle tank, for example in Divison 2 Sungai Bangko Estate.
- There is no monitoring PPE used in the field. Based on field observations in Sungai Bangko Factory, Sungai Bangko Estate and Cibaliung Estate do not use PPE according to the risk identification that has been set, for example:
- Some harvester do not use PPE such as Safety Helmet, Safety shies and goggles
- Some FFB Loader do not uses PPE according to the risk identifications such as Safety helmet and safety shoes
- Welder operator at T resher station do not use welding clothes and gloves while working
- The employees at T resher and Sterilizer station do not use safety helmet
- The employees in Kernel Station do not use ear muff and mask (respiratory protection)

Related to this the certificate holder has not been able to show evaluation and monitoring of risk identification .

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

1. There has been no regular review (at least once a year) Identification of Impact Aspects, Risks of Risk and Evaluation of the significant impacts, risks and goal setting of environmental and OHS programs (SIMP-PROS-01)
  - o The review is only done in general for the scope of the work area, not the details of the evaluation results to top management.
  - o HSE officer in each unit and Sustainability Department Pekanbaru.
2. Socialization of Risk Control implementation has not been effective yet.
  - o Previously, no explicit monitoring and supervision has been done in the field by the person in charge.
  - o Method of socialization and strict supervision of the new field in the adaptation stage of the new method.
3. Socialization and control of the use of PPE has not been effective.
  - o Previously, no explicit monitoring and supervision was conducted in the field, as well as clear sanctions by the person in charge.
  - o Method of socialization and strict supervision of the new field in the adaptation stage of the new method.
  - o The sanctions applied previously are less assertive.

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

1. Immediately review the Identification of Aspects of Impact, Risk and Evaluation of the significant impacts, risks and goal setting of environmental and occupational programs (SIMP-PROS-01).
2. To socialize the implementation of Risk Control.
3. Conducting socialization and control of PPE

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

1. Schedule a review of the Identification of Aspect of Impact, Risk and Evaluation of the significant impacts, risks and goal setting of environmental programs and OSH (SIMP-PROS-01) on a regular basis. Responsible staff are HSE Officers. Regular supervision by the supervisor and supervision on a daily basis.
2. Perform socialization of Risk Control implementation periodically.
  - o field (foreman / supervise) will identify risk control on every activity in the field. If any of these have not been identified, it is immediately notified to the HSE Officer for updates.
  - o If any has not been implemented, it is immediately notified to the HSE Officer and notify the employee

directly according to the applicable risk identification.

3. Conducting socialization and control of PPE periodically.

- Every day during morning queue (morning meeting) and field supervision.
- Employees will be warned to immediately take and use the PPE, if not implemented then employees should not work and given the status of defaulters.
- Each foreman and supervision in each type of activity.

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

**Verify March 04, 2016**

Company can show evidence of improvement in the form:

1. Document Identification of Risk Impact & Hazard (Environmental and Safety) Aspects for Sungai Bango Factory, Sungai Bangko Estate and Cibaliung Estate 2017 which has been reviewed.
2. Socialization of OHS to the loader and documentation of the use of the jack in Workshop
3. Document Socialization Use of PPE, ASDAM, HIRAC and how to work well and right to all employees

Based on evidence of improvements that have been submitted the auditor assessed the non conformity in this indicator is stated NOT comply because there is not enough evidence available:

- Mechanisms for memorization of HIRAC documents are reviewed periodically in accordance with the specified schedule
- Mechanisms to ensure that the established risk control has been effectively implemented
- Mechanisms to ensure that PPE is used by employees.

**Verify MAJOR June 14, 2017**

**Sungai Bangko Factory Visit:**

Document of Identification of Aspect of Risk Impact & Hazard (Environmental and Safety) for Sungai Bangko Factory has been reviewed and approved by HSE Officer, and known by head of assistant and Mill Manager dated January 15, 2017. Observation: Review / evaluation in the form of comments or notes on each document HIRAC.

The results of field visits to Sungai Bangko Factory and interviews with 3 operators (St. Sterilizer, St. Press, St. Ripple Mill / Kernel), it is known that workers have understood the importance of using PPE in work and has become a necessity in work. So even the results of monitoring auditors during Sungai Bangko Factory, all workers have been using PPE according to risk identification in each station.

Mechanisms to ensure that PPE is used in an orderly manner by employees, supervision (Supervisor / Assistant / Assistant Chief) always conducts field surveillance during working hours. This is acknowledged by the workers / operators interviewed during the field visit.

**Sungai Bangko Estate**

Interviews with 3 of 4 FFB Load workers in Block K-62 / L-61 Div.3 SBE recognized that the socialization of OHS aspects has been implemented by the company. Results of observation in 2 units of vehicle TBS passing, not found any violation aspect of OHS (employees hanging / sitting on truck).

**Cibaliung Estate: June 15, 2017**

Interviews with 3 TBS and 5 harvesters (I26 Div 3 CBE), 5 spray workers in Block I-24 / I-25, CBE chemicals warehouse head and CBE workshop staff, recognized that the use of PPE routine. Firm sanctions are imposed if there are employees who are not disciplined to use PPE by means of reprimands, warning and prohibition of work / defaulter if violated. It is recognized by them that PPE is an important factor to maintain safety and has become a necessity in work.

Based on field observations on the load and transport activities of FFB, the auditor did not see any OHS violations such

as the absence of loading power hanging on the truck's side. Meanwhile, in the CBE workshop area, all units of vehicle in the process of maintenance / maintenance using a jack as a buffer.

For the improvements made and the results of the direct verification to the field, the auditor concludes that this Nonconformity is stated CLOSED WITH OBSERVATION

**Verified by** : Yudwi Wisnu Rahmanto

<b>NCR No.</b>	: 2017.05	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: 11 March 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 15 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.7.3 Rekaman pelatihan program keselamatan dan kesehatan kerja (K3) (Lihat 4.8) dan ALat Pelindung Diri (APD) yang sesuai dengan hasil identifikasi bahaya dan analisis resiko harus tersedia bagi semua pekerja		

**Non-Conformance Description & Evidence observed :**

Result of document verifications the certificate holder it is known that the certificate holder has provided PPE and have been given training in safe work practices, however:

3. Based On documents verifications obtained informations if Sungai Bangko Estate and Cibaliung Estate has been provided PPE for harvester with allocation 1 (one) time in a year. Based on field observations and interview with harvester it is known if PPE used is broken, the employees will provide its own until subsequent allocations period. Related to that the certificate holder cannot show the mechanisms which regulate the procedure Provision of Personal Protective Equipment including the replacement if damaged due to work
4. Based on field observations in chemist activity on Sungai Bangko Estate Division 2 Block L58 it is known if PPE for respiratory protection are cloth mask and replaced if its broken. But I the SOP "Penanganan dan Pengelolaan Pestisida (SOPP – CR- AGR-205-PST.06.11-1)" mentioned inf Mask / respirator are:
  - o Mask mus be certified from NIOSH – England, to preclude the inhalation of toxic fumes from pesticides. The specifications of mask must in accordance with specified hazard identification and material safety data sheet
  - o The condition of mask should be clean, not broken and used only for 8 hours (one shift), after that must be decommissioning

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

- Not yet available mechanisms governing the procedure of Provision of Personal Protective Equipment including replacement if damaged due to work.
- The type of mask used is not in accordance with the procedure of Pesticide Handling and Management (SOPP - CR-AGR-205-PST.06.11-1)
- Previously, the company only applied the provision of PPE to the employees without clear replacement mechanism.
- HSE officers lacking in identifying the type of mask for the spray / pesticide officer.
- High turnover of Sustainability staff.

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

- Provides mechanisms for the provision of personal protective equipment including replacements if damaged due to work.
- Immediately provide Mask Type in accordance with Pesticide Management and Handling procedures (SOPP - CR-AGR-205-PST.06.11-1)

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

- Documenting and socializing the procedures for the provision of personal protective equipment including replacement if damaged due to work
- Provide PPE spray workers in accordance with Pesticide Management and Handling procedures (SOPP - CR-AGR-

205-PST.06.11-1)

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

**Verify March 04, 2017**

The Company may show evidence of improvements in the form of;

- Replacement Mechanism of Wrong Employee PPE endorsed by Estate Manager
- Documentation of handover and use of APD Genk Spray at Sungai Bangko Estate
- Monitoring the Use of PPE to Employees

Based on evidence of improvements that have been submitted the auditor assessed the discrepancies in this indicator is stated Not Comply because there is not enough evidence available:

- Mechanisms to ensure procedures for replacement of designated PPE have been implemented
- Mechanisms to ensure that PPE is used in an orderly fashion by employees.

**Verify MAJOR 14-15 June 2017:**

**Sungai Bangko Estate Estate:**

Interview with TBS harvester in Block K-62 Div.3 SBE recognized that PPE for employees is provided free of charge and there is a replacement mechanism if it is damaged. For boots, recognized 2 times a year is always replaced.

**Cibaliung Estate: June 15, 2017**

Interviews with 3 FFB loads and 5 harvests (Block I26 Div 3 CBE), 5 spray employees in Block I-24 / I-25, recognized that PPE is provided from the company. If damaged, then there is a replacement mechanism that is applied 2 times a year. It is recognized by them that PPE is an important factor to maintain safety and has become a necessity in work. Meanwhile, the result of observation by spray team in Block I-24 / I-25 mask that used is "Half Mask Respirator Single Filter KW10-299" trademark Krisbow, where this mask use filter which is routinely changed every 1 month at spray activity.

This is in line with the revision of the Pesticide Handling and Management Procedures (SOPP - CR-AGR-205-PST.06.11-1) of 22 February 2017:

Mask / respirator (lung protector):

- a. Protective mask to block the inhalation of pesticide vapor. The mask specification requirements should be as per the instructions of the pesticide label to be used.
- b. The first test of the operator's ability to wear a mask while handling the pesticide was used, and the mask size was determined which is fitting to cover the nose and mouth (operator should not be allowed to maintain a thick mustache or beard).
- c. Fully follow the correct use of masks, because if one will harm the wearer.
- d. Mask condition must be clean and not damaged before use.
- e. The operator should immediately move away from the work area if the mask is suddenly damaged, difficulty breathing or dizziness, or smells pesticide.

Upon improvements made and results of direct verification to the field, the auditor concludes that this Nonconformity is stated CLOSED WITH OBSERVATION.

**Verified by** : **Yudwi Wisnu Rahmanto**

<b>NCR No.</b>	<b>: 2017.06</b>	<b>Issued by</b>	<b>: Moh Arif Yusni</b>
<b>Date Issued</b>	<b>: 12 Januari 2017</b>	<b>Time Limit</b>	<b>: 11 March 2017</b>



<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 15 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.7.4 Petugas yang bertanggung jawab dalam program keselamatan dan kesehatan harus diidentifikasi dan tersedia rekaman pertemuan berkala untuk membicarakan masalah keselamatan dan kesehatan kerja.		
<b>Non-Conformance Description &amp; Evidence observed :</b> The certificate holder has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. But based on documents verifications its known if the secretary of guiding committee for occupational health and safety organization in Cibaliung Estate and Sungai Bangko Estate are not OHS expert and it is not in accordance with Manpower Decree No 4 year of 1987 about "Panitia Pembina Keselamatan Dan Kesehatan Kerja Serta Tata Cara Penunjukan Ahli Keselamatan Kerja".			
<b>Root Cause Analysis (filled by organization audited):</b> HSE officer has been movement / transfer occurs to another estate			
<b>Corrective Action (filled by organization audited):</b> Immediately conduct general AK3 training for P2K3 secretary.			
<b>Preventive Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>o Each estate and mill unit will identify the structure of P2K3 on a regular basis and the availability of AK3.</li> <li>o Immediately conduct general AK3 training for P2K3 secretary in case of displacement.</li> <li>o Any implementation of general AK3 training, every AK3 candidate will be registered on behalf of PT. Salim Ivomas Pratama, Tbk to facilitate if there is a mutation officer to another unit</li> </ul>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> Verify March 04, 2017 Company can show evidence of improvement in the form: <ul style="list-style-type: none"> <li>- Letter of Appeal to Management for the General AK3 Training and the OHS Formation</li> <li>- Alert Card of Public Safety Authority on behalf of Deny Ary Yono (PT Indri Plant), Ogi Sakestra (PT Inti Megah Bestari) and Alexander Igniting (PT Pelangi Inti Pertiwi) but all of these general AK3 are not registered on behalf of the company being audited</li> </ul> Based on evidence of improvements that have been submitted the auditor assessed the discrepancies in this indicator is stated NOT FULLY because it can not be shown evidence that the Secretary P2K3 in Cibaliung Estate and Sungai Bangko Estate is not a general OHS Expts.  <b>Verify MAJOR June 15, 2017</b> The implementation of AK3 training will be held on 10-22 July 2017. For the time being, Secretary of P2K3 in SBE and CBE units under the supervision of AK3 Umum on behalf of Heru Setyawan (Reg. 4612 / PK3 / AJ / 14/2016 / P1, valid until 1 August 2019) and based on the Letter of Assignment Number: AMA-II-IST / VI / 2017/002. Where the letter of assignment mentions Sdr. Heru Setiawan (Askep Traksi Area II / AK3 Umum and P2K3 Kayangan Estate) assigned to responsible K3 on Area II Riau. Upon improvements made and results of direct verification to the field, the auditor concludes that this Nonconformity is stated CLOSED WITH OBSERVATION.			
<b>Verified by</b>	: Yudwi Wisnu Rahmanto		

<b>NCR No.</b>	: 2017.07	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:



<b>Standard Ref. &amp; Requirement</b>	<b>4.7.5 harus tersedia prosedur tanggap darurat dan kecelakaan kerja dalam Bahasa Indonesia serta tersedia pekerja yang sudah mendapatkan Pelatihan Pertolongan Pertama Pada Kecelakaan (P3K) di area kerja</b>
<b>Non-Conformance Description &amp; Evidence observed :</b> Certificate Holder has a procedure for emergency response, for example Procedure of First Aid, Procedure of Handling Accidents and Work Diseases and Procedure of Emergency Preparedness. Results of Document verifications its known if the certificate holder has been provided a facility for emergency response and first aid in the workplace, but based on the results of field visits found that:	
<ul style="list-style-type: none"> <li>- There are some MSDS written in English on Pesticide storage Cibaliung Estate and Sungai bangko Estate (le Decis and Regent)</li> <li>- There is some MSDS written in English in Oil Storage and chemical storage Sungai Bangko Factory (le Nalco 2811 &amp; Soda Ash)</li> <li>- There is no oil trap in oil storage Cibaliung Estate</li> <li>- There are some components of first aid box which have been expired. (As for the example : Rivanol, Povidon Iodine and Bioplasenton)</li> <li>- The completeness for the content of first aid box still not yet accordance with the list that has been established (manpower decree No 15 Year of 2008)</li> <li>- There's no information on the usage form during the using of the component.</li> </ul>	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>	
<b>Corrective Action</b> <i>(filled by organization audited):</i>	
<b>Preventive Action</b> <i>(filled by organization audited):</i>	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	:

<b>NCR No.</b>	: 2017.08	<b>Issued by</b>	: Moh Arif Yusni
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 4.7.5 Semua pekerja harus disediakan layanan kesehatan dan dilindungi oleh asuransi kecelakaan kerja		
<b>Non-Conformance Description &amp; Evidence observed :</b> based on documents verifications PT GMR has not been able to show the evidence of insurance claims handling for heirs employees who get fatality accidents on 27 April 2016 In Sungai Bangko Estate..			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			

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

<b>NCR No.</b>	:	2017.09	<b>Issued by</b>	:	Moh Arif Yusni
<b>Date Issued</b>	:	12 Januari 2017	<b>Time Limit</b>	:	ASA-4
<b>NC Grade</b>	:	Minor	<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:	4.7.7 Harus tersedia rekaman kecelakaan kerja yang menggunakan Lost Time Accident (LTA)			
<b>Non-Conformance Description &amp; Evidence observed :</b>					
The certificate holder can show records of occupational injuries using lost time accident metrics.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					
<b>Corrective Action</b> <i>(filled by organization audited):</i>					
<b>Preventive Action</b> <i>(filled by organization audited):</i>					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>					
<b>Verified by</b>	:				

<b>NCR No.</b>	:	2017.10	<b>Issued by</b>	:	Moh. Arif Yusni
<b>Date Issued</b>	:	12 Januari 2017	<b>Time Limit</b>	:	11 March 2017
<b>NC Grade</b>	:	MAJOR	<b>Date of Closing</b>	:	15 June 2017
<b>Standard Ref. &amp; Requirement</b>	:	4.8.1 Harus tersedia rekaman program pelatihan terkait aspek – aspek dalam Prinsip dan Kriteria RSPO			
<b>Non-Conformance Description &amp; Evidence observed :</b>					
The company has had a training program for workers included All staff, Workers and contract workers for period of 2016 which consists of understanding the RSPO. Based on field observation and interviews it is known that the workers do not understand the result of training, such as					
<ol style="list-style-type: none"> <li>1. Understanding of PPE, occupational risks and safe working practices for all level of operation in mill and Estate</li> <li>2. Understanding of chemicals handling for storage keeper</li> <li>3. Understanding of SCCS for weightbridge operator</li> </ol>					

<p>Related to this the certificate holder has not been able to show of the effectiveness of the training that has been conducted</p>	
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. There has been no socialization of the use of PPE, job risks and safe working practices at all levels of operations.</li> <li>2. No training on chemical handling for warehouse officers.</li> <li>3. SCCS training has not been done yet.</li> </ol>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. Immediate dissemination of PPE usage, occupational risk and safe working practices at all levels of operations.</li> <li>2. Immediately conduct training Chemical handling for warehouse officers.</li> <li>3. Immediately conduct SCCS training.</li> </ol> <p>-</p> <ul style="list-style-type: none"> <li>- In the Annual Training Needs Identification Matrix Form for 2017 at Sungai Bangko Estate and Cibaliung Estate, 21 types of training are available.</li> <li>- The target of trainees has been included in the Annual Training Needs Identification Matrix Form for 2017 and the 2017 Annual Training Program Form.</li> <li>- After completion of the training, understanding monitoring is conducted daily through the supervision of the supervisor / supervisor. Sn Will be checked by the auditor during Major verification field.</li> </ul>	
<p><b>Preventive Action</b> <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> <li>1. To socialize the use of PPE on a regular basis during the morning queue.</li> <li>2. Schedule training Chemical handling for warehouse officers.</li> <li>3. Schedule the SCCS training.</li> </ol>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i></p> <p><b>Verify MAJOR June 14, 2017</b></p> <p>Results of direct interviews with warehouse officers and some employees in SBE and CBE, improvements to be made include:</p> <ol style="list-style-type: none"> <li>1. To socialize the use of PPE on a regular basis during the morning queue.</li> <li>2. Schedule training Chemical handling for warehouse officers.</li> <li>3. Schedule the SCCS training. Observation: SCCS training, update of SCCS procedure related to change of acceptance document method using barcode system (trial starting from May 2017).</li> </ol> <p>Annual Training Needs Identification Matrix Form for 2017 and 2017 Annual Training Program Form at Bangko Estate and Cibaliung Estate. Where type of chemical handling training for Warehouse Officer are: Supply Chain, Use of PPE, First Aid, RSPO / ISPO Principle.</p> <p>Upon improvements made and results of direct verification to the field, the auditor concludes that this Nonconformity is stated <b>CLOSED WITH OBSERVATION</b>.</p>	
<b>Verified by</b>	<b>: Yudwi Wisnu Rahmanto</b>

<b>NCR No.</b>	: 2017.11	<b>Issued by</b>	: Yudwi Wisnu Rahmanto
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: ASA-4
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.		

**Non-Conformance Description & Evidence observed :**

PT. Gunung Mas Raya (PT. GMR) - PT. Cibaliung Tunggal Plantation (PT. CTP) as subsidiary of PT. Salim Ivomas Pratama, Tbk (RSPO Member) has made GHG emission calculation using PalmGHG Calculator RSPO version 2.1.1 and has been submitted to the RSPO on 4 May 2016.

However, according to RSPO Announcement on 14 December 2016 and RSPO reference document No. RSPO/TECH/GHG/009 (revised) dated 28 Desember 2016 related "Announcement on C5.6 & C7.8 public reporting starting 1<sup>st</sup> January 2017", the CH has fail to comply with this requirement. The announcement required that since 1<sup>st</sup> January 2017 GHG emission calculation should be using PalmGHG Calculator version 3.1 for every certification units (Mill and Supply Bases). The result of calculation should be demonstrate using template as follow:

**Summary of Net GHG Emissions Mill**

Emissions Product	per	tCO <sub>2</sub> e/tProduct
CPO		
PK		

Extraction	%
OER	
KER	

Production	t/yr
FFB processed	
CPO produced	

Land Use	Ha
OP planted area	
OP planted on peat	
Conservation (forested)	
Conservation (non-forested)	
<b>Total</b>	

**Summary of Field Emissions and Sinks**

	Own Crop		Group		3 <sup>rd</sup> Party		TOTAL	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e
<i>Emissions</i>								
<b>Land Conversion</b>								
<b>*CO<sub>2</sub> Emissions from Fertiliser</b>								
<b>**N<sub>2</sub>O Emissions</b>								
<b>Fuel Consumption</b>								
<b>Peat Oxidation</b>								

Sinks

Crop Sequestration

Conservation

Sequestration

Total

Summary of Mill Emissions and Credits

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME		
Fuel Consumption		
Grid Electricity		
Utilisation		
<b>Credits</b>		
Export of Grid Electricity		
Sales of PKS		
Sales of EFB		
<b>Total</b>		

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	%
Divert to anaerobic digestion	%

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	%
Divert to methane capture (flaring)	%
Divert to methane capture (electricity generation)	%

During ASA-3, Sungai Bangko Factory and its supply base has fail to provide of GHG emission calculation using PalmGHG Calculator version 3.1 and its result

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

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

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

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

**Verified by** :

<b>NCR No.</b>	: 2017.12	<b>Issued by</b>	: Fuji Lestari
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: 11 March 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 15 June 2017
<b>Standard Ref. &amp; Requirement</b>	: 6.1 Aspek manajemen perkebunan dan pabrik Kelapa Sawit yang mempunyai dampak social, termasuk penanaman ulang, diidentifikasi dengan cara yang partisipatif, dan rencana untuk mengurangi dampak negative dan meningkatkan dampak positif telah dibuat, diimplementasikan dan dipantau untuk menunjukkan perbaikan yang terus menerus.		

**Non-Conformance Description & Evidence observed :**

- Indikator 6.1.1 (MAJOR) Analisis dampak sosial termasuk catatan-catatan pertemuan harus didokumentasikan**  
The company can show assessment document of SIA conducted by BIOREF (Faculty of Forestry - Bogor Agricultural University) on January 3-7, 2017 but the document has not been ratified yet and still in draft. That becomes non conformity number 2017.12
- Indikator 6.1.3 (MAJOR) Harus tersedia rencana pengelolaan dan pemantauan dampak social untuk menghindari atau mengurangi dampak negative dan meningkatkan dampak positif yang berdasarkan hasil analisa dampak social melalui proses konsultasi dengan pihak-pihak yang terkena dampak, terdokumentasi dan terjadwal termasuk tanggung jawab pelaksanaanya.**

The company has management plan and social impact control document that engage impacted party and planned, the company also has determined PIC of the activity. Management plan and Control are included in Chapter IX SIA Document assessed on January 3-7, 2017 but the document has not been ratified yet and still in draft

**Root Cause Analysis :**

Previously PT. GMR and CTP have had social impact assessment documents surveyed in 2010, but according to management it is necessary to update the document by conducting the latest SIA survey of 2017 and when the document audit is still in draft form.

**Correction :**

Provide company-approved SIA documents

**Corrective Action :**

Dept. Sustainability distributes the latest SIA documents for each Estate.

**Assessor Evaluation and Conclusion :**

The certificate holder has not been able to show any evidence of improvement in the form of Social Environmental Impact Assessment in the Salim Ivomas Pratama area carried out by BIOREF (Faculty of Forestry - Bogor Agricultural University) on January 3-7, 2017 and was ratified on 27 January 2017 by Coordinator of Sustainability.

**MAJOR Verification 14 Juni 2017**

The certificate holder has presented the Social Environmental Impact Assessment (SEIA) Document in the PT. Gunung Mas Raya, Cooperation BIOREF Forestry Faculty of IPB and PT. Gunung Mas Raya. The document is a Final Document and has been received in each unit dated January 23, 2017. The nonconformity status is **CLOSED**.

**Verified by :** Yudwi Wisnu Rahmanto

<b>NCR No.</b>	<b>: 2017.13</b>	<b>Issued by</b>	<b>: Fuji Lestari</b>
<b>Date Issued</b>	<b>: 12 Januari 2017</b>	<b>Time Limit</b>	<b>: 11 March 2017</b>
<b>NC Grade</b>	<b>: MAJOR</b>	<b>Date of Closing</b>	<b>: 15 June 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<p><b>6.3.1 Mekanisme yang terbuka untuk seluruh pihak yang terkena dampak, harus menyelesaikan perselisihan dengan cara yang benar, tepat waktu dan efektif, serta menjamin anonimitas pelapor dan pengungkap kasus (<i>whistleblower</i>), apabila diminta, sepanjang laporan tersebut didukung dengan bukti awal yang cukup.</b></p> <p><b>Panduan:</b> Apabila resolusi bersama tidak dapat dicapai, maka keluhan dapat dibawa ke hadapan Sistem</p>		



	<p>Keluhan RSPO (RSPO Complaints System).</p> <p><b>Audit Checklist:</b> Jika tidak ada solusinya, apakah ada proses pengaduan yang akan di bawa ke sistem keluhan RSPO.</p>
<b>Non-Conformance Description &amp; Evidence observed :</b>	
<p>The Certificate holder has had procedure of handling complaint that regulated in Workers Complaints Procedure (SIMP-PROS-35) both internal complaint and Communication, Participation and Communication Procedure (SIMP-PROS-04) but the procedure has not regulated yet if joint resolution cannot be achieved, complaint can be delivered to RSPO Complaint System</p>	
<b>Root Cause Analysis :</b>	
<p>The certificate holder has not revised the complaints and complaints procedures (SIMP-PROS-35) for internal complaints and Communication, Participation and Consultation Procedures (SIMP-PROS-04) so that procedures have not been set up if joint resolution can not be reached, complaints may be brought to in the face of the RSPO Complaints System.</p>	
<b>Correction :</b>	
<p>Immediately adding information in the SIMP-PROS-35 and SIMP-PROS-04 procedures, that if joint resolution can not be reached, complaints can be brought to the RSPO Complaints System.</p>	
<b>Corrective Action :</b>	
<p>The HSE officer documenting the SOPs that have been added to the RSPO complaints system settings</p>	
<b>Assessor Evaluation and Conclusion :</b>	
<p>The certificate holder show evidence of improvements in the form of a revision of the Complaints and Complaints Procedure (SIMP-PROS-35) for internal complaints and Communication Procedures, Participation and Consultation (SIMP-PROS-04) for external complaints. In the procedure stating that if the information provided companies are deemed unsuitable and joint resolutions can not be reached, then complaints may be brought before the RSPO Complaints System.</p>	
<b>MAJOR Verification 14 Juni 2017</b>	
<p>In the Complaints and Complaints Procedure (SIMP-PROS-35) for internal complaints and Communication, Participation and Consultation Procedures (SIMP-PROS-04) there is an explanation which refers to the RSPO Complaint System. This Non-Conformity Status is <b>CLOSED</b>.</p>	
<b>Verified by</b>	<b>: Yudwi Wisnu Rahmanto</b>

<b>NCR No.</b>	<b>: 2017.14</b>	<b>Issued by</b>	<b>: Moh. Arif Yusni</b>
<b>Date Issued</b>	<b>: 12 Januari 2017</b>	<b>Time Limit</b>	<b>: 11 March 2017</b>
<b>NC Grade</b>	<b>: MAJOR</b>	<b>Date of Closing</b>	<b>: 15 June 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 8.1.1 Tersedia rencana aksi pemantauan yang berdasarkan pertimbangan analisis dampak lingkungan dan social, dan evaluasi rutin untuk kegiatan perkebunan dan pabrik kelapa</b>		

sawit. Minimum, hal ini harus termasuk, namun tidak terbatas pada:

- Pengurangan penggunaan bahan-bahan kimia (kriteria 4.6)
- Dampak lingkungan (kriteria 4.3, 5.1, dan 5.2)
- Pengurangan limbah (kriteria 5.3)
- Pencemaran dan emisi GRK (kriteria 5.6 dan 7.8)
- Dampak social (kriteria 6.1)
- Pengoptimalan hasil panen Tandan Buah Segar (TBS) (kriteria 4.2)

**Non-Conformance Description & Evidence observed :**

PT. Gunung Mas Raya (PT. GMR) - PT. Cibaliung Tunggal Plantation (PT. CTP) as subsidiary of PT. Salim Ivomas Pratama, Tbk (RSPO Member) has had the procedure for domestic waste management that's mentioned in SOP No. SIMP-PROS-16, Rev. 00 about "Pengelolaan Sampah Domestik Padat", but

- Result of field observation in emplishment Division 3, Division 4 and Division 5 Cibaliung Estate, Emplishment Division 1 & Division 3 Sungai Bangko Estate and around of Sungai Bangko factory Office its known if domestic waste is collecting in one place and then burning.
- There is some EFB with burning methods, in example in Blocks L63 an L64



**Root Cause Analysis :**

- The socialization of domestic waste management and the ban on burning has been done by the certificate holder, but the lack of employee awareness and supervision of the policy so that employees tend to violate the rules that have been made.
- In block L 63-L 64 there is a cattle stall owned by employee where in the afternoon will be given smoke from burnt empty plot and this is a local wisdom.

**Correction :**

HSE Officer disseminates solid waste management in accordance with SOP No. SIMP-PROS-16

**Corrective Action :**

Disseminating solid waste management in accordance with SOP No. SIMP-PROS-16 periodically. HSE officers supervise and affirm sanctions on employees.

**Assessor Evaluation and Conclusion :**

Certificate holder can show evidence of improvement in the form:

- Socialization related prohibited of burns of domestic waste and domestic waste management in the estate
- Socialization of prohibition of burning solid waste for the curing of livestock

Based on evidence of improvements that have been submitted the auditor assessed the nonconformities in this indicator is stated OPEN because there is not enough evidence available:

- Handling of burning garbage in the factory office environment
- Mechanisms to ensure implementation of policies in the field

**MAJOR Verification 14-15 Juni 2017**

Housing of Div. 2 and Div. 3 SBE, inside and outside of Mill, and Housing of Div. 3 CBE.

Results of field visits on SBE, SBF and CBE housing, were not found in burning or disused burning activities. This is clarified from interviews with residents of employee in the housing, the certificate holder prohibits the burning in the Estate and housing environment. Every house there is trash with 3 types: Organic, Inorganic and hazardous waste. All solid domestic waste, dumped on landfill site, nothing burned.

Observation: regular monitoring and monitoring of combustion activity. The type of garbage bag in each housing should be replaced instead of hazardous waste, but cans and glass.

Verification of improvements made and results of direct verification to the field, the auditor concludes that this Nonconformity is stated **CLOSED WITH OBSERVATION**.

**Verified by** : Yudwi Wisnu Rahmanto

<b>NCR No.</b>	: 2017.15	<b>Issued by</b>	: Yudwi Wisnu Rahmanto
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: 11 March 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 11 August 2017
<b>Standard Ref. &amp; Requirement</b>	<p><b>RSPO Certification System 2007, Rev. 2011</b>  <b>4.2.4 (b) Time-bound Plan</b>  The time-bound plan should contain a list of subsidiaries, estates and mills.  Progress towards this plan will be verified and reported on in subsequent annual surveillance assessments. Where the Certification Body conducting the surveillance audit is different from that which first accepted the time-bound plan, the later Certification Body shall accept the appropriateness of the time-bound plan at the moment of first acceptance and shall only check continued appropriateness.</p>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>PT. Salim Ivomas Pratama, Tbk as a parent company of PT GMR – PT CTP has been showed the Time Bound Plan to all subsidiary. Meanwhile based on documents verifications its known if PT GMR (Sungai bangko Estate) there is management unit which are not included within the scope of certification Sungai Bangko Factory, but supplying FFB to the mill. The unit of the Division 4 (Teluk Pulau) still in the management unit of Sungai Bangko Estate (SBE).</p> <p>Based on the Time-bound plan, it's known that the unit Division 4 Teluk Pulau, Sungai Bangko Estate, is not listed in the document Time-bound plan. In addition, there has been no evidence of statements of the parent company and the information related to differences in the changes in the Time-bound Plan.</p>			
<b>Root Cause Analysis :</b>			
Teluk Pulau Estate are separated from Sungai Bangko Estate so the Certificate Holder assumes that the Teluk Pulau			

Estate is not included in the certification scope.	
<b>Correction :</b> Entering Teluk Pulau Estate in time-bound plan document	
<b>Corrective Action :</b> All areas that meet certification requirements enter the time-bound plan document	
<b>Assessor Evaluation and Conclusion :</b> The certificate holder can show the timeline plan for the RSPO Teluk Pulau Estate certification process that is scheduled in 2019	
<b>MAJOR Verification 14 Juni 2017</b> Certificate holder showed Time Bound Plan Certification of PT. Salim Ivomas Pratama, Tbk for all subsidiaries under the group, including Teluk Pulau Estate (PT Gunung Mas Raya - TBP 2019). The TBP was passed on 28 February 2017 by the Sustainability Department of Pekanbaru. However, Time Bound Plan for all units under management of PT. SIMP not yet updated.  The Non-conformity is declared <b>OPEN</b> .	
<b>Partial Certification and Time Bound Plan Verification on 4<sup>th</sup> August 2017.</b> The holding company PT Salim Ivomas Pratama, Tbk has provided the evidence of time bound plan. However, there still lack of data regarding as follow: <ol style="list-style-type: none"> <li>1. Year of Planting each management units/companies/subsidiaries synchronize with Disclosure and Land Use Change Analysis Data.</li> <li>2. Status of NPP if any new planting since 1st January 2010 for each management units/companies/subsidiaries.</li> <li>3. Disclosure of Liability, LUCA, RACP process which has been submitted to RSPO and current status of each management units/companies/subsidiaries (if any)</li> <li>4. HCV Assessment date of each management units/companies/subsidiaries. Consisting of Assessment date and Assessor Organization Name.</li> <li>5. Time-bound plan revising template. Consists of Mill, Company, Time Bound plan, Supply base, Company, Time bound plan, Location, Status</li> </ol> Based on evidence of correction that have been verified by the auditor, the NCR in this indicator is still OPEN.	
<b>11 August 2017</b> The company sends the additional evidence of updated time bound plan for all uncertified units under management of PT. Salim Ivomas Pratama, Tbk. All the evidence has been verified by the auditors and concludes as <b>CLOSED WITH OBSERVATION</b> .	
<b>Verified by</b>	: Moh. Arif Yusni / Yudwi Wisnu Rahmanto

<b>NCR No.</b>	: 2017.16	<b>Issued by</b>	: Moh. Arif Yusni
<b>Date Issued</b>	: 12 Januari 2017	<b>Time Limit</b>	: 11 March 2017
<b>NC Grade</b>	: MAJOR	<b>Date of Closing</b>	: 14 September 2017
<b>Standard Ref. &amp; Requirement</b>	RSPO Certification System 2007, Rev. 2011 <b>4.2.4 (i) Partial Certification</b> Certification bodies will assess compliance with these rules for partial certification at each and every assessment of any of the management units. Assessment of compliance with		

	<p>requirements (e) – (h) by the certification body based on self-declarations only by the Company, with no other supporting documentation, will not be acceptable.</p> <p><b>Annex 4A. Procedures for Annual Surveillance Assessment</b></p> <p><b>4.2.2.3 For organisations with partial certification, the Certification Body is to verify and report on progress made from the last assessment against the time-bound plan for certifying other units within the organisation. Any alteration made to the time-bound plan must be reported.</b></p> <p><b>The company's justifications for any revision are also to be reported, with the Certification Body's considered opinion on the matter and recommendation for acceptance/rejection.</b></p>
<p><b>Non-Conformance Description &amp; Evidence observed :</b></p> <p>PT. Salim Ivomas Pratama, Tbk as a parent company of PT GMR – PT CTP (RSPO Members) not yet have the results of internal audit in accomplishment Partial Certification for units not yet certified in accordance RSPO principles and criteria that are relevant.</p>	
<p><b>Root Cause Analysis :</b></p> <p>Internal audits for uncertified units have been conducted, but the internal audit results are not available because they are still in each internal auditors.</p>	
<p><b>Correction :</b></p> <p>Provide internal audit results for uncertified units in accordance with relevant RSPO requirements and criteria.</p>	
<p><b>Corrective Action :</b></p> <p>Conduct internal audits for all uncertified units in accordance with relevant RSPO requirements and criteria and document the internal audit results</p>	
<p><b>Assessor Evaluation and Conclusion :</b></p> <p>PT. Salim Ivomas Pratama, Tbk show the results of internal audit of RSPO for Uncertified RSPO units:</p> <ul style="list-style-type: none"> <li>- <b>PT Cangkul Bumi Subur</b></li> <li>- <b>PT Citra Kalbar Sarana</b></li> <li>- <b>PT Intimeah Bestari Pertiwi</b></li> <li>- <b>PT Jake Sarana</b></li> <li>- <b>PT Kebun Mandiri Sejahtera</b></li> <li>- <b>PT Mentari Subur Abdi</b></li> <li>- <b>PT Pelangi Inti Pertiwi</b></li> <li>- <b>PT Swadaya Bhakti Negara Mas</b></li> </ul> <p>However, the internal audit results do not cover the overall requirements set forth in the RSPO certification system: "Requirements for uncertified management units and/or holdings"</p> <ul style="list-style-type: none"> <li>- (e) No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure (Annex 5).</li> <li>- (f) Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</li> </ul>	

- (g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.
- (h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.
- (i) Certification bodies will assess compliance with these rules for partial certification at each and every assessment of any of the management units (see Annex 4). Assessment of compliance with requirements (e) – (h) by the certification body based on self declarations only by the Company, with no other supporting documentation, will not be acceptable.

Based on evidence of correction that have been submitted the auditor assessed the NCR in this indicator is still OPEN.

**MAJOR Verification on 14 Juni 2017**

Internal audit evidence for companies and management units that have not been certified and included in the subsidiary of PT. Salim Ivomas Pratama, Tbk has been presented. The Internal Assessment results have covered all requirements for uncertified units in accordance with the RSPO Certification System. However, Disclosure of Liability and Land Use Change Analysis status information for each company and / or unit management not yet available.

The Non-conformity is declared **OPEN**.

**Partial Certification and Time Bound Plan Verification on 4<sup>th</sup> August 2017.**

The holding company PT Salim Ivomas Pratama, Tbk has provided the evidence of partial certification for uncertified management units. However, there still lack of data regarding as follow:

1. Year of Planting each management units/companies/subsidiaries synchronize with Disclosure and Land Use Change Analysis Data.
2. Status of NPP if any new planting since 1st January 2010 for each management units/companies/subsidiaries.
3. Disclosure of Liability, LUCA, RACP process which has been submitted to RSPO and current status of each management units/companies/subsidiaries (if any)
4. HCV Assessment date of each management units/companies/subsidiaries. Consisting of Assessment date and Assessor Organization Name.
5. Time-bound plan revising template. Consists of Mill, Company, Time Boun plan, Supply base, Company, Time bound plan, Location, Status

Based on evidence of correction that have been verified by the auditor, the NCR in this indicator is still OPEN.

**14 September 2017**

The company send the additional evidence of LUCA report and disclosure of liability for all units under management of PT. Salim Ivomas Pratama, Tbk. All the evidence has been verified by the auditors and concludes as **CLOSED WITH OBSERVATION**.

<b>Verified by</b>	<b>:</b>	<b>Moh. Arif Yusni / Yudwi Wisnu Rahmanto</b>
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**3.5.2 Opportunity for Improvement**

No	Ref Std	Descriptions
1		Document control mechanism
2	4.7	<ul style="list-style-type: none"> <li>- OHS Meeting regularly every month in accordance with the Manpower Regulation No. 7 of 1987</li> <li>- Information to employees the results of medical examination.</li> </ul>

**3.5.3 Noteworthy Positive Components**



No	Descriptions
1	Climate Village Programme (PROKLIM) to support food security for the employees
2	There is a special officer is responsible for implementing RSPO standard.
3	Administrative mechanisms and monitoring of the transport of oil palm fruit passing through the community access to the garden path.

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Labour Agency of Rokan Hilir District</b></p> <ol style="list-style-type: none"> <li>1. PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation has conducted labour report required on time</li> <li>2. P2K3 report has been reported by PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation quarterly</li> <li>3. The heavy equipment permit issued by the province. Its operator has operational license</li> <li>4. Sectoral minimum wages districts amounted to IDR 2,305,346.00</li> <li>5. PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation already have labour union which was passed in 2015 for estates and 2016 for mill,</li> <li>6. The payment of overtime in accordance with regulations</li> <li>7. There is no child workers and discrimination issues.</li> <li>8. Worker insurance (BPJS) orderly paid including payment for daily paid worker</li> <li>9. The company has been obedient and implementing OHS regarding regulations</li> </ol> <p>The agency has known a list of public documents accessible.</p>	<p>The company has been implemented employment aspect according to applicable regulation. It has been confirmed during the document review, field observation and interview to worker. The explanation can be found on principle 6.</p>
<p><b>Environment Agency of Rokan Hilir District</b></p> <ol style="list-style-type: none"> <li>1. PT Gunung Mas Raya have permit for temporary hazardous waste.</li> <li>2. Last report for RKL/RPL of PT Gunung Mas Raya and PT Cibaliung Tunggal Plantation is 2016, periode of January – June.</li> <li>3. There is no issues related to environmental pollution</li> <li>4. LA permit valid for 5 years</li> </ol> <p>Liquid and hazardous waste has been reported quarterly</p>	<p>The company has been implemented the environment aspect in accordance with applicable regulation. Monitoring, recording and disposing the hazardous waste conducted in cooperation with licensed third parties. The explanation in C5.1 and 5.3</p>
<p><b>National Land Agency of Rokan Hilir District</b></p> <ol style="list-style-type: none"> <li>1. There is no new location permit application</li> <li>2. There has been no request for Building Rights (Factory, Emplacement, should have building rights)</li> <li>3. HGU peg maintenance are the responsibility of companies</li> <li>4. The agency has a list of public documents accessible.</li> </ol> <p>There is no issues of land disputes since 2007.</p>	<p>The company has had legal document (HGU) and there is no issue of land disputes. The explanation can be found on C2.2</p>
<p><b>Surrounding village</b></p> <ul style="list-style-type: none"> <li>- Village of Bangko Balam</li> <li>- Village of Pasir Putih</li> </ul> <p>In general, relationship between company and communities is well established. Based on interview with communities, following information:</p>	<p>Auditors have been verified the aspects related to land legality, cooperation legality, land dispute, CSR and community empowerment. They have been comply in accordance with criterion 1.1; 2.1; 2.2 ; 2.3; 6.5; 6.10; and 6.11. Its relevants with criteria 6.1; 6.2 and 6.11</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>a. Communication and Transparency</b></p> <ul style="list-style-type: none"> <li>- Communication between company and communities have well established.</li> <li>- Immediate response has performed by the company in any information requested from stakeholders.</li> <li>- Villagers have a good relationship and communication with each Manager, also they've already know the responsible person for communication aspect.</li> </ul> <p><b>b. Legal Rights / Customary Rights and FPIC</b></p> <ul style="list-style-type: none"> <li>- Land compensation was implement previously.</li> <li>- There is no land conflict raised in last 3 years for all surrounding villages.</li> <li>- If there is any conflict, villagers has representatives to be communicate with the company.</li> </ul> <p><b>c. Environmental and HCV</b></p> <ul style="list-style-type: none"> <li>- Socialized has been performed by the company related to protection of waterways, river, wildlife and conservation area.</li> <li>- Communities has aware that No Hunting is allowed surrounding the plantation, this information socialized through the sign board.</li> <li>- There is no conflict was raised between human and wildlife.</li> </ul> <p><b>d. Social and Communities</b></p> <ul style="list-style-type: none"> <li>- There is no grievance or complaints related plantation activities.</li> <li>- Most of villagers working at plantation company</li> <li>- The company has had CSR program,</li> </ul>	
<p><b>Worker Union</b></p> <ul style="list-style-type: none"> <li>- Company supported worker union program</li> <li>- There are no problems related to manpower issues (bipartite institution has been formed)</li> <li>- Welfare and facilities for employees are proper and are considered enough</li> <li>- Discussion is almost done, despite several points are not reached yet</li> <li>- No indications of discrimination of Race, Tribe, and Religion</li> </ul>	
<p><b>Gender Commite</b></p> <ul style="list-style-type: none"> <li>- Company has actively socializing Gender Committee to the employees.</li> <li>- Company has socializing policy for pregnant and breastfeeding workers who work with chemicals</li> <li>- There are no potentials or discrimination between</li> </ul>	<p>Auditors have been verified the aspects related to worker welfare and OHS. They have been comply in accordance with criterion 2.1; 4.6; 4.7; 4.8; 6.7; 6.8; and 6.9.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
men and women to get job opportunity.	

<b>4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>	
<b>4.1 Formal Sign-off of Assessment Findings</b>	
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Salim Ivomas Pratama, Tbk Management Representative</p>  <p><b><u>Muhammad Waras</u></b> 25 September 2017</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Yudwi Wisnu Rahmanto</u></b> 25 September 2017</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Labour Agency	Rokan Hilir Regency, Riau Province	-	Interview	10 January 2017	√	-
2	Environment Agency	Rokan Hilir Regency, Riau Province	-	Interview	10 January 2017	√	-
3	National Agency	Rokan Hilir Regency, Riau Province	-	Interview	10 January 2017	√	-
4	Serikat Pekerja Pertanian Perkebunan – Serikat Pekerja Seluruh Indonesia (SPPP – SPSI) / Union Labor	Rokan Hilir Regency, Riau Province	-	Interview	10 January 2017	√	-
5	Gender Commite	Rokan Hilir Regency, Riau Province	-	Interview	10 January 2017	√	√
6	Scale Up	Pekanbaru, Riau Province	<a href="mailto:infoscaleup@yahoo.com">infoscaleup@yahoo.com</a>	Questioner by email	04 January 2017	-	√
7	Jikalahari	Pekanbaru, Riau Province	<a href="mailto:jikalahari@indonet.id">jikalahari@indonet.id</a>	Questioner by email	04 January 2017	-	√
8	Walhi	Jakarta	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questioner by email	04 January 2017	-	√
9	Sawit Watch	Bogor, Indonesia	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questioner by email	04 January 2017	-	√
10	WWF- Indonesia	Jakarta	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questioner by email	04 January 2017	-	√
11	Aman (Aliansi Masyarakat Adat Nusantara)	Jakarta	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	Questioner by email	04 January 2017	-	√
12	Gender Coommitte	Rokan Hilir Regency, Riau Province	-	Interview	10 January 2017	√	-
14	Village of Bangko Balam	Rokan Hilir Regency, Riau Province	-	Interview	10 January 2017	√	-
15	Village of Pasir Putih	Rokan Hilir Regency, Riau Province	-	Interview	10 January 2017	√	-

**Appendix 2. Assessment Program**

DATE / TANGGAL		09 – 13 January 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
<b>Monday, 09 January 2017</b>			
06.00 – 08.00	06.00 – 08.00	<b>JAKARTA → Pekanbaru</b>	<b>YWR / MAY / AFS / FLA</b>
09.00 – 15.30	09.00 – 15.30	<b>Pekanbaru → PT. Gunung Mas Raya – PT Cibaliung Tunggal Plantation</b>	
16.00– 17.00	16.00– 17.00	Opening meeting <ul style="list-style-type: none"> <li>• Presentasi Auditee (Perkenalan PIC, Profil Perusahaan) // <i>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</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> <li>• Review hasil temuan penilaian sebelumnya // <i>Review of previous (Initial assessment) findings</i></li> <li>• Verifikasi Informasi Dasar (PKS dan Kebun) // <i>Verification of Basic Information Mill and Estate</i></li> <li>• Klarifikasi Time Bound Plan // <i>Confirmation of Time Bound Plan</i></li> </ul>	<b>YWR / MAY / AFS / FLA</b>
<b>Tuesday, 10 January 2017</b>			
08.00 – 12.00	08.00 – 12.00	<b>Stakeholders consultation to related agencies in Rokan Hilir Regency</b>  <b>Stakeholders consultation to surrounded village and local NGO</b>	<ul style="list-style-type: none"> <li>• FLA</li> <li>• AFS</li> </ul>
08.00 – 12.00	08.00 – 12.00	Observasi lapangan <b>Cibaliung Estate</b> // <i>Field observation to Cibaliung Estate:</i> <ul style="list-style-type: none"> <li>• Implementasi Aspek Agronomi (Panen &amp; Transportasi, Pemupukan, Aplikasi Pestisida, Perawatan Jalan, Monitoring Pengendali Hayati, Aplikasi Janjang Kosong) // <i>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</i></li> <li>• Implementasi Aspek Lingkungan, Konservasi dan Pengelolaan Limbah (Inspeksi Gudang Bahan Kimia, Pupuk, Gudang Limbah B3, Workshop, Fasilitas Pengendali Kebakaran, Pengelolaan Sampah dan Limbah, Area HCV) // <i>Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</i></li> <li>• Implementasi Keselamatan dan Kesehatan Kerja // <i>Implementation of Occupational Health &amp; Safety Aspect</i></li> <li>• Implementasi Aspek Legal (Legalitas Kepemilikan Lahan, Tata</li> </ul>	<ul style="list-style-type: none"> <li>• MAY</li> <li>• YWR</li> </ul>



DATE / TANGGAL		09 – 13 January 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
		Batas) // <i>Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</i> <ul style="list-style-type: none"> <li>• Observasi Fasilitas Pekerja (Perumahan, Sekolah, Sarana Ibadah) // <i>Observation of Workers Facilities (Housing, School, Worship Place).</i></li> </ul>	<ul style="list-style-type: none"> <li>• MAY</li> <li>• YWR</li> <li>• MAY</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<b>Field observation to Sungai Bangko Factory :</b> <ul style="list-style-type: none"> <li>• Alur Rantai Pasok / Supply Chain (Penerimaan TBS, Penimbangan TBS, Sortasi TBS, Observasi Proses Pengolahan, Despatch CPO) // <i>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</i></li> <li>• Aspek Keselamatan dan Kesehatan (Inspeksi Gudang Bahan Kimia, Gudang Limbah B3, Workshop, Simulasi Fasilitas Pengendali Kebakaran, Pengelolaan Limbah Pabrik / IPAL) // <i>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</i></li> </ul>	<ul style="list-style-type: none"> <li>• YWR</li> <li>• AFS / MAY</li> </ul>
<b>Wednesday, 11 January 2017</b>			
08.00 – 12.00	08.00 – 12.00	Observasi lapangan <b>Sungai Bangko Estate</b> // <i>Field observation to Sungai Bangko Estate:</i> <ul style="list-style-type: none"> <li>• Implementasi Aspek Agronomi (Panen &amp; Transportasi, Pemupukan, Aplikasi Pestisida, Perawatan Jalan, Monitoring Pengendali Hayati, Aplikasi Janjang Kosong) // <i>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</i></li> <li>• Implementasi Aspek Lingkungan, Konservasi dan Pengelolaan Limbah (Inspeksi Gudang Bahan Kimia, Pupuk, Gudang Limbah B3, Workshop, Fasilitas Pengendali Kebakaran, Pengelolaan Sampah dan Limbah, Area HCV) // <i>Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</i></li> <li>• Implementasi Keselamatan dan Kesehatan Kerja // <i>Implementation of Occupational Health &amp; Safety Aspect</i></li> <li>• Implementasi Prosedur dan mekanisme Aspek Ketenagakerjaan // <i>Implementation of Employment Procedure and Mechanism Aspect</i></li> <li>• Implementasi Aspek Legal (Legalitas Kepemilikan Lahan, Tata</li> </ul>	<ul style="list-style-type: none"> <li>• MAY</li> <li>• YWR</li> </ul>

DATE / TANGGAL		09 – 13 January 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
		Batas) // <i>Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</i> <ul style="list-style-type: none"> <li>Observasi Fasilitas Pekerja (Perumahan, Sekolah, Sarana Ibadah) // <i>Observation of Workers Facilities (Housing, School, Worship Place).</i></li> </ul>	<ul style="list-style-type: none"> <li>MAY</li> <li>AFS / FLA</li> <li>YWR</li> <li>AFS / FLA</li> </ul>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Melanjutkan Kunjungan lapangan dan Klarifikasi Hasil Kunjungan Lapangan // <i>Continue Field Observation and field observation clarification</i></li> <li>Konsultasi Publik dengan internal stakeholder (Serikat pekerja, Komite Gender ) dan Kontraktor Lokal // <i>Consultation with internal stakeholders (labor union and gender committee) and local contractor</i></li> <li>Melengkapi checklist // <i>Verification of field visit and completing checklist</i></li> </ul>	YWR / MAY / AFS / FLA
<b>Thursday, 12 January 2016</b>			
08.00 – 12.00	08.00 – 12.00	Verifikasi hasil konsultasi para pihak dan kunjungan lapangan // <i>Verification of stakeholder consultation result and field visit.</i>  Tinjauan dokumen dan melengkapi daftar periksa // <i>Document review and completing audit checklist.</i>	YWR / MAY / AFS / FLA
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 16.00	14.00 – 16.00	<ul style="list-style-type: none"> <li>Diskusi internal tim auditor untuk persiapan Closing Meeting // <i>Internal discussion by auditor team preparing for Closing Meeting</i></li> </ul>	YWR / MAY / AFS / FLA
16.00 – 17.00	16.00 – 17.00	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>Penyampaian hasil audit (Catatan Komponen Positif, Ketidaksesuaian, OFI, Batas Waktu Perbaikan dan Kesimpulan) // <i>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/</i></li> <li>Komentar, Tanggapan dan Diskusi // <i>Comments, Responses and Questions</i></li> </ul>	
<b>Friday, 13 January 2017</b>			
09.00 – 16.00	09.00 – 16.00	<ul style="list-style-type: none"> <li><b>PT Gunung Mas Raya &amp; PT Cibaliung Tunggal Plantation - Pekanbaru</b></li> </ul>	YWR / MAY / AFS / FLA

DATE / TANGGAL		09 – 13 January 2017	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
16.30 –	16.30 –	<ul style="list-style-type: none"> <li>• Pekanbaru – Jakarta</li> </ul>	