

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

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

Name of Management : **TAPUNG KANAN POM, PT SEKARBUMI ALAMLESTARI subsidiary of**  
 Organisation : **KUALA LUMPUR KEPONG Bhd**  
 Plantation Name : **Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 Estate**  
 Location : **Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau, Indonesia**  
 Certificate Code : **MUTU-RSPO/025**  
 Date of Certificate Issue : 24 April 2018 Date of License Issue : 24 April 2018  
 Date of Certificate Expiry : 23 April 2023 Date of License Expiry : 23 April 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	5 to 8 February 2018	Moh Arif Yusni, Dwi Haryati, Steve Mualim, Hasiholan Sihombing	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	23 March 2018

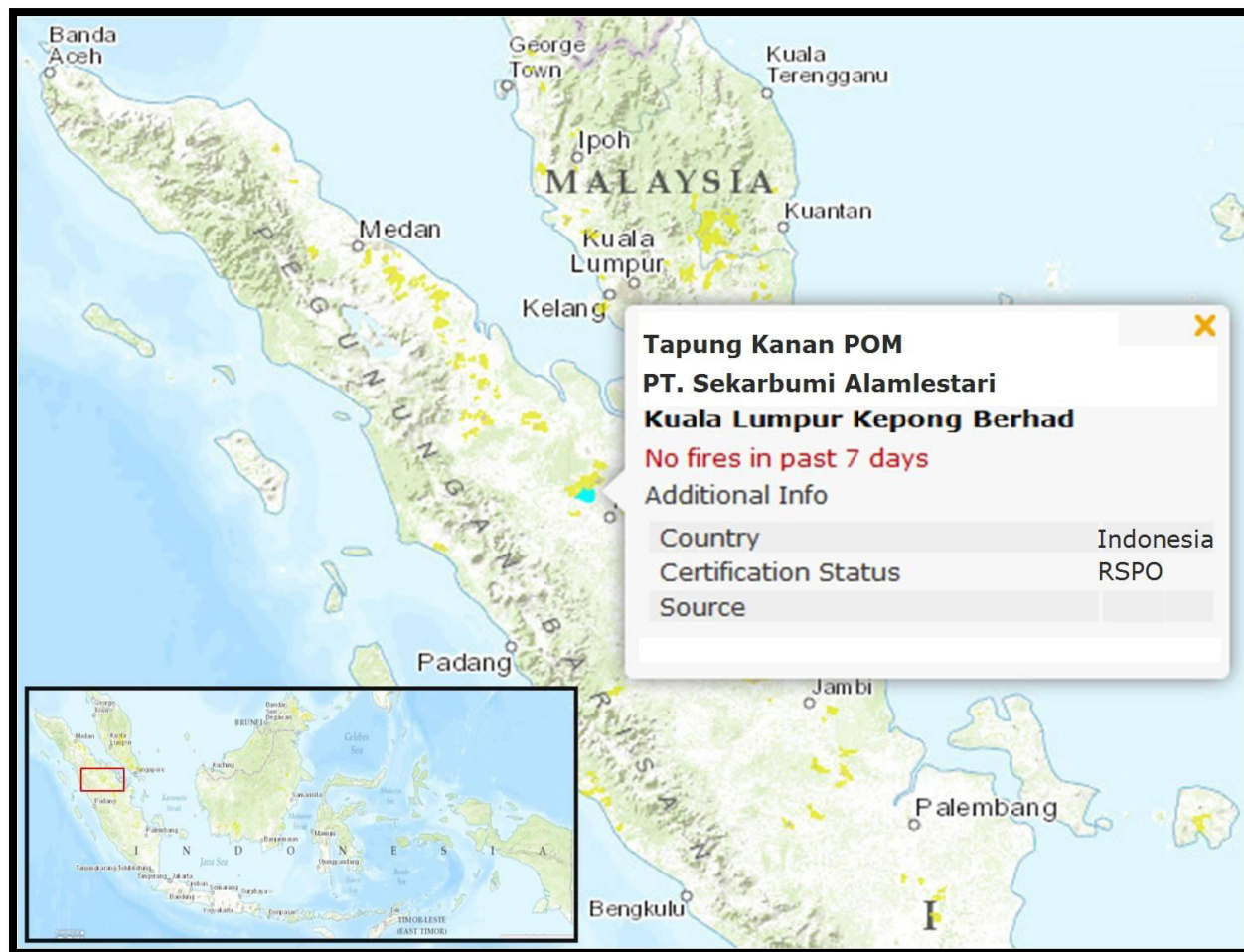
PT Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia  
 Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: [agri@mutucertification.com](mailto:agri@mutucertification.com) • [www.mutucertification.com](http://www.mutucertification.com)  
 MUTU Certification • Accredited by Accreditation Services International  
 on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

### TABLE OF CONTENT

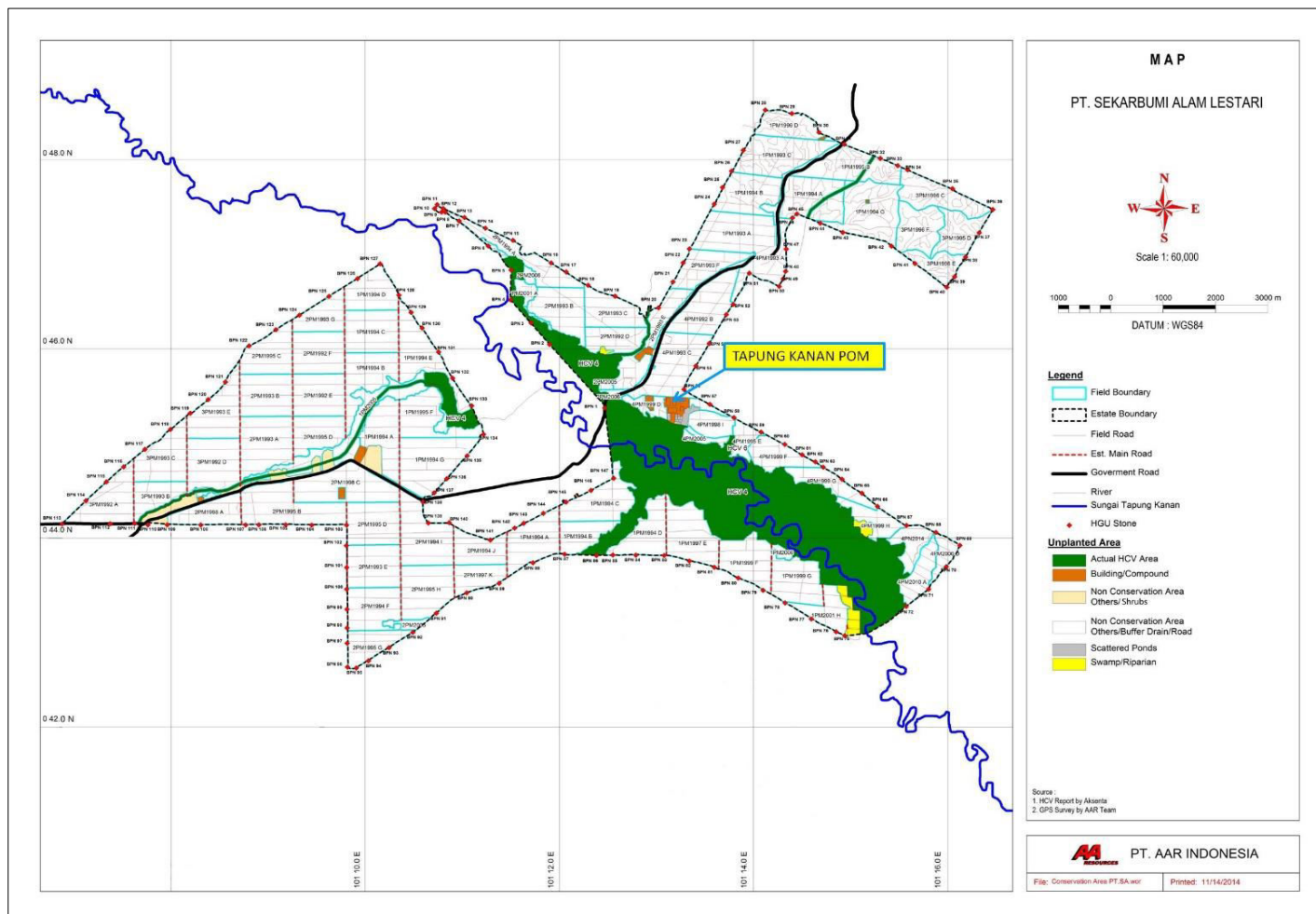
<b>FIGURE .....</b>	<b>1</b>
Figure 1. Location Map of PT Sekarbumi Alamlestari .....	1
Figure 2. Operational Map of PT Sekarbumi Alamlestari .....	2
Abbreviations Used .....	3
<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT .....</b>	<b>5</b>
1.1 Assessment Standard Used .....	5
1.2 Organisation Information .....	5
1.3 Type of Assessment .....	5
1.4 Locations of Mill and Plantation .....	5
1.5 Description of Area Statement .....	6
1.6 Planting Year and Cycles .....	6
1.7 Description of Mill and Supply Base .....	7
1.8 Estimate Tonnage of Certified Product .....	7
1.9 Other Certifications .....	8
1.10 Time Bound Plan .....	8
<b>2.0 ASSESSMENT PROCESS .....</b>	<b>13</b>
2.1 Assessment Team .....	13
2.2 Assessment Methodology, Assessment Process and Locations of Assessment .....	13
2.3 Stakeholder Consultation and Stakeholders Contacted .....	16
2.4 Determining Next Assessment .....	17
<b>3.0 ASSESSMENT FINDINGS .....</b>	<b>18</b>
3.1 Summary of Assessment Report of the RSPO Certification .....	18
3.2 Summary of Assessment Report of Supply Chain Requirements .....	44
Conformity Checklist of Certificate and Logo Use .....	58
3.3 Summary of RSPO Partial Certification .....	59
3.4 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components .....	61
3.5 Summary of Arising Issues from Public, Management and Auditor Response .....	71
<b>4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY .....</b>	<b>75</b>
4.1 Formal Sign-off of Assessment Findings .....	75
<b>APPENDICES .....</b>	<b>76</b>
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process .....	76
Appendix 2. Assessment Program .....	77

### FIGURE

Figure 1. Location Map of PT Sekarbumi Alamlestari



**Figure 2. Operational Map of PT Sekarbumi Alamlestari**



Abbreviations Used		
AAR	:	Applied Agriculture Research
ASA	:	Annual Surveillance Assessment/Audit
BPJS	:	Badan Penyelenggara Jaminan Sosial / <i>Social Insurance Organisation</i>
CB	:	Certification Body
CH	:	Certificate Holder
CPO	:	Cruded Palm Oil
CSPK	:	Certified Sustainable Palm Kernel
CSPO	:	Certified Sustainable Palm Oil
CSR	:	<i>Corporate Sustainable Responsibility</i>
EFB	:	<i>Empty Fruit Bunch</i>
EIA	:	<i>Environmental Impact Analysis</i>
FFB	:	Fresh Fruit Bunch
FY	:	Financial Year
GHG	:	Green House Gasses
GMP	:	Good Management Practices
GRP	:	Ground Rock Phosphate
HCV	:	High Conservation Value
HGU	:	Land Use Title
ILO	:	International Labor Organization
IPAL / WWTP	:	Instalasi Pengelolaan Air Limbah / <i>Waste Water Treatment Plant</i>
ISCC	:	International Sustainability and Carbon Certification
ISPO	:	Indonesia Sustainable Palm Oil
Jamkesda	:	Jaminan Kesehatan Daerah
K3	:	Kesehatan dan Keselamatan Kerja / <i>Occupational Health and Safety</i>
KCP	:	<i>Kernel Crushing Plant</i>
KER	:	Kernel Extract Ratio
KIS	:	Kartu Indonesia Sehat/ <i>Indonesian Healthy Card</i>
KKPA	:	Kredit Koperasi Primer Anggota / <i>Scheme Smallholders Cooperative</i>
KLK	:	Kuala Lumpur Kepong
KTK	:	Kebun Tapung Kanan
KOPNI SL	:	Koperasi Tani Sawit Lestari
LA	:	Land Application / <i>Mill Effluent of Land Application</i>
LB3	:	Limbah Bahan Berbahaya dan Beracun / <i>Hazardous Waste</i>
LD	:	Lethal Dosage
LUCA	:	Land Use Change Analysis
MCL	:	Mandau Central Laboratory
MSDS	:	Material Safety Data Sheet
NGO	:	Non Government Organization
OER	:	Oil Extract Ration
OHS	:	Occupational Health and Safety
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja (OHS Committee)
PK	:	Palm Kernel
PPE	:	Personal Protective Equipment
POM	:	Palm Oil Mill
PT MAL	:	PT Mutuagung Lestari
SA	:	Sekarbumi Alamlestari
SCCS	:	Supply Chain Certification Standard
SIA	:	Social Impact Assessment

SOP	:	Standart Operating Procedure
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
TBS / FFB	:	Tandan Buah Segar / <i>Fresh Fruit Bunches</i>
TPAS	:	Tempat Pembuangan Akhir Sampah / <i>Landfill</i>
TPS	:	Tempat Penyimpanan Sementara / <i>Temporary Hazardous Storage</i>
UKL-UPL	:	Upaya Kelola Lingkungan - Upaya Pemantauan Lingkungan / <i>Environmental Management and Monitoring</i>
WLTK	:	Wajib Lapo Tenaga Kerja / <i>Employment Official Report</i>
WWTP	:	Waste Water Treatment Plant

<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, endorsed 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 revised on 14 June 2017 (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 Sekarbumi Alamlestari – Subsidiary of Kuala Lumpur Kepong Bhd.							
1.2.2	Contact person	Apputhasamy Rathnam							
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> <li><b>RSPO registered company:</b> Wisma Taiko, 1, Jalan S. P. Seenivasagam, 30000 Ipoh, Perak, Malaysia</li> <li><b>Indonesia Liason office:</b> Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau</li> </ul>							
1.2.4	Telephone	0761 – 571885, 571861/62							
1.2.5	Fax	0761 – 571884							
1.2.6	E-mail	ky.tan@klk.com.my							
1.2.7	Web page address	<a href="http://www.klk.co.id">www.klk.co.id</a>							
1.2.8	Management Representative who completed the application for certification	Apputhasamy Rathnam							
1.2.9	Registered as RSPO member	Registration number: 1-0014-04-000-00 18 October 2004							
<b>1.3 Type of Assessment</b>									
1.3.1	Scope of Assessment and Number of Management Unit	1 Mill and 3 Estates as a supply bases: Tapung Kanan POM, Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 Estate.							
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>	<table border="1"> <thead> <tr> <th colspan="2">Coordinate</th> </tr> <tr> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>N 0° 45' 26.82"</td> <td>E 101° 13' 11.07"</td> </tr> </tbody> </table>	Coordinate		Latitude	Longitude	N 0° 45' 26.82"	E 101° 13' 11.07"
Coordinate									
Latitude	Longitude								
N 0° 45' 26.82"	E 101° 13' 11.07"								
	Tapung Kanan	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau							



1.4.2	Location of Certification Scope of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Tapung Kanan 1	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau	N 0° 47' 31"	E 101° 10' 44"	
	Tapung Kanan 2	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau	N 0° 46' 53"	E 101° 10' 9"	
	Tapung Kanan 3	Village of Kota Garo, Sub-District of Tapung Hilir, District of Kampar, Province of Riau	N 0° 42' 56"	E 101° 15' 0"	
1.5 Description of Area Statement					
1.5.1	Tenure				
	• State		6,200 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
	• Total area		6,200.00 Ha		
	• Mature area		5,146.00 Ha		
	• Immature area		29.00 Ha		
	• Mill / Housing / Road		94.00 Ha		
	• River Riparian		57.00 Ha		
	• Nursery		4.00 Ha		
	• HCV		870.00* Ha		
	Source: Hectareage Statement January 2018				
	*Based on delineation and re-digitized mapping conducted by unit management				
1.6 Planting Year and Cycles					
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Tapung Kanan I	Tapung Kanan II	Tapung Kanan III	Total
	Mature Area				
	1992	143	354	-	497
	1993	682	471	85	1,238
	1994	384	540	552	1,476
	1995	197	234	358	789
	1996	250	-	-	250
	1997	-	-	147	147
	1998	38	-	174	212



	1999	166	-	165	331							
	2001	15	-	53	68							
	2005	-	59	-	59							
	2006	24	-	8	32							
	2010	47	-	-	47							
	Immature Area											
	2015	29	-	-	29							
	TOTAL	1,975	1,658	1,542	5,175							
1.6.2	New Planting area after January 2010		- Ha									
1.6.3	Planting Cycle		1 <sup>st</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 (%)					
	Tapung Kanan	30	131,813.08	27,951.15	21.21	7,131.52	5.41					
	*Production data source from February 2017 to January 2018											
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)	%					
						Tapung Kanan 1	2,447.00	1,975.00	39,529.93	20.01	38,410.61	97.17
						Tapung Kanan 2	1,880.00	1,658.00	40,194.07	24.24	40,193.89	99.99
						Tapung Kanan 3	1,873.00	1,542.00	35,138.63	22.79	35,138.63	100
	TOTAL	6,200.00	5,175.00	114,862.63	22.19	113,743.13	99.02					
	*Production data source from February 2017 to January 2018											
1.7.3	FFB description from other source											
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill							
					FFB (tonnes/year)							
	KKPA Sahabat Lestari (Non Certified)	Associate smallholders of PT Sekarbumi Lestari	647	1,294.00	18,069.95							
	TOTAL				18,069.95							
	*Source Production Data on February 2017 to January 2018											
1.7.4	Product categories			FFB, CPO, PK								
1.8 Estimate Tonnage of Certified Product												
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim		Actual certified product							

		24 April 2017 to 23 April 2018 (tonnes/year)	24 April 2017 to 31 January 2018 (tonnes/year)					
	• FFB Production	116,594	86,231.36					
	• CPO Production	25,651	18,314.19					
	• Palm Kernel (PK) Production	6,413	4,660.40					
1.8.2	Product selling							
	Tonnage of selling product	Period of actual selling product 24 April 2017 to 31 January 2018						
	• CSPO sold as RSPO certified product	-						
	• CSPK sold as RSPO certified product	3,057.27						
	• CSPO sold under other scheme	16,902.80						
	• CSPK sold under other scheme	-						
	• CSPO sold as conventional	556.08						
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estates</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/year)</b>			
	Tapung Kanan 1	2,447.00	1,975.00	46,413	23.50			
	Tapung Kanan 2	1,880.00	1,658.00	42,445	25.60			
	Tapung Kanan 3	1,873.00	1,542.00	36,237	23.50			
	<b>TOTAL</b>	<b>6,200.00</b>	<b>5,175.00</b>	<b>125,095</b>	<b>24.17</b>			
	<i>*Projected FFB production for 24 April 2018 to 23 April 2019</i>							
1.8.4	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>Supply Chain Module</b>		
				<b>Out put (ton)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Tapung Kanan	30	125,095	27,521	22	6,880	5.5	MB
	<i>*Projected CSPO and CSPK production for 24 April 2018 to 23 April 2019</i>							
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				
	Others			ISPO: MUTU-ISPO/032, valid 30 April 2015 to 29 April 2020.				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	MANAGEMENT UNIT			LOCATION		Coverage Area (Ha)	Time Bound	Status
	P O M	Estate (Supply Base)						

INDONESIA					
Berau POM	Malindomas Perkebunan	Berau, Kalimantan Timur	7,971	2018	-
	Hutan Hijau Mas	Berau, Kalimantan Timur	7,288	2018	-
Jabontara POM	Jabontara Eka Karsa	Berau, Kalimantan Timur	14,086	2017	Certified 2017
MAP POM	Mulia Agro Permai	Baamang, Kalimantan Tengah	9,056	2018	Stage 1
	Menteng Jaya Sawit Perdana	Mentaya Hilir Utara, Kalimantan Tengah	6,399	2018	Stage 1
KMA POM	Karya Makmur Abadi	Mentaya Hulu, Kalimantan Tengah	13,127	2018	Stage 1
Steelindo Wahana Perkasa POM	Steelindo Wahana Perkasa	Belitung, Bangka Belitung	14,065	2012	Certified 2015
Parit Sembada POM	Parit Sembada	Belitung, Bangka Belitung	3,990	2013	Certified 2016
	Alam Karya Sejahtera	Belitung, Bangka Belitung	6,012	2013	Certified 2016
Mandau POM	Mandau	Bengkalis, Riau	14,799	2012	Certified 2012
Nilo POM	Nilo	Pelalawan, Riau	12,860	2012	Certified 2014
	Smallholder PT Adei Plantation – NILO Complex	Pelalawan, Riau		2018	Stage- 2 Audit
Tapung Kanan POM	Sekarbumi Alamlestari	Kampar, Riau	6,200	2012	Certified 2013
	Koperasi Tani Sahabat Lestari (Smallholder)	Kampar, Riau	1,294	2016	Refuse to take a part RSPO process.
Gohor Lama POM (LNK Stabat POM)	Basilam	Langkat, Sumatera Utara	2,337	2014	Certified 2017
	Gohor Lama	Langkat, Sumatera Utara	3,307	2014	Certified 2017
	Tanjung Beringin	Langkat, Sumatera Utara	4,157	2018	-
	Maryke	Langkat, Sumatera Utara	2,827	2014	Certified 2017
	Bekiun	Langkat, Sumatera Utara	2,979	2014	Certified 2017
	Padang Brahrang	Langkat, Sumatera Utara	2,024	2014	Certified 2017
	Bukit Lawang	Langkat, Sumatera Utara	1,482	2014	Certified 2017
	Tanjung Keliling	Langkat, Sumatera Utara	2,360	2014	Certified 2017

Padang Brahrang POM	No longer in operation				
PENINSULAR MALAYSIA					
Batu Lintang POM	Pelam	Kulim, Kedah	2,526	2012	Certified 2013
	Batu Lintang	Serdang, Kedah	2,355	2012	Certified 2013
	Subur	Batu Kurau, Perak	1,290	2013	Certified 2013
	Ghim Khoon	Kulim, Kedah	434	2012	Certified 2013
Kekayaan POM	Kekayaan	Paloh, Johor	4,436	2011	Certified
	Landak	Paloh, Johor	4,451	2011	Certified
	Voules	Tenang, johor	2,977	2011	Certified
	Bandar Tenggara	Bandar Tenggara, Johor	950	2011	Certified
	New Pogoh	Tenang, johor	1,560	2011	Certified
	Fraser	Kulai, Johor	2,932	2011	Certified
	Paloh	Paloh, Johor	2,029	2011	Certified
	Sungai Bekok	Bekok, Johor	636	2011	Certified
	Ban Heng	Pagoh, Muar, Johor	631	2011	Certified
	See Sun	Renggam, Johor	589	2011	Certified
Paloh POM		Paloh, Johor			Outside Crop
Jerang Padam POM	Ayer Hitam	Bahau, Negri Sembilan	2,640	2012	Certified
	Batang Jelai	Rompin, Negri Sembilan	2,162	2012	Certified
	Jeram Padang	Bahau, Negri Sembilan	2,114	2012	Certified
	Kombok	Rantau, Negri Sembilan	1,915	2012	Certified
	Ulu Pedas	Pedas, Negri Sembilan	923	2012	Certified
	Gunung Pertanian	Simpang Durian, Negri Sembilan	686	2012	Certified
	Sungai Kawang	Lanchang, Pahang	1,889	2012	Certified
	Renjok	Telemong, Pahang	1,578	2012	Certified
	Tuan	Telemong, Pahang	1,353	2012	Certified
Tanjung Malim POM	Tanjung Malim	Tanjung Malim, Perak	1,544	2013	Certified 2013
	Kerling	Kerling, Selangor	619	2013	Certified 2013
	Sungai Gapi	Serendah, Selangor	603	2013	Certified 2013
	Bukit Kato				Certified 2013
	Kampar				Certified 2013
Tuan Mee POM	Tuan Mee	Sungai Buloh, Selangor	1,556	2012	Certified 2013

Kuala Pertang POM	Kerila	Tanah merah, Kelantan	2,191	2013	Certified 2014
	Pasir Gajah	Kuala Krai, Kelantan	2,107	2013	Certified 2014
	Sungai Sokor	Tanah Merah, Kelantan	1,603	2013	Certified 2014
Changkat Chermin POM	Lekir	Manjung, Perak	3,332	2012	Certified 2013
	Changkat Chermin	Manjung, Perak	2,540	2012	Certified 2013
	Raja Hitam	Manjung, Perak	1,497	2012	Certified 2013
	Allagar	Trong, Perak	805	2013	Certified 2013
	Glenealy	Parit, Perak	1,059	2013	Certified 2013
	Serapoh	Parit, Perak	936	2013	Certified 2013
	Kuala Kangsar	Padang Rengas, Perak	843	2013	Certified 2013
<b>SABAH, MALAYSIA</b>					
Mill 1		Tawau, Sabah		Outside Crop	
Mill 1	Jatika	Tawau, Sabah	3,508	2009	Certified 2009
	Sigalong		2,864	2009	Certified 2009
	Pangeran		2,855	2009	Certified 2009
	Sri Kunak		2,770	2009	Certified 2009
	Pang Burong		2,548	2009	Certified 2009
Pinang	Pinang	Tawau, Sabah	2,420	2009	Certified 2009
	Tundong		2,155	2009	Certified 2009
	Ringlet		1,834	2009	Certified 2009
Lungmanis	Lungmanis	Lahad Datu, Sabah	1,656	2010	Certified 2010
	Sungai Silabukan	Lahad Datu, Sabah	2,654	2010	Certified 2010
Rimmer	Rimmer	Lahad Datu, Sabah	2,730	2010	Certified

		Tungku	Lahad Datu, Sabah	3,418	2010	2010 Certified 2010
		Bukit Tabin	Lahad Datu, Sabah	2,916	2010	2010 Certified 2010
	Bornion	Bornion	Kinabatangan, Sabah	3,233	2010	2010 Certified 2010
		Segar Usaha	Kinabatangan, Sabah	2,792	2010	2010 Certified 2010
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	<p>PT SA has been certified since 24 April 2012 with the scope Tapung Kanan POM, TK I Estate, TK II Estate and TK III Estate. In addition, PT SA also has a partnership with smallholder scheme “KKPA Sahabat Lestari” which also supplies FFB to Tapung Kanan POM. Until now been running four years since Tapung Kanan POM obtained the certificate (Recertification) and KKPA Sahabat Lestari are yet to be proven in compliance with the RSPO certification standards (certifiable) according to the requirements of the RSPO certification system clausul 4.2.3.</p> <p>The Company has made an efforts to ensure that the area of KOPNI-SL as one of FFB suppliers to Tapung Kanan POM can be certified. The process of engagement and socialization has been conducted since 2015 (when ASA-2), for example, it can be shown the minutes of meeting on RSPO certification activities for area of KOPNI-SL on July 2, 2015 which was attended by 15 participants including members of KOPNI, Board of KOPNI and PT SA management.</p> <p>Assessment of the fulfillment of legality aspect of KOPNI-SL has been requested by PT SA to PT MAL and has been done on 14-16 Feb 17 but at the time of the activity the KOPNI's Board is not willing to attend. The meeting between PT SA and KP-SL was resumed in June 2017, and based on the meeting minutes it was found that KP-SL stated that it was unwilling to be audited. The assessment of documents and field observations was undertaken by PT Mutuagung (upon request of PT Sekar Bumi) against KP-SL on 13-16 June 2017, and at that time KP-SL refused to be audited.</p> <p>A tripartite meeting between PT SA, PT MAL (CB) and RSPO-Malaysia was conducted to discuss these issue on July 6, 2017 at RSPO Secretariat - Kuala Lumpur. Based on the results of the meeting, PT Sekarbumi Alamlestari issued a declaration letter on the status of Kopni Sahabat Lestari, dated July 10, 2017 to PTMutuagung, which explains the chronology of efforts made by the company, and also its cooperation status was not KKPA (which based on the IUP PT SA have no obligation todevelop KKPA), so in this case KP-SL is indenpent-outgrower.</p> <p>Verification of the declaration letter has been done by PT Mutuagung through an interview to members of the KOPNI on July 13, 2017 and mentioned that most of members and Boards refuse to take a part RSPO process.</p>					

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>RC</b>	<p><b>1. Moh Arif Yusni (Lead 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, such as land Legality, Worker Welfare, OHS, transparency, long term economic aspect and Supply chain for palm oil mill. During the assesment the auditor Legality, SCCS, land dispute and OHS aspect.</p> <p><b>2. Steve Mualim (Auditor).</b> Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as Environmental management consultant (2012) and Sustainable palm oil assurance auditor since 2013. Has been attended several trainings e.g : ISCC in house training, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, and ISO 9001:2008. Has been conducted several audits for RSPO / ISPO scheme since 2013 for best management practices, conservation, and environmental management. Fluent in bahasa and chinese mandarin. During this audit, he assigned to verify environmental management aspect and HCV.</p> <p><b>3. Dwi Haryati (Auditor).</b> Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. Has experience on Palm Oil Plantation as Sustainability staff. Training have been followed : Training Lead Auditor of ISPO, lead auditor RSPO Scheme (pass the exam), Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 &amp; 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. Aspects to be audited: best management practices, Occupational Health and Safety (K3), Social Worker. During this audit, he assigned to verify Occupational Health and Safety (K3), Social Worker.</p> <p><b>4. Hasiholan Sihombing (Auditor Trainee).</b> Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Auditor ISPO training, RSPO Awareness in House Training, Quality Management Systems training (ISO 9001:2015), Environmental Management Systems training (ISO 14001:2015), OHS General Expert training, OHSAS 18001:2007 training and ISO 17021 &amp; 17065 training. During this audit, he assigned to verify long term plan, best management practices estate and mill.</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>RC</b>	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for RC at site: 4 days</p> <p>Number of working days for RC at site : 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>RC</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Sekarbumi Alamlestari to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 Revised 14 June 2017 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the</p>



	<p>information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results Recertification delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.1).</p> <p>Improvement of findings from surveillance assesment findings were observed by auditors at this Recertification assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification.</p> <p>The assessment program please find Appendix 2.</p>
<b>2.2.3</b>	<b>Location of Assessment</b>
<b>RC</b>	<p>Number of units in this certification activity is 3 estates, which supply the raw material (FFB) to Tapung Kanan Palm Oil Mill. In conducting the assessment, the team of auditors determined that the sampling locations are Tapung Kanan Palm Oil Mill and 3 Estates (Tapung Kanan 1 Estate, Tapung Kanan 2 Estate and Tapung Kanan 3 Estate)</p> <p><b>Tapung Kanan POM:</b></p> <ul style="list-style-type: none"> <li>• <b>Security Post (2 security).</b> Observation and interview with security related personnel understanding over the applicable SOP, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Loading Ramp (4 workers).</b> Observation and interview with sortation personel related to personel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria.</li> <li>• <b>Sterilizer Station (1 worker).</b> Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Hoisting Crane Station (1 worker).</b> Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Press Station (2 workers).</b> Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Boiler Station (1 worker).</b> Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Engine Room Station (1 worker).</b> Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Kernel Station (1 worker).</b> Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.</li> <li>• <b>Hydrant No 9.</b> Simulate the facility of emergency</li> <li>• <b>Toxic and hazardous waste storage.</b> Observation for hazardous waste management and storage</li> <li>• <b>Water treatment plant.</b> Observation for water usage monitoring</li> <li>• <b>General store.</b> Observation for stock management</li> <li>• <b>Chemical store.</b> Observation for hazardous material management</li> <li>• <b>Waste water treatment plant.</b> Observation for pome management</li> <li>• <b>Land application block 344.</b> Observation for pome utilization</li> <li>• <b>Monitoring well 1 block 344.</b> Observation for pome monitoring</li> <li>• <b>Fire Fighting Warehouse.</b> Observations and interviews with fire fighting teams related to the availability of fire infrastructure and facilities, fire management simulations, and emergency response systems.</li> <li>• <b>Rice Warehouse.</b> Observation of safe warehouse, clean rice warehouse area and not in combination with</li> </ul>

hazardous materials.

- **Hazardous Waste Temporary Warehouse.** Observation related to hazardous waste management, record of hazardous waste, the condition of buildings and supporting facilities.
- **Fuel, Oil, Liquid Warehouse.** Field observations related to the fulfilment of health safety as well as interviews with a warehouse clerk of safety health related to OHS and waste management.

### KTK 1 Estate:

- **Block 93C Division 2B (6 Fertilizer Applicator).** Observation on safe working practices and interview with the fertilizer workers related type of fertilizer use according to the procedure and also worker welfare.
- **Block 92B Division 2B (2 harvester).** Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare.
- **Block 92B Division 2B (Loading FFB process).** Interview with foreman of FFB about loading FFB procedure, administration, FFB sortation in platform, safety and health and worker welfare.
- **Block 06 Division 2B (6 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Block 93C Division 2B (barn owl nest observation).** To check nest condition.
- **Block 99G Division 2B (Empty Fruit Bunch application observation).** To observation application of EFB.
- **Fire observation tower block PR-15.** Observation for landfire facilities
- **Sepahat riparian block 99G.** Observation regarding HCV areas management
- **Division Office 1A.** Observation related to worker absence, base calculation and harvesting wage.
- **Division Office 2A.** Observation related to worker absence, base calculation and harvesting wage.
- **Daycare at Division 1A.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
- **Daycare at Division 2A.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
- **Worker Housing Division 1A.** Observation and interview with residents related to employee facilities, management of domestic waste, emergency response facilities, provision of clean water and electricity.
- **Worker Housing Division 2A.** Observation and interview with residents related to employee facilities, management of domestic waste, emergency response facilities, provision of clean water and electricity.
- **Pesticide Mixing Place.** Observations and interviews with mixing officer related to the mixing process, work instructions, OHS and employment.
- **Agrochemicals Warehouse.** Observation related to management of agrochemical material and waste, MSDS, emergency response facilities and the types of pesticides used.
- **Fertilizer Warehouse.** Observations relating to the implementation of storage fertilizer material, Health safety and labour management.

### KTK 2 Estate:

- **Block 94B Division 3A (7 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Block 93E Division 3B (7 Fertilizer Applicator).** Observation on safe working practices and interview with the fertilizer workers related type of fertilizer use according to the procedure and also worker welfare.
- **Block 92F Division 3B (1 harvester).** Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare.
- **Block 92F Division 3B (Loading FFB process).** Interview with foreman of FFB about loading FFB procedure, administration, FFB sortation in platform, safety and health and worker welfare.
- **Block 93E Division 3B (7 loosefruit picker).** Observation of procedure application related working procedure, safe working practices and interview about worker welfare.
- **Block 94B Division 3A (barn owl nest observation).** To check nest condition.
- **Block 94G Division 3A (Empty Fruit Bunch application observation).** To observation application of EFB.
- **Block 94A Division 3A (ex Nursery area observation).** To observation ex Nursery area.

- **Riparian Sepano river, block 94 B.** Observation regarding HCV areas management
- **Housing employee divisions 3A and 3B.** Observation and Interviews with 4 workers related to employee welfare and infrastructure facility.
- **Creche.** Interview with 3 workers about job description and rights of employment.
- **Landfills block 94 A.** Observation and interview with 1 officer related to domestic waste management.
- **Pesticide mixing area division 4B.** Observation and interview with 1 officer about hazardous waste management.
- **Rinsing house (facility for spraying).** Observation to facility post-spraying (OHS aspect and environment aspect).
- **First aid room.** Observation and interview with 1 related medical officer about health facilities and medical waste.

**KTK 3 Estate:**

- **Block 98A Division 4B (2 harvester).** Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare.
- **Block 93E Division 4B (7 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Block 94C Division 4A (10 Fertilizer Applicator).** Observation on safe working practices and interview with the fertilizer workers related type of fertilizer use according to the procedure and also worker welfare.
- **Block 94J Division 4B (4 loosefruit picker).** Observation of procedure application related working procedure, safe working practices and interview about worker welfare.
- **Block 98A Division 4B (barn owl nest observation).** To check nest condition.
- **Block 94I Division 4B (Empty Fruit Bunch application observation).** To observation application of EFB.
- **Boundary pole BPN 147 block 94C.** Observation for legal operational boundary
- **Boundary pole BPN 143 block 94A.** Observation for legal operational boundary
- **Boundary pole BPN 140 block 94I.** Observation for legal operational boundary
- **Boundary pole BPN 139 block 94I.** Observation for legal operational boundary
- **Boundary pole BPN 138 block 94I.** Observation for legal operational boundary
- **Paloge riparian block 94B div 4A.** Observation regarding HCV areas management
- **Housing employee divisions 4A dan 4B.** Observation and Interviews with 3 workers related to employee welfare and infrastructure facility.
- **Creche.** Interview with 1 workers about job description and worker welfare
- **Landfills division 4A.** Observation and interview with 1 officer related to domestic waste management.
- **Pesticide mixing area KTK III.** Observation and interview with 1 officer about hazardous waste management.
- **Rinsing house (facility for spraying).** Observation to facility post-spraying (OHS aspect and environment aspect).
- **Interview** with loading worker division 4 B about safe working practices and completeness of PPE workers

**Stakeholders**

- Relevant agencies : Environment agency, labor agency, plantation agency
- Surrounded village : Kotogaro, Koto Aman
- Local Stakeholder : Worker union, gender commite, worker cooperative and local contractor

**2.3 Stakeholder Consultation and Stakeholders Contacted**

<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>RC</b>	<p>Consultation of stakeholders for PT Sekarbumi Alamlestari held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement at RSPO Website (<a href="http://www.rspo.org">www.rspo.org</a>) on 02 January 2018.</li> <li>2. Public consultation with government agencies of Kampar district (Plantation Agency, Environmental Agency, Manpower and Transmigration Agency and National Land Agency) on 05 February 2018.</li> <li>3. Public consultation by interview with locals of the nearby village (Koto Aman and Kota Garo Village) on 7 and 8 February 2018.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative and gender</li> </ol>

	committee and local contractor) on 05 February 2018.
	5. Consultation with NGO (Jikalahari, Walhi, WWF, AMAN and Sawit Watch) via email on 30 January 2018.
	Numbers of input from stakeholders were clarified by PT Sekarbumi Alamlestari.
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit <b>ASA-1.1</b> will be determined one year after this <b>Recertification</b> (February 2018).

### 3.0 ASSESSMENT FINDINGS

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

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

During the assessment, there were one (1) Nonconformity were assigned against Minor Compliance Indicators and 14 (fourteen) 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.

MUTUAGUNG LESTARI found that **Tapung Kanan POM – PT Sekarbumi Alamlestari Subsidiary of Kuala Lumpur Kepong Bhd** complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised 14 June 2017 (Module E 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</b>	<b>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>PT Sekarbumi Alamlestari has Procedure for Communication (SOP No. 01 "<i>Permintaan dan Pemberian Informasi serta Komunikasi dan Penyampaian Keluhan</i>"). These procedures as practical guidance to handle the internal and external communication related to information of RSPO, Environment, social and law. Based on these procedure, it is intended to ensure that:</p> <ol style="list-style-type: none"> <li>The reference document in effective and precise time</li> <li>The effective dialogue among the company, workers and another party</li> <li>These procedures also were contained of communication flow chart with internal and external.</li> <li>The company was stated that the deadline for respond of information request is 15 days.</li> </ol> <p>Based on interview with community of Koto Aman village and Kota Garo Village, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted.</p>	
<b>1.1.2</b>	<p>The company was documented all of incoming and outgoing letter from another party. Based on document verification of incoming letter and the respond by the company, until Januari 2018 for example there was letter from Imigran Agency 1 Pekabaru for inspection of imigran worker in PT Sekarbumi Alamlestari. The company was respond these requested and the documentation of response was showed.</p>	
	<b>Status: Comply</b>	

**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**

PT Sekarbumi Alamlestari has a list of information that can be accessed by stakeholders in the Procedure for Communication (SOP No. 01 "*Permintaan dan Pemberian Informasi serta Komunikasi dan Penyampaian Keluhan*"). The documents that can be accessed by the public including:

- Company Policy
- Regional Director Memo's
- Working Progress of OHS & RSPO Program
- OHS & RSPO related matters
- Crop Report
- Insurance
- Agreement
- Details of complaints and complaints
- Incoming and Outcoming letter
- Continuous improvement plan
- Land Rights Use
- Public summary and certification assessment report
- Human Rights Policy

The documents that not listed above categorized as confidential or limited information by the company, for example; business strategic, financial system and workers personnel data.

Based on interviews with Village head and community (Koto Aman and Kota Garo Village), known that the villagers understand how to obtain information from the company. The company maintains records of request for information and responses under "*Logbook Komunikasi*" on each unit management. Based on document verification, that's known no information request from stakeholders. There are showed sample of request from villagers (relief fund) and the company has been follow up these request.

**Status: Comply**

**1.3**

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

**1.3.1**

The management unit showed a KLK Business Ethics Policy approved by Chief Executive Officer/CEO on 01 Desember 2014. Besides the business ethics, the management unit also makes the work ethic that governs the individual's basic attitudes and the individual's behavior inside and outside the company, besides including the prohibition of corruption, bribery and fraud also arranged on the code of conducts. That document which is available in Indonesian Language, explains fair conduct of business, and provides information in accordance with applicable laws. Dissemination of code of integrity and ethical behavior disseminated by specific socialization or morning briefing to all level of workers. Based on interview with workers, labor union, representative of gender committees and contractor, they know about code of integrity and ethical behavior of Kuala Lumpur Kepong.

**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 consistently applies legislation relating to plantation and palm oil mill. The last update of laws and regulations list was conducted on October, 14 2017. The Certification Unit has shown compliance with laws and regulations, for example:

- a. PT Sekarbumi Alamlestari already has a Plantation Business Permit in accordance with the regulation of Agriculture Ministry (Permentan) No. 98 Year 2013 about the plantation business permit guidelines.



- b. PT Sekarbumi Alamlestari already has rights of the land / soil in accordance with the Government Regulation No. 40 year 1996 about Land Use Title (HGU).
- c. Reporting Guiding Committee Of Occupational Safety & Health (P2K3) activities have been done with regularly
- d. Reporting WLTK (Employment Official Report) have been done with regularly
- e. Workers have has been registered in the program of Workers Social Security Agency (BPJS)
- f. Payment of overtime under applicable regulations
- g. Reporting Environmental Management Efforts / Environmental Monitoring Efforts have been done with regularly.

Certificate holder can show a copy of the regulations was documented on soft file in the office of each unit. Based on interviews with relevant institutions (Plantation Agency, Labor Agency, Environment Bodies), it is noted that the management unit has complied with the regulations related to the estate, employment and the environment.

### 2.1.2; 2.1.3 and 2.1.4

To ensure compliance to regulations, company has SOP NO. 2 about Regulatory Compliance and Applicable Law (Revised on August 1, 2013). Describes the person in charge is Sustainability Staff).

Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted on 8 to 11 Januari 2018.

**Status: Comply**

## 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

PT Sekar Bumi Alam Lestari has obtained the land Use Right (HGU) covering an area of **6,200 hectares** accordance with the regulations. Until audit the land use title certificate is still valid. Land Use Right certificate No. 01, on December 1, 1994 covering an area of 6,200 hectares which is valid until December 31, 2024 (30 years, 25 years extended). Certificate refers to the Decree of Agrarian Minister / Head of National Land Agency No. 36 / HGU / BPN / 94 on July 29, 1994. Documents verifications and interview with manager its known of the area under managed by PT Sekarbumi Alamlestari are 6,200 Ha.

### 2.2.2

Certificate holder has a map of legal boundaries. Boundaries markers monitored once a year according to SOP demarcation and maintenance of boundary markers (SOP No. 4 revised on 10 August 2017), the last monitoring already delivered on October 2017 with the results of monitoring its known if all boundaries poles are good and maintained. From interviews with the local communities are not identified any cases of border violations. Based on field observation by auditor team, checking the sampled boundary poles using GPS tool GARMIN 62s, on Boundaries Pole No 66; 67; 68; dan 69 Tapung Kanan 1 Estate; Poles No 126; 127; 128 and 129 Tapung Kanan 2 Estate; Poles No 147; 143; 140 139 and 138 Tapung Kanan 3 Estate all the legal boundaries are well demarcated, visibly maintained and appropriate with coordinates

### 2.2.3; 2.2.4 and 2.2.5

As a guidance for land conflict settlement the company has had SOP *Prosedur Penyelesaian Sengketa Lahan*/ land dispute settlement (SOP No 6 Dated 10 August 2017) that describes the mechanism of settlement of border, land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC.

Based on field observation, interview with management and stakeholder (head of Village Koto Garo and Koto Aman) its known if there is several land claim in the operational area of PT Sekarbumi Alamlestari, for example:

- Land claim in Block 99 H Tapung Kanan 1 Estate with covering 41 Ha
- Land claim in Block 93 B Tapung Kanan 1 Estate covering 4 Ha
- Demands on land that has not received compensation (Acknowledgment of Kota Aman Village Group)



The result of document verification is known that the area claimed by the community of Koto Aman Village already has the land title document (HGU). The Kampar Regent explained by letter no. 100 / Pem / V / 2007/654 following up letter from the Governor of Riau No 592.2 / PH / 88.01 dated January 16, 2007, explained that PT Sekarbumi Alamlestari has obtained land title (HGU) in 1994 with covering  $\pm$  6,200 ha. Land claimed by the Koto Aman community of  $\pm$  1,500 hectares, of which an area of  $\pm$  682 hectares has been compensated through the local government team of 1992, while the remaining are forest areas that have been released

Edaphology team of Riau Province in the "document of edaphology" on September 22, 1991 22 / RSL / HGU / 1991 concludes that it has been completed and there are no parties objected. "Records of land compensation" when the arrangement of Land Use Title is stored at the Central Office of Jakarta on legal and taxation section, for example:

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

The settlement of disputes / claims from villagers has been discussed collectively and documented, but to date no agreement has been reached, Company explained that if people are not satisfied should take legal action. In addition, the area of the area has also been mapped by the company. Based on the results of interviews with the Village Koto Aman this is in the process of completion and involving leaders - community and local government. Therefore its being OFI No 1

### 2.2.6

Certificate holder has a policy to not use the military for operations dated on 12 August 2016 by the Group Manager. Based on field observation and direct interview with sampled workers and communities, it was known that the certificate holder has no evidence to instigate violence in maintaining peace and order in their current operations. Generally, the certificate holder has complied with the right to use the land.

**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; 2.3.2; 2.3.3

PT. Sekarbumi Alamlestari is one of long-established plantations company since 1994. In related to the maps of an appropriate scale that showing legal, customary or user right through participatory mapping and copies of negotiated agreements detailing process of FPIC is not applicable. This is due to no longer records dating back to the time of the decision making.

The Certificate Holder has developed a mechanism of Implementation of Free Prior Informed Consent as document SOP No 6 Dated 10 August 2017 (*Prosedur Penyelesaian Sengketa Lahan*/ land dispute settlement) that describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC.

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

According to information gathered during stakeholder consultation in 07 and 08 February 2018 with representatives of Koto Garo Village and Koto Aman, it is confirmed that no customary land or other use right over the certified area. Suggested that there is no communally owned land inside the estate location. Additionally, as suggested by the result of public consultation with Plantation Agency, most of the entire land use title area was originally converted from the forest conversion production to become the land allocated for other purpose (APL) on 1991.

<b>Status: Comply</b>	
<b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b>	
<b>3.1</b>	
<b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b>	
<b>3.1.1</b>	
<p>Certificate holder has showed a long-term management plan 5 years that shown in the form of documents Economic Indicators for mill and estate (5 years) in the period 2017/2018 until 2021/2022. Economic indicators (5 years) informed the indicator (FFB crop, OER, KER, CPO production, PK production, production costs in IDR/MT CPO, revenue in IDR). Comparing between the planned cost and revenue, the company still visible to be economically viable for long-term.</p> <p>Annual planning also evaluated at the end of year and compared with realization. It annual planning can be adjusted based on field condition, financial condition or another reason.</p>	
<b>3.1.2.</b>	
<p>Replanting program (replanting) are presented in the fifth annual replanting program. Replanting program starting from 2017/2018 covering an area of 174 hectares, in 2018/2019 covering an area of 297 hectares, in 2019/2020 covering an area of 333 hectares, in 2020/2021 covering an area of 322 hectares and 2021/2022 covering an area of 353 hectares. In the document has been informed the location of the estate, division and field replanting plan. However, until the recertification audit is conducted, the company has not carried out replanting activities due to top management decisions.</p>	
<b>Status: Comply</b>	
<b>PRINCIPLE #4 Use of appropriate best practices by growers and millers</b>	
<b>4.1</b>	
<b>Operating procedures are appropriately documented and consistently implemented and monitored.</b>	
<b>4.1.1</b>	
<p>The company has had SOP RSPO PT Sekarbumi Alamlestari endorsed by Senior Manager on 12 August 2017. The SOP documents among others about planning of new area planting, replanting plans, nurseries, land clearing, planting, replanting, pest and disease control, weed control, fertilization, maintenance of immature plant, preparation ahead of harvest, harvesting, loading and transportation of FFB. The Oil Mill has SOPs covering all mill operations such as FFB Grading, Sterilization Station, Press Station, Threshing Station, Oil Room, Kernel Plant, Laboratory, CPO &amp; PK Despatch, Engine Room, Boiler Room, Electrical, Workshop as well as Raw and Boiler Water Treatment Plant. That SOP's is available on audit site (Estate and Mill office) and written in a language that is easily understandable for workers (written in Bahasa).</p> <p>Interviews were conducted to harvester (2 workers in block 92B KTK 1 Estate and 8 workers in block 92F KTK 2 Estate), pesticides applicator (6 workers in block 06 KTK 1 Estate and 7 workers in block 94B KTK 2 Estate), manuring worker (6 worker in block 93C KTK 1 Estate and 7 workers in block 93E KTK 2 Estate) and 13 workers in Tapung Kanan POM. Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.</p>	
<b>4.1.2 and 4.1.3</b>	
<p>The company has had SOP No. 14 regarding Sustainability Audit dated 25 September 2017, revision 1, explaining that the internal audit frequency is performed at least 1x1 year. Internal audit result will be concluded as internal audit report and delivered at closing meeting. The publication of non-compliance is made after the auditor's team discusses the potential for nonconformity. Corrective actions will be sent by the estate/mill manager within a month to the auditor. Audit reports will be sent to managers and higher management. The development of nonconformity status and corrective action received will be informed to the estate/mill every week (7 days). A nonconformity may be closed by the auditor issuing a nonconformity if all evidence of corrective and preventive action has been eligible.</p> <p>Based on a memo from Mandau Central Laboratory to Estate Manager of PT Sekarbumi Alamlestari, KTK 1 Estate (Riau Region), it can be known that the internal audit is done 3 times in a years to know the consistency of the implementation of all SOPs. For example, in the year 2017 has been conducted internal audit of the 2nd period (round 1) on 21-24 August</p>	

2017 with the result, as follows:

Parameter of Harvest Audit Activities

- Ripeness of FFB get results 99.8% (minimum target 97%)
- Loosefruit in circle get results 4.8 (target under 2/palm/line)
- Loosefruit gets result 0,4 (target under 5/platform)
- Missed bunch get results 0.1 (target 0/line)
- Poor pruning get results 0.01 (target 0/row)

Parameter Activity Audit Competition of Palm Oil Mill

- Oil losses earn points 60 (target maximum points 60)
- House keeping earning points 31.6 (maximum points 40)
- Laboratories → all documents of analysis results are not signed, so ascertain that control of document of result of analysis must be done.
- Mill is currently in production of a new solar tank, but it has not been used since calibration has not been done yet.

The corrective action on the results of the competition shall be made promptly by each unit and shall be re-examined in relation to such improvements at the time of the next competition period.

#### 4.1.4

Based on The Report of FFB Actual Processing and CPO Production and Palm Kernel Year 2017/2018, it is known that, FFBs processed in Sungai Tapung Mill that come from the third party was only from Plasma KKPA Estate which is under guidance of PT. Sekarbumi Alamlestari

**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

The company has conducted the activity to maintain or to increase soil fertility through manuring, Empty Fruit Bunch (EFB) application, solid application from belt press, and using of residual plant to achieve the optimum and continual yield.

Interviews were conducted on 6 fertilizer workers in block 93C KTK 1 Estate and 7 fertilizer workers in block 93E KTK 2 Estate. From the interview result it is known that the workers can explain the procedure of fertilization well, that is in accordance with the dose determined based on the recommendation, sprinkled it in around and using calibrated containers.

##### 4.2.2

The result of the document of fertilization activity for the period 2016-2017 in each estates is in accordance with the recommended dosage. And the results are based on the results of soil analysis conducted by AAR (Applied Agriculture Research) Indonesia. Records of fertilization activities are recorded well by companies, that explaining the types of fertilizers, number of workers, work performance, and doses used for example:

- Fertilization activity at KTK 2 Estate in November 2017, GRP fertilizer: In Division 3A block 94A with area 80 ha, dosage use 1.5 kg/palm.
- Fertilization activity at KTK 2 Estate in November 2017, in block 92E with area 83 ha, material used NK fertilizer with dose 2.25 kg/palm.

Based on the verification of fertilization document of PT SA for period 2016-2017, it is concluded that fertilization activity has been accordance with the program and recommendation from AAR. From the results of field visits in the KTK 1 Estate and KTK 2 Estate, did not find the main condition of palm oil which indicated lack of nutrients. This implies that the fertilization program in PT SA has been accordance with the recommendations.

##### 4.2.3

The company conducts leaf and soil analysis as a reference in fertilizer recommendation. Here is an example of leaf and soil analysis:

- The company showed the leaf sample analysis of the tested samples on 17 May 2017. The parameters analyzed were N, P, K, Ca, Mg, and B. LSU content was performed with a total of 15 samples for KTK 1 Estate and 9 samples for KTK 2 Estate.
- Soil analysis result was tested on 5 June 2017 with 10 soil samples for KTK 1 Estate and 8 samples for KTK 2 Estate. The parameters analyzed were texture, pH, C-organic, N- total, C / N ratio, P (ppm), CEC, K, Ca, Mg, and CEC NH4OAC.

#### 4.2.4

The company has implemented nutrient recycling using empty fruit bunch, solid, and liquid waste or POME as one way to improve soil fertility. Tapung Kanan POM also utilizes fiber and kernel shells as a boiler fuel material.

The company shown a recording of the realization of EFB applications in the KTK 1 Estate, where in period 2017 has been applied as many as 11,912 tons on 504 Ha. While in KTK 2 Estate has been applied as many as 4,026 tons on 290.6 Ha. Field visits related to EFB application are conducted in block 99G KTK 1 Estate and block 94G KTK 2 Estate. EFB application has done well and in accordance with recommended dosage (30 tons/ha/year).

	<b>Status: Comply</b>	
--	-----------------------	--

### 4.3

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

##### 4.3.1

Based on the Soil Map (Scale 1:80.000) prepared by PT AAR Indonesia, can be known that fragile land is not identified in area of PT Sekarbumi Alamlestari. Nevertheless, the company has had land management strategy of the high erosion potential area such as construction of the flat bed in lower land and putting fronds horizontal in the edge of lower part of plant circle to minimize soil erosion due to rain and also planting cover crop like Nephrolepis in between the palm tree.

##### 4.3.2

Based on the slope class map, the company's area is flat, so the company does not specifically provide management strategies for planting in certain sloped areas (taking into account local soil and climate conditions).

##### 4.3.3

The company can show the road maintenance program in the estate for the period of 2017 as in KTK 1 Estate for main road along 40,000 meters and for collection road along 48,000 meter. While for KTK 2 Estate has a main road maintenance program along 35,000 meters and 79,000 meter collection road. Based on field observation during the audit, it can be concluded that road maintenance has been done well, for example in the collection road block 93C division 2B KTK 1 Estate and the main road block 93E division 3B KTK 2 Estate.

##### 4.3.4 and 4.3.5

The company has Soil Map PT. Sekarbumi Alamlestari (Scale 1:100,000) prepared by PT AAR Indonesia on 19 May 2011. Based on that map, it is known that there is no peat land in area cultivated by PT Sekarbumi Alamlestari.

##### 4.3.6

Based on the Soil Map PT. Sekarbumi Alamlestari (Scale 1:200.000) prepared by PT AAR Indonesia, it is known that there is no the fragile soil and other problem soil, such as sandy soil in area cultivated by PT Sekarbumi Alamlestari. However, the company has had land management strategy in less fertile soil by applying Empty Fruit Bunch and Solid.

	<b>Status: Comply</b>	
--	-----------------------	--

### 4.4

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

##### 4.4.1

Field visits on sepano riparian block 94B KTK-2 estate for examples, found that companies managed sepano riparian by marked the buffer zone (throughout 50 m bothsides on riparian), perform revegetation with mahogany, and signboard placement. There is no indications chemical activities (spraying) on both riparian areas.

Company also conducted regularly water quality testing every semester for Tapung kanan river. Based on workers interview on estate housing shown that drinking water for them originated from refill water and Tapung kanan also provides clean water access for all workers.

Water management plan for PT SA are listed on some document such as environment management and monitoring document and HCV management plan 2017-2018. These document describe the water source identification, POM and estates water usage monitoring & efficiency, and water catchment area protections.

#### 4.4.2

Certificate holder shown identification and maps for water courses and wetlands included riparian on 1 : 75,000 scale. HCV identification shown the main watersheds on company areas are tapung river, and other tapung Sub-watersheds including Sepano, Sepahat, and Paloge watershed. Procedures for watersheds protection has been established and listed on sustainability procedures no 22 on 2017. Field visit during audit, for examples on Paloge riparian KTK-3 estate block 94B acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border. Meanwhile the auditor team enhance certificates holders to ascertained watershed and wetlands managements for replanting activities based on procedures. **OFI 2**

#### 4.4.3

Waste water quality testing document review shown for Sept 17 - Dec 17 all of waste water testing parameters are compliant to the standards quality, and all of waste water management and monitoring has been reported to related institutions for regular basis per 3 month. Field visit on WWTP during audit found there is no leakage indications and these area are managed well.

All palm oil mill effluent produced by Tapung kanan POM are processed at WWTP based on procedures No 23/2017 before it distributed to KTK-1 estates as land applications. This pome applications was conducted based on decree of Head of capital investment and integrated services, Kampar regent No 503/DPM-PTSP.PEL/LA/2017/02 valid until 2022.

#### 4.4.4

Procedure of water use monitoring in mill available under document Procedure of Water Treatment Plant. Water consumption monitored by using flowmeters installed in piping system of WTP. According to water use data in last one year, average of water use for processing still below the determined budget (1.14 and 1.18 m3/ton FFB while budget is 1.45). Overall use of water under the budget of company.

<b>Status: Comply</b>
-----------------------

#### 4.5

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

##### 4.5.1

The activity budgeted on the program were consist of detection, census and monitoring of pests and diseases attack, biological control such as barn owl nest installation and planting of beneficial plants. According to IPM activity records for January to December 2017 such as program and realization of rat census in KTK 1 Estate and KTK 2 Estate, leaf eating caterpillar census, it could be concluded that all the census results were still under its economic threshold. This may lead to zero use of pesticides for pests and diseases control. Furthermore, according to pesticides used record in 2016-2017, agrochemical uses was only implemented for weeds control purposes.

The company has a good commitment to improve the use of pest natural predator as part of integrated pest control. One of natural predator development is the reproduction and the construction of barn owl box as a mechanism to control rat. The company do the monitoring 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. Currently, there are total 31 barn owl boxes in KTK 1 Estate and 33 barn owl boxes in KTK 2 Estate.

##### 4.5.2

The company has conduct integrated pest management training on 23 December 2017 in Tapung Kanan Estate (KTK 1, KTK 2 and KTK 3) that is held by MCL and management of estate. The event was attended by 13 employees consisting



of census operators, supervisors, and field assistants. The training materials covered detection and census, biological control, mechanical control, chemical control, as well as beneficial plant. Based on the results of interviews with spraying workers who had attended IPM training, it is known that the workers understand about how to do census pests and understand the function of the owl is a natural enemy of the rat.

**Status: Comply**

#### **4.6**

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

##### **4.6.1**

The company has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, certificate holder conducted identification the type of weed found in operational area. Based on document verification, it's known that the herbicide being used is appropriate for the target or type of weed. The company used Isopropil amina glyphosate, Metil metsulfuron, Indaziflam, Triclopyr, Dimethylamine, and Amonium glufosinate, which have received permission from the government.

##### **4.6.2**

The company has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, FFB production and pesticide unit/kg FFB. This document is constantly recorded and updated by Estate Sustainability Officer each month.

##### **4.6.3**

The company has implemented integrated pest management in order to reduce pesticide usage. Based on document review and field observation, several IPM program with biological approach has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar control by planting beneficial plant. Moreover, applying selectively spraying and utilize *Nephrolepis bisserata* as the predators host of leaf eater caterpillar. The company has trend chart pesticide use from 2015 to 2017. Based on document review, there is no use of pesticide to control pest and disease in 2016-2017.

##### **4.6.4**

The company has SOP Sustainability regarding the safe use and storage of chemicals including hydrocarbons in SOP No. 18 dated 10 August 2017, revision 1, stating that the agrochemicals used should be justified in its use and KLK Group has not applied the paraquat in weed control. Its function is replaced by more environmentally friendly chemicals. Based on document verification and field visit to pesticide storage, there is no paraquat and WHO Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions application in 2016 until October 2017.

##### **4.6.5; 4.6.7 and 4.6.9.**

The results of field observation in warehouse and interview with 6 sprayer of KTK 1 Estate division 2B in block 06 and 7 sprayer of KTK 2 Estate division 3A in block 94B, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The sprayer also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as mask, gloves, safety shoes, apron and googles. There is a place for PPE and equipment of spraying team called Cleaning House (*Rumah Bilas*). In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Therer for the company should Evaluation of types of personal protective equipment in the form of apron to minimize risks and negative impacts to pesticide applicators (**OFI No. 3**).

##### **4.6.6**

The company has SOPs on pesticide storage contained in SOP No. 18 about Safety and Chemical Storage Use including Hydrocarbons dated 10 August 2017, revision 1, which explains that chemical storage is stored separately with non-chemical substances and shall be labeled as Hazardous Materials.

Based on the results of visit in the pesticide warehouse known to exist in a special room and have good ventilation. There

are MSDS for each type of pesticide. Based on visits at the pesticide mixing site, the company has provided a place to cleaning up after work and available storage equipment such as spray equipment, PPE and shoes. Based on observations to the housing of workers in KTK 1 and KTK 2, there are not found the use of pesticide packaging for household purposes, such as bins, water containers and flower pots.

#### 4.6.8

Based on a review of documents and interviews with management staff, the company did not perform the application of pesticides from the air.

#### 4.6.10

Procedures for pesticides waste handling has been developed by certificate holder, listed on sustainability procedures no 23 (toxic/non toxic and hazardous waste management) on 2017. Field visit during audit on KTK-1 estate and KTK-2 estate found that that all ex chemicals containers were kept on temporary hazardous storage at mill/estates. Training for workers and staff regarding pesticides handling, and hazardous & toxic material handling have been conducted on February 2018 for related workers.

Interview with spraying team on KTK-3 estate shown that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling. Field visit during audit on toxic & hazardous waste storage on KTK-1 estate found company showed proper ways for ex agrochemical disposal. Monitoring evidence for agrochemical usage, ex agrochemicals container stored in storage, and manifest to third parties are available and verified by auditors.

#### 4.6.11

The company have a medical examination for pesticide operator. Tapung Kanan Estate has a list of the latest pesticide operator as many as 189 workers. All workers spray has examined health through inspection types of *cholinesterase*, to ascertain the condition of workers in good health. This semester examination was conducted in December, 14 2017 for all units. Examination results stating that all workers spray are in a healthy condition (normal result). Based on interview with pesticide operator and chemical warehouse clerk in Tapung Kanan -1 Estate that the results of medical examinations are known to workers. From field observation are also not identified any complaints of skin disease or itching.

#### 4.6.12

The company has a policy that prohibits pregnant and lactating personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor lactating female personnel who work with pesticide. Moreover, company conducts pregnancy test and examination every month. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or lactating.

<b>Status: Comply</b>
-----------------------

#### 4.7

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

##### 4.7.1

The company has a policy of occupational safety and health available in Indonesian language. The policy has been legalized and updated on January, 10 2005 by Group Plantation Director. This policy is designed to control hazards in every activity that is in the workplace to prevent accidents and occupational diseases. It has been disseminated on the activities of the safety briefing before doing the work. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

Interviews were conducted to warehouse clerk and pesticide operator in Tapung Kanan-1. Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

##### 4.7.2



The company has document of risk analysis for all activities of estate and mill operations (revised February 2018). Work accidents became one of the considerations in developing risk analysis. 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. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers. Based on interview with the employees in Tapung Kanan Estate, Mill, obtained information that the employee has known the potential of dangers that could occur at workplace.

Based on the document review, the management unit shows a review of Hazard Identification, risk analysis and risk control on February 1, 2018. This is because there is a fatality work accident that occurred in December 2017. Worker accident from maintenance work from home to the workplace due to traffic accidents. Related to this, the company conducts work accident investigations, claims of jamsostek, work accident report submission, HIRAC review / risk analysis.

Based on site observation at workshop and agrochemical warehouse in Tapung Kanan Estate it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by providing PPE and OHS signboard are available in workplace.

#### 4.7.3

The PPE provided by the company has been adjusted to the potential hazards and risks of its work so as to effectively protect the workers as its users.

Certificate holder has had a training program related to safety and health for 2018 including technical training, safety license training, fire management training etc. Workers have been given training related to safety and health such as how to work safely, Industrial hygiene, ergonomic and health, first aid training, boiler operator training, heavy equipment operators, crane operators, electricians, welders. Certificate holder also provides PPE to employees according to HIRAC and MSDS. there is opportunity for improvement to conduct evaluation of replacement of personal protective equipment damaged by work and progress of mandatory OHS license renewal (OFI 6).

#### 4.7.4

The Company has appointed the person in charge for the OHS implementation in OHS Organizational Structure which has been approved by the Labor Agency and in accordance with the regulations. The organization routinely conducts monthly meetings on OHS issues in the workplace. The minutes of the meeting were recorded and stored well. Based on interviews to workers who are members of the OHS organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, medical check up, safe working practices etc.

#### 4.7.5

The company provides procedures for accidents and emergencies in the SOP No.24 Emergency Response. Established procedures has included the identification of fires, chemical spills, work accidents, natural disasters (floods) etc.. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in Tapung Kanan Mill and the result of the simulation was concluded that the hydrant tool is ready for use.

Based on field visits in several places the contents of the first aid kit are in compliance with regulatory compliance. However, the auditor found the contents of the first aid box that has not been in accordance with regulations such as the warehouse office and the workshop of the estate. There are 19 content according to legislation (less first aid manuals and usage records). Given the percentage incompleteness of the contents of the box is smaller than the complete box contents, the auditor sees this as an improvement opportunity in the next assessment (OFI 7).

#### 4.7.6.

The company has provided the employees with insurance to cover accident in accordance with the provision set by the government (BPJS). Such insurance is named national social insurance for manpower/ BPJS, which is routinely paid every month. Meanwhile, for medical insurance, PT Sekarbumi Alam Lestari 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. In addition the company has also shown evidence that any work

accidents have been reported to the relevant agencies. From the results of the document review, it is known that there are incidents of work accidents in December 2017 with missing days of 5 days and have been paid claims against BPJS Employment.

Based on the document review and the description from the management unit explained that the current registration of workers as BPJS participant is still in the process of handling for daily contract worker to 19 persons with the date of work entry 20 December 2017. The auditor sees this as an improvement opportunity in the next assessment **(OFI 8)**.

#### 4.7.7

Certificate holder has been consistently conducting the Occupational Accident monitoring that could provide a comprehensive information on the month the accident occurred, the number of cases, the accident location, the types of accident, the effects, the work hours lost, the causes, the follow-up, and the results. Such monitoring is performed every month. An evaluation of the accident is also conducted every month and the outcome is discussed during the monthly meeting of P2K3. Certificate holder carries out monitoring of workplace accidents with lost time accident analysis equipped with accident investigation work submitted regularly to the Manpower Agency District of Kampar.

Company shows Calculation of working hours - cases of occupational accidents using lost time accident analysis. LTA analysis period 2017/2018 as follows:

Month Number of accidents

Month	fatality Lost HK / Without missing HK		
	fatality	Work day's	without lost time
Oktober	0	7	4
November	0	12	2
Desember	1	5	4
<i>Fatality rate</i>	4,3		
<i>Incident rate</i>	146,4		
<i>Frequently rate</i>	75,3		
<i>Severity rate</i>	13475,3		

**Status: Comply**

#### 4.8

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

##### 4.8.1

The company shows the training program 2017 to 2018 to improve the employees competence in term of the RSPO P&C. For example:

- Socialization Sustainability
- Socialization OHS policy
- Socialization HCV and protected species
- Training MSDS
- Training spraying
- Training fertilization
- Socialization the P and C of RSPO
- Simulation emergency response

- Socialization of OHS risk
- Socialization use of PPE
- Training harvest
- Socialization policy KLK
- Training Laboratory workers
- Socialization of principles and supply chain ISCC

Based on interview with spraying workers and harvesting worker in the estate; and also interview with warehouse helper and mixing worker in the factory, they can explaining about job description, responsibilities and has trained by company. In addition, worker also mentioned that they have attended safe work training and are always reminded/socialized again by the supervisor/assistant during the morning meeting.

#### 4.8.2

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

- Socialization of KLK Sustainability Policy in Tapung Kanan POM on 18 December 2017 was attended by 106 workers
- Socialization of OHS and Emergency System at Tapung Kanan II Estate on 11 November 2017 was attended by 85 workers
- Socialization of ISPO & RSPO in Tapung Kanan POM on 12 June 2017 was attended by 68 workers
- The SCCS training on 03 February 2018 was attended by 8 Tapung Kanan POM workers
- Training of Harvesting at Tapung Kanan I Estate on 23 September 2017 was attended by 37 harvesting workers
- Training of Spraying at Tapung Kanan I Estate on 22 August 2017 was attended by 11 spraying workers

**Status: Comply**

### **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

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

Document of UKL/UPL contains analysis of the environmental impacts for plantations covering an area of 6,200 hectares and palm oil mill with a capacity of 30 tons FFB / hour. This documents are approved by Ministry of Environment, through letter No. B-5109 / Dep.I / LH / 07/2008 Year on 2008.

##### 5.1.2

Document review and interview with managment shown that on 2016, certificate holder conduct land preparation for replanting activities. Regarding to this, on 2015 PT. SA established environmental management and monitoring plan listed on monitoring/management plan for replanting documents. Furthermore, action plan for replanting activities management has been implemented and established for examples related to surface water management, soil erosion, and OHS.

##### 5.1.3

Certificate holder has a management plan contained in the document Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) per semester. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL including replanting activities. Public consultation with Environmental agency of Kampar regent indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities. Review for environmental monitoring / management plans have been developed and listed on evaluation chapter on every semester RKL/RPL report, for examples evaluation for UKL/UPL semester 2 2017 report shown that company shown effort to reduced all impact caused by plantation activities.

	<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>	
<b>5.2.1</b>		
	<p>Certificate holders shown HCV assessment for the entire area of operations which done by the RSPO Approve Assessor on 2012. The process of HCV identification conducted by using HCV identification guides in Indonesia on June 2008. These identifications indicates there is HCV 1,3, 4, and 6 presence on KTK-1, KTK-2, and KTK-3 estates covered for 1070.3 ha. All of indicates HCV areas was mapped by 1:75000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species. Based on delineation and re-digitized mapping conducted by unit management and Hectareage statement on January 2018, change of HCV area from 885 Ha to 870 Ha.</p>	
<b>5.2.2 and 5.2.3</b>		
	<p>HCV identification results also explain there is an RTE species according IUCN-Redlist namely for example <i>Elephas maximus</i> and <i>Panthera tigris</i>. PT.SA has established HCV management plan 2018 that includes appropriate management and monitoring to maintain HCV attributes and RTE species.</p> <p>Company are enhance to Presenting specific assessment as feedback of RTE species monitoring result data especially for <i>elephas maximus</i>. This will provides distribution of route range, population, food availability, as outcomes for next HCV management plan. <b>OFI</b></p>	
	<p>Related to RTE species, company had RTE species protections procedures, listed on sustainability procedures SOP 22 on 2017 stated that all workers including contractors are not allowed to hunt, to raise, and killed all RTE species. To provide protection against those RTE species, management unit has made the hunting ban signboard, patrolling, rehabilitation of riparian as habitat and report to relevant agencies (Nature Conservation Agency). Company also conduct regular inspection for HCV/RTE species protection, last inspection was done on January 2018, indicates there is no wild hunting and no wild animal traps presence on HCV areas.</p>	
	<p>Evidence for workforce educations related to RTE species are available and verified by auditors team, for examples on February 2018 for KTK-1 workers. Housing visit on KTK-1 and KTK-3 estates found there is no RTE / wild species reared by workers</p>	
<b>5.2.4</b>		
	<p>Certificate holders has established HCV management plan 2017-2018, and implemented it well. Regularly inspection (monthly basis) record shown company has been monitored illegal fishing, hunting, species presence, and other illegal activities. All of records for monthly patrols on each estate are available and verified by auditors. For example patrols summary results for February 2018 found <i>Halcyon smyrnensis</i>, and <i>varanus salvator</i>, meanwhile wild species trap is not presence. The result of monitoring also reported to government institution every six month listed on UKL/UPL report. As the results of monitoring output, company has plan feed back into the management plan 2018 for examples enhance socialization for all workers related to RTE species every semester.</p>	
<b>5.2.5</b>		
	<p>Results of the verification documents, field visits and interviews with villagers obtained information that there is no areas of HCV-related and affect to the local community. Therefore, there is no HCV area that is directly adjacent to the local community 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>	
<b>5.3.1</b>		
	<p>The company provides document identification of waste and pollution sources (Mill and Estate) in 2017, informing activities of air emmissions and mitigations plans such as new planting and replanting activities; fire prevention in housing area; agriculture and renewable fuels use.</p>	

**5.3.2**

Each package of chemicals sent to Hazardous warehouse and transported to Third party (Hazardous collector).

**Tapung Kanan POM**

The company has showed a temporary storage permit hazardous waste for mill from Environmental Agency of Kampar with decree number 660/BLH-WAS/LB3/2017/27 dated on 3 January 2017 valid for 5 years. There are minutes of hazardous waste dated on 7 December 2017 with vehicle number B 9402 QT with details:

- a. Rags or former cloth dust are 4 kg (manifest number 0038915).
- b. Former TL Lamp are 2.2 kg (manifest number 0038914).
- c. Used filters are 34 kg or 23 pcs (manifest number 0038913).
- d. Used accumulators are 2 pcs (manifest number 0038912).
- e. Used oils are 4 drums or 770 liters (manifest number 0038911).

**Tapung Kanan Estate**

The company has showed temporary storage permit hazardous waste for estate from Environmental Agency of Kampar with decree number 660/DLH-PPK/ILB3/2017/13 dated on 12 May 2017 valid for 5 years. There are minutes of hazardous waste dated on 7 December 2017 with vehicle number B 9402 QT with details:

- a. Used oils are 7 drums or 1,370 liters (manifest number 0038916).
- b. Used filters are 147 kg (manifest number 0038917).
- c. Packaging contaminated with chemicals are 63 kg (manifest number 0038918).

Vehicles with number B9402 QT has obtained permission from the Ministry of Transportation Directorate General of Land with no. transportation SK.2946/AJ/309/DJPD/2017/360030296BB-0010 shall be valid until 7 July 2018.

**5.3.3**

- Solid Waste  
Empty bunch sent to the estate to be applied as mulch to palm oil , shell & fiber are used for boiler as fossil fuel substitution.
- Domestic Waste  
Based on field visit and interview with residents in the housing, domestic waste are transported every one week and its sent into landfill is located in Block 94A KTK 2 Estate.
- Liquid Waste  
Liquid waste is managed using the WWTP and flowed into Land application then used as an organic fertilizer for oil palm plantations.

Based on field visits in housing area, mill and estate, known that waste is not burned. There has been a board ban on burning in the area.

	<b>Status: Comply</b>	
--	-----------------------	--

**5.4**

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

**5.4.1**

Company shown commitment to reducing fossil fuel by renewable energy usage. Shell and fiber usage have been monitored per month and realization of fossil fuel usage, for examples during December 2017 are 11195 litre. During Jan-Dec 2017, fiber and shell usage for boiler resulting average energy efficiency for diesel fuel are 5.55 litre/mt CPO, for electricity are 60.85 kWh/mt CPO. Besides direct renewable energy usages, company also provides estimation for contractor fossil fuel usage for examples on Jan 2018, estimation for fossil fuel usage are 776 litre.

	<b>Status: Comply</b>	
--	-----------------------	--

**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**

PT Sekarbumi Alamlestari have a burn ban policy approved by Director of the KLK Group, dated on 01 August 2013 which states the certificate holder is committed to the policy of banning burning with obey national regulation and guidelines

ASEAN Policy on zero burning. In the implementation PT Sekarbumi Alamlestari has been ensures that employess and contractors understand about this policy. Beside that there is SOP Clearing with number 31, In the SOP describes and governs the opening stage and land clearing without burning.

Based on interview and field visit, the company didn't burning during land clearing and replanting. Replanting was last done in 2015 covering an area of 26 ha. Replanting is done by heavy equipment mechanic and chopping palm oil arranged properly on circles track. Based on field visit in estate area, housing and others that known there are signboards of burning ban warning.

**Status: Comply**

## 5.6

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

### 5.6.1 and 5.6.2

All waste including emmissions and pollutions sources from Mill and estate are identified and recorded on 2017 GHG mitigation document. This document informed e.g: greenhouse gases produced and mitigations plans such as new planting and replanting activities, and renewable fuels used.

Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods Sept-Dec 2017 sighted that all of waste water testing parameters is compliant to the standards quality.

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency peridically. 2<sup>nd</sup> Semester 2017 testing result indicates all parameters related to emission are still comply with standard quality.

### 5.6.3

Tapung kanan POM conduct GHG calculation and its monitoring using RSPO palm GHG calculator v 3.0.1 . Summary of GHG emmison for Tapung Kanan POM are listed as follows :

#### Summary of Net GHG Emissions

Emissions per Product	tCO <sub>2</sub> e/t Product
CPO	0.9
PK	0.9

Production	ton/year
FFB processed	136531.57
CPO produced	29067.28

Land Use	Ha
OP planted area	5160
OP planted on peat	0
Conservation	1070.3

Extraction	%
OER	21.29
KER	5.41

#### Summary of Field Emissions and Sinks

Description	Own Crop			Group		3 <sup>rd</sup> party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e
Emissions									



Land Conversion	45587.74	8.92	0.38						
*CO <sub>2</sub> Emissions from Fertilizer	6818.53	1.33	0.06						
**N <sub>2</sub> O Emissions	3743.38	0.73	0.03						
Fuel Consumption	1024.54	0.2	0.01						
Peat Oxidation	0	0	0						
Sinks									
Crop Sequestration	-4311.13	-8.45	-0.36						
Conservation Sequestration	0	0	0						
<b>Total</b>	<b>13963.06</b>	<b>2.73</b>	<b>0.12</b>						

#### Summary Oil Mill Emissions and Credits

Remarks	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB
<b>Emissions sources</b>		
POME	18609.82	0.14
Fuel consumption	459.75	0
Grid electricity	0	0
<b>Credits</b>		
Export of grid electricity (housig)	-229.17	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>18840.39</b>	<b>0.14</b>

#### Palm Oil Mill Effluent (POME) Treatment

Divert to compst (%)	0
Divert to anaerobic digestion (%)	100

#### POME Divert to Anaerobic Digestion

Divert to anaerobic pond (%)	100
Divert to methane capture (flaring) (%)	0
Divert to methane capture (electricity generation) (%)	0

**Status: Comply**

**PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills**

#### 6.1

Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made,



**implemented and monitored, to demonstrate the continuous improvement.**

#### 6.1.1

Until Re-cert, there is no change for SIA. Social impact assessment conducted on September 2012. The assessment conducted covering all villages around HGU namely Koto Garo, Koto Aman, Kota Baru, Kota Bangun and Tri Manunggal as well as plantation area of PT SA, by the field observation, interviews, FGD (focus group discussion) and documents review.

Results of social impact assessment presented in social impact assessment report, describing the social issues of positive, negative and potential conflicts from the surrounding villages and plantations. The results of these studies has included all the potential impact factors such as access, the use of rights, economic livelihood, working conditions, culture and religion as well as health and education

#### 6.1.2

SIA appendix describes the evidence of participatory activities that have been conducted, i.e register of attendance, photos, maps and a list of participants during the assessment consists of 97 speakers including from all the surrounding villagers and employee representatives. This is consistent with the results of interviews with local people from the village of Koto Garo, Koto Aman when public consultation.

#### 6.1.3

The SIA document has involved the affected parties surrounding the plantation. Companies also established plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through stakeholders consultation with the affected parties on February 2018. There are seven indicators of concern include for examples periodic meetings with stakeholders, identification of stakeholders, the implementation of CSR, environmental management, conditions of employment, understanding of recruitment and implementation.

#### 6.1.4

Review of SIA management plan has been conducted on 31 october 2016. The SIA review was approved by management on May 2017. Result of Social Impact review was explained positive and negative impact, there are consist such as water pollution and working opportunities for local community.

#### 6.1.5

Document review shown Social impact assessment on 2012 has been included impact of smallholder scheme. Meanwhile until Re-Cert, smallholder scheme under PT.SA not yet desire to joined RSPO certifications

**Status: Comply**

#### 6.2

**There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

##### 6.2.1, 6.2.2, and 6.2.3

PT Sekarbumi Alamlestari has Communication and consultation procedure (SOP No.01 "*Permintaan dan Pemberian Informasi serta Komunikasi dan Penyampaian Keluhan*") and have list of stakeholders update on 29 January 2018, consist of:

- Government Agency
- Worker Organization
- Health Facility
- Pharmacy Facility
- Car Service Facility
- Electronic Facility
- Chemical Distributor
- NGO
- Surrounding Community

- Local Contractor

The company has been determined PIC for communication and consultation is Legal Coordinator based in Pekanbaru Office accompanied by Estate Manager and Assistant Manager.

Based on interviews with the local community, for example with the village head and community leaders of Kota Garo and Koto Aman mentioned that communication and consultation can be done verbally, written or direct visits to PT Sekarbumi Alamlestari. The company has responded well to any existing communication processes, the preparation of SOP has been take into consideration of suggestions from the public and other affected parties.

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 and 6.3.2

PT Sekarbumi Alamlestari have mechanisms and complaint handling system is described in SOP No. 01 (*"Permintaan dan Pemberian Informasi serta Komunikasi dan Penyampaian Keluhan"*) revision dated 10 August 2017. Complaints can be submitted through the recording on logbook that has been provided, verbally direct to the foreman, through the suggestion box, through gender committees, worker union, hotline and email provided by the company and through the RSPO website. Grievances included **anonymous and whistleblower** cases can be submitted through the suggestion box, suggestion boxes checked by GM/director periodically.

Based on the *"Logbook Keluhan"* in estate sampling and one POM (Tapung Kanan I Estate, Tapung Kanan II Estate and Tapung Kanan POM), it is known that during 2017 there are only complaints related to housing facilities, such as the repair of housing facilities of employees and have been followed up by the company. Based on Result of stakeholder consultation with Village Government, Community Leader, Village Representative (Koto Aman and Kota Garo Village), it can be demonstrated the grievance and complaint mechanisms and also knew the officer who manages the the complaint. In year 2017 there is no indication of complaint related to plantation and factory operation by the PT Sekarbumi Alamlestari, but there is an opportunity for improvement to documentation of verbal complaints from employees in complaints logbook (OFI 8).

Status: Comply

### 6.4

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

#### 6.4.1, 6.4.2 and 6.4.3

The certificate holder has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in *"SOP No 5 about Land Acquisition"*, who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.

Certificate holder has had the concession since 1994 and there are no land clearing since 2005. From interviews with the local community is also known there are no new land clearing and land acquisition has been completed by the company. Communities of Kota Aman and Kota Garo, Official Staff in Kampar District stated that during 2015 there is no compensation for land clearing.

Status: Comply

### 6.5

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

#### 6.5.1

At the time of Re-certification audit is conducted, wage determination in the period of 2018 has not been issued by the Governor of Riau, so the company still refers to the Governor Decree No120/I/2017 on January, 26 2017.

The certificate holder showed the Director Decree of PT SA No: 001/SA/Edar/V/2017 dated May 3, 2017 concerning daily wages employees in 2017 for Monthly employee and temporarily worker wages.

Based on document review known the company have paid overtime in accordance with that specified in the Collective Labour Agreement (PKB). The results of interviews with workers in Tapung Kanan POM for example at the mechanic workshop and security Tapung Kanan Estate known that the workers have earned wages and overtime has paid in accordance with the applicable regulation.

#### **6.5.2.**

Employment law concerning the rights and obligations of the company are described in the Collective Labor Agreement (CLA) between Sumatra Plantation Company Cooperation Agency (BKS-PPS) with the Central Board of the Federation of Workers Union of Agricultural and Plantation of Indonesian Workers Union (PP.FSP.PP-SPSI). Collective Labor Agreement has already been registered by Decree of Directorate General of Industrial Relations and Labor Social Security decision Number: Kep 88 / PHIJSK-PKKAD / PKB / VI / 2015 on June 18, 2015 the period of 2015 to 2017. In the Collective Labor Agreement regulates about the rights and obligations of employees, such as the rights of employees within the association, work hours, overtime, social security, and the rights and other obligations of employees.

The certificate holder has the human resources management system to regulate the system for monthly workers and daily contract workers in the Collective Labor Agreement, where the monthly workers wages is IDR 2,381,812 per month plus rice as much as 15 kg (IDR 135,000) per month and the daily contract workers wage is IDR. 2,516,812 per month.

Based on the auditor's interview with the gender committee obtained information that extra fooding is given in the form of money Rp 1000, - per day. In addition, based on document review and interviews with harvesting and loading workers mentioned that workers get tools not free. This is not in accordance with the Collective Labor Agreement Article XV, which explained "The company provide to workers the tools of work without being burdened with the complete and good quality (and timely) costs required by workers for the performance of their duties. The auditor sees this as an improvement opportunity in the next assessment for the company to evaluate a policies related to the provision of work tools and extra fooding for employees refers to the collective labor agreement owned. **(OFI 9).**

#### **6.5.3.**

Related to employee welfare facilities in Tapung Kanan Estate and Tapung Kanan POM based on document review and field observations are known that the Certificate Holder has been providing well housing facilities, lighting, water, daycare, employee halls, places of worship, educational facilities, school buses, clinics, and employee insurance. If there is damage to the house, the workers report to the office and will be repaired in a relatively short time.

Based on the field visit at the housing employee of Tapung Kanan Estate-II division 3A / 3B, the company has provided house unit with permanent building, but there are 2 units of barracks consisting of 8 doors and 4 doors (total 12 doors) with inadequate toilet facilities. There is 1 toilet unit consisting of 2 toilet rooms for men and women. This makes consideration for the improvement of the company.

Based on document review, the company shows document Building Planning 2018 PT Sekarbumi Alam Lestari. This document informs about the planned construction of housing units of employees in the form of renovation of 446 units and construction of new house 62 units in the Tapung Kanan Estate. This will be an observation in the next assessment to ensure the number of toilet infrastructure facilities is adequate **(OFI 10).**

#### **6.5.4**

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

**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.**

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

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

In the KLK Group's sustainability policy, points 3.2.v mentioned that the group and the supplier / contractor must recognize and respect the right of employees to form and join worker unions of their choice which are subject to the restrictions set forth in the legislation in the related country. Proof of registration of worker unions to the related agencies on October 7, 2013 with recording No. 251 / DTSK-SPPP-SPSI / 2013/12.

**6.6.2.**

Worker Unions meetings both internally and with management to do if there are labor issues that have been raised by the company Agriculture and Plantation Workers Union. The company showed internal meeting minutes of Agriculture and Plantation Workers Union, for example:

- Meeting on January 25, 2018 at the main office PT SA, attended by 12 participants discuss the adjustment of harvesting tools, allowance, school buses facilities
- Meeting on February 6, 2018 at the head office meeting room of PT SA discusses about deduction of union membership fees.

	<b>Status: Comply</b>	
--	-----------------------	--

**6.7**

**Children are not employed or exploited.**

**6.7.1.**

In SOP No. 29 about Management and Labor on August 10, 2017 described the conditions of workers admission at PT SA, one of which is the minimum age requirement is 18 years old.

The results of interviews with workshop and warehouse clerk Tapung Kanan Estate known that workers understand about the minimum age requirement employment is 18 years. Workers also understand their company's policy on the prohibition of bringing children to work in PT SA. Field observation and interview with the workers and Labor Union, there is no any underage workers.

	<b>Status: Comply</b>	
--	-----------------------	--

**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.**

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

In the KLK Group's sustainability policy, points 3.2.ix mentioned that the group and suppliers / contractors are required to ensure equal opportunity in the workplace.

The process of selection, recruitment and promotion of workers can be demonstrated. In the SOP of Human Resource

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

The results of interviews with workshop and warehouse clerk Tapung Kanan Estate known that the workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender.

### 6.8.2 and 6.8.3

The process of selection, recruitment and promotion of workers can be demonstrated. In the SOP of Human Resource management which is owned by the company can be seen that the process has been based on the expertise, capacity, quality and medical health of prospective labor / labor. Recruitment policy described in the document of Recruitment System Policy / Company Policy of KLK Agriservindo document No. KLKA / CP-HR / 001 on April 18, 2011 and the Director letter of PT Sekarbumi Alamlestari No. 67 / SA-Press / IX / 2008 on September 16, 2008. During interview with managements there is Opportunity for Improvement to evaluate and identification of permanent worker throughout plantation operations (OFI 11)

Based on verification of the document, it is known that there are  $\pm$  290 employees of Daily contract workers working at PT Sekarbumi Alamlestari. The results of interviews with workers and document verification are known that the Daily contract workers has begun to work varyingly from 1998; 2000 - up to 2017, with the number of working days per month less than 20 Working Days. Related to that, there has not yet been enough evidence that PT Sekarbumi Alamlestari has given the same opportunities and treatment in the employment opportunity to all Daily contract workers (KHL) based on the expertise, ability, quality and health required for the work. Based on that's explanation raised **Non conformity No. 2018.01 with Minor Category**

<b>Minor 6.8.3</b>	<b>Status: Non conformity No.2018.01 with Minor Category</b>	<b>Open</b>
--------------------	--	-------------

### 6.9

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

#### 6.9.1, 6.9.2 & 6.9.3.

The CH's covered policy related to prevent sexual and other form of harassment and violence, as well as to protect reproductive rights. There are policies about Sexual Harassment and Violence were signed by Tan Kei Yoong on October 1, 2011:

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

This policy have been socialize to employees on January 17<sup>th</sup>, 2018.

Grievance mechanisms described in the SOP of complaints and objections SOP No. 20 on August 1, 2013. Stages starting from introduction of issue, validation the issues that arise, dialogue and conversation, dialogue and negotiation, reception and storage of records. In the KLK Group's sustainability policy in points 3.2.xii mentioned that the group provides a confidential means for all stakeholders and personnel to report the activities that are unethical / violations and complaints. SOP No. 21. Management and Employees on December 18, 2012 signed by the Senior Manager which describes the rights of employees related to the protection of reproductive rights (maternity leave, breastfeeding women prohibited to doing work by using chemicals and menstruation leave.

Interview with the female workers, Labor Unions, and Gender Committee, known that CH has disseminated and implemented the policy related to prevent sexual and other form of harassment and violence, as well as to protect reproductive rights. Pregnant and lactating women are prohibited to work related to agrochemicals. The workers already known the grievance mechanism through grievance book, Labor Union, Gender Committee, or anonymous by suggestion box. Up to the time of the assessment there is no complaints related to sexual harassment, violence, or violation of reproductive rights.



<b>Status: Comply</b>	
<b>6.10</b>	
<b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>	
<b>6.10.1, 6.10.2, 6.10.3, and 6.10.4</b>	
<p>PT Sekarbumi Alamlestari are receives FFB from Farmer Cooperative Sahabat Lestari with Agreements that made directly without intermediaries/agents. The company and farmer cooperative have an agreement for FFB pricing based on provisions price on the pricing meeting Plantation Agency Province of Riau. Based on that agreement farmer cooperative doesn't have any complaints about FFB price because of FFB price has been set by te government. During interview with managements there is Opportunity for Improvement to ensure the payment of KKPA FFB's in accordance with the agreement (OFI No 12)</p> <p>The company has been shown FFB Payments to Farmer Cooperative Sahabat Lestari made through the bank's transfer and received by the cooperative board. Examples of transaction documents between the companies and farmers cooperative are demonstrated in payment receipts as example on dated 30 January 2018 from Permata Bank for FFB payment period of December 2017.</p>	
<b>Status: Comply</b>	
<b>6.11</b>	
<b>Growers and millers contribute to local sustainable development wherever appropriate.</b>	
<b>6.11.1</b>	
<p>The company has compiled a CSR budget estimates for the period 2017-2018, categorize into five groups of items, namely: education program, donations, health, infrastructure and development, economic empowerment. In the preparation for CSR programe has involved the the local community, demonstrated by filling the questionnaire. The results of the questionnaire have been included in the company's CSR program period 2017/2018. It was synchronous with the results of interviews with villagers around such as Kota Garo and Koto Aman.</p> <p>Detaile of realization CSR report can be shown FY 2016-2017, as many as 5 programs have been implemented CSR. The implementation report for each activities can be demonstrated and has been properly maintained.</p>	
<b>6.11.2</b>	
<p>Can be shown a complete list of a farmers, consisting of one cooperative "Koperasi Petani Sahabat Lestari", including information of farmer groups and number of farmers. The company does not recommend to visit and interview farmers who come from Farmers Cooperative Sahabat Lestari because of in the previous assessment the auditor's team was not well received.</p>	
<b>Status: Comply</b>	
<b>6.12</b>	
<b>No forms of forced or trafficked labour are used.</b>	
<b>6.12.1, 6.12.2, and 6.12.3</b>	
<p>The CH's Environmental and Social Policy covered policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list, field observation and interview with workers, Labor Unions, and Manpower Agency known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.</p>	
<b>Status: Comply</b>	
<b>6.13</b>	
<b>Growers and millers respect human rights</b>	
<b>6.13.1.</b>	
<p>In the KLK Group's sustainability policy endorsed by the Chief Executive Officer on December 1, 2014 points 3.1 mentioned that KLK and its subsidiaries are recognized individual dignity inherent in every person and to support the universal declaration of human rights by the United Nations.</p> <p>Based on interviews with workers known that the company has socialized company policies regularly including policies on human rights. Socialization is done by sticking to the policy in offices, socializing in the housing and socialization to</p>	



workers during the morning briefing before the activities started.

**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.**

#### **7.1.1, 7.1.2, 7.1.3**

There is no development after November 2005. Social and environmental assessment for entire existing operational areas has been developed and able to seen in Criteria 6.1 and 5.1

**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.**

#### **7.2.1 and 7.2.2**

Management of PT Sekarbumi Alamlestari explained that company has no new planting since 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, and 7.3.5**

GTK-1, GTK-2. And GTK-3 estates did not expand and develop plantation areas after November 2005. Based on hectare statement documents, known that the planting is done since 1992 - 2006. Whereas planting on 2005 was conducted in May and planting in 2006 are insert oil palm trees on old crop due to pests attack. Disclosure of Liability of KLK Group to RSPO has been conducted on 31 July 2014 by email. PT Sekarbumi Alamlestari included in the Zero Liability, and not necessary to perform LUCA.

**Status: Comply**

### **7.4**

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

#### **7.4.1 and 7.4.2**

Same as ASA-4 and also management of PT Sekarbumi Alamlestari explained that company has no new planting since November 2005.

**Status: Comply**

### **7.5**

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

#### **7.5.1**

Based on planting data known that are some planted area in 2015, but is was replanted area and there are no new land clearing during to Recertification.

**Status: Comply**

### **7.6**

**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.**

#### **7.6.1, 7.6.2, 7.6.3 7.6.4 , 7.6.5 and 7.6.6**

Based on planting data known that are some planted area in 2015, but is was replanted area and there are no new land clearing during ASA 4 to Recertification

**Status: Comply**

<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>		
<b>7.7.1 and 7.7.2</b>		
<p>PT Sekarbumi Alamlestari have a burn ban policy approved by Director of the KLK Group, dated on 01 August 2013 which states the certificate holder is committed to the policy of banning burning with obey national regulation and guidelines ASEAN Policy on zero burning. In the implementation ensures that employees and contractors comply with this policy. Beside that there is SOP Clearing with number 31, In the SOP describes and governs the opening stage and land clearing without burning.</p> <p>Based on interview and field visit, the company didn't burning during land clearing and replanting. Replanting was last done in 2015 covering an area of 26 ha. Replanting is done by heavy equipment mechanic and chopping palm oil arranged properly on circles track. Based on field visit in estate area, housing and others that known there are signboards of burning ban warning.</p>		
	<b>Status: Comply</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
<b>7.8.1. and 7.8.2</b>		
<p>Certificate Holder has no expansion and development of plantation area after 2015. Existing GHG emission calculations result are able to seen on Indicator 5.6.3</p>		
	<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>		
<p>1. Internal Audit Results Internal Sustainability Audit has been conducted on 7-11 January 2018 The Company has fulfilled and presented evidence of review report made on January 28, 2018 in which all nonconformities have been fulfilled.</p> <p>2. Environmental Aspects In an effort to reduce solid waste in Tapung Kanan POM and efforts to reduce greenhouse gas emissions, the company has realized the construction of press cake belt processing unit</p> <p>3. Aspects of best management practices One of the efforts to improve the management practices, the company has made improvements by:</p> <ul style="list-style-type: none"> <li>re-mapping related to governance area by remote sensing method through aerial photography with drone so it is expected to obtain actual or near accurate management area such as planting area, numbers of tree, etc. The process is now running starting from the end of 2017.</li> <li>The company has not used paraquat since 2016.</li> <li>The company developed the owl population by making the box that contained in almost every block. This is in order to eliminate the use of chemicals for the control of pests and diseases of oil palm plants.</li> </ul> <p>4. Management review the management review meeting was held last on 19 January 2018. With the discussion material on the results of Audit (Internal and External); feedback from customers / buyers; process performance and Product nonconformity; follow-up actions from management review; changes that may affect system management, recommendations and improvements</p> <p>During interview with managements and documents review there is Opportunity for Improvement to evaluate compliance with regulations on safety, health, environmental and labor regulations for all contractors working with companies in particular for the activities of an empty fruit bunch application (OFI No 12)</p>		
	<b>Status: Comply</b>	



### 3.2 Summary of Assessment Report of Supply Chain Requirements

#### 3.2.1 General Chain of custody requirements for the supply chain

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>Scope of certifications are PT Sekarbumi Alamlestari, Tapung Kanan POM and its supply base (Tapung Kanan 1; Tapung Kanan 2 and Tapung Kanan 3). All CPO Certified products are from own estate that already RSPO Certified. Tapung Kanan POM didn't buy CPO from others sources.</p>
	<b>Status: Comply</b>
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>Tapung Kanan POM has been registered and met the requirement for reporting supply chain through RSPO IT Platform</p>
	<b>Status: Comply</b>
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>Tapung Kanan POM has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:  Member name : Sekarbumi Palm Oil Mill  Member ID: RSPO_PO1000000638  Category : Oil Mill  License Status: Expires 23 April 2018  Sub License ID : CB25906</p>
	<b>Status: Comply</b>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>Based on documents verifications and field observation its known if there is no Processing aids in Tapung Kanan POM</p>
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>

**5.2.1**

The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.

**Question: Has the organization applied the Supply Chain Model correctly?**

Supply FFB to Tapung Kanan POM comes from their own estates (certified) and KKPA (non-certified), so that until this recertification Tapung Kanan POM continues to apply the requirements of SCCS Model E (MB).

**Status: Comply**

**5.2.2**

The site can use one (1) or a combination of supply chain models as audited and certified by the CB.

**Question: Has the organization applied a combination of Supply Chain Model correctly?**

Supply FFB to Tapung Kanan POM comes from their own estates (certified) and KKPA (non-certified), so that until this recertification Tapung Kanan POM continues to apply the requirements of SCCS Model E (MB).

**Status: Comply**

**5.3**
**Documented procedures**
**5.3.1**

The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.

**Questions :** Documented procedures established and covering all provisions following:

- Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.
- Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).
- Identification of the role 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 organization's procedures for the implementation of this standard.

The company has had the Supply Chain Procedure (SOP No 32 dated 10 August 2017) who described:

1. Definition  
The Supply Chain model of Mass Balance is when the facility receives and processes FFB certified and is not certified together.
2. FFB reception at security posts and weigh stations
  - FFB from internal suppliers are certified by RSPO
  - FFB from external suppliers are not certified RSPO
  - Details of the supplier and the scales results are input into the computer.
3. Documentation CPO / PK Certified
  - Daily Fresh fruit Bunch receipt record from internal and external suppliers
  - daily production records from CPO / PK classified as CPO / PK Certified
  - CPO / PK Certified delivery note
  - Annual Summary
  - All records are kept for a minimum period of 10 years
4. Responsibility
  - Managers are responsible for ensuring the application and compliance of these SOPs in their respective areas - monitoring product balances within palm trace
  - marketing departments are responsible for issuing sales contracts, arranging shipment and making claims on product conformity and issuing invoice of payment
  - Internal audits of sustainability are conducted to control the non-compliance that may occur in the application of SOPs and from certified management systems established by Palm Oil Mill on an annual basis. Each violation recorded will be displayed as a warning to be followed up. Internal audit and management review is conducted 1 X 1 Year

	<b>Status: Comply</b>
5.3.2	
The site shall have a written procedure to conduct annual internal audit	
Question :	
Documented annual internal audit procedures established and covering all provisions :	
i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	
ii) Effectively implements and maintains the standard requirements within its organization.	
In the procedure of SCCS (SOP 32) mentioned if Internal audit and management review conducted annually once a year by internal sustainability team. The last internal audit conducted on 08 – 11 January 2018 where based on these activities there is no nonconformance. All SCCS Requirements are fulfilled.	
	<b>Status: Comply</b>
5.4	<b>Purchasing and goods in</b>
5.4.1	
The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Question :	
All RSPO product information is provided by suppliers in accordance with :	
<ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> <li>• The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> <li>• A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> <li>• The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.</li> </ul>	
- CPO	
There is no sales of certified CPO period of 24 April 2017– 31 January 2018, CPO sales of Tapung Kanan POM claimed by ISCC. It also confirmed by auditor through Tapung Kanan transaction report on RSPO traceability system(e-trace).	
- PK	
Documents verifications its known if there is of Certified Palm Kernel sold to each buyer period of 24 April 2017– 31 January 2018 with buyers Mandau Kernel Crushing Plant - PT Adei Plantations & Industry (Kompleks Pertokoan Taman Anggrek Blok B2-B5 Jalan Tuanku Tambusai, Pekanbaru 28291 Riau, Sumatera Indonesia). Mandau Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:	



<ul style="list-style-type: none"> <li>○ Member name : Mandau Kernel Crushing Plant</li> <li>○ Member ID: RSPO_PO1000001465</li> <li>○ Category : Refinery</li> </ul>	
	<b>Status: Comply</b>
<b>5.4.2</b>	
The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Question : Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?	
Im the procedure of Suply Chain mentioned if FFB from internal suppliers are certified by RSPO and FFB from external suppliers are not certified RSPO	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b>	
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
Question : Are the outsourcers RSPO certified?	
Tapung Kanan POM does not hiring the outside crusher, the entire PK produced delivered to Mandau KCP (buyer). The result of document verification is known that the company uses contactor for transportation of Palm Kernel from Tapung Kanan POM to Mandau KCP that is CV Sentana.	
	<b>Status: Comply</b>
<b>5.5.2</b>	
Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:	
<ul style="list-style-type: none"> <li>a. The site has legal ownership of all input material to be included in outsourced processes;</li> <li>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ul>	
Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing	
Tapung Kanan POM does not hiring the outside crusher, the entire PK produced delivered to Mandau KCP (buyer). the result of document verification is known that the company uses contactor for transportation of Palm Kernel from Tapung Kanan POM to Mandau Kernel refinery that is CV Sentana. in the contract of carriage has explained the volume of PK to be transported, the destination, the freight rate, the method of transportation, the rights and obligations of both parties, etc	
	<b>Status: Comply</b>
<b>5.5.3</b>	
The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
Question : Has the site maintained names and contact details of all outsourcers?	

Tapung Kanan POM does not hiring the outside crusher, the entire PK produced delivered to Mandau KCP (buyer). the result of document verification is known that the company uses contractor for transportation of Palm Kernel from Tapung Kanan POM to Mandau Kernel refinery that is CV Sentana. in the contract of carriage has explained the volume of PK to be transported, the destination, the freight rate, the method of transportation, the rights and obligations of both parties, etc	
	<b>Status: Comply</b>
<b>5.5.4</b>	
The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
<b>Question : Has MUTU informed about any new outsourcers?</b>	
Tapung Kanan POM does not hiring the outside crusher, the entire PK produced delivered to Mandau KCP (buyer).	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b>	
The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
<b>Question :</b> All RSPO product information is provided by the organisation in accordance with : <ul style="list-style-type: none"> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number.</li> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products</li> <li>• For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	
Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO/ISCC) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.  Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciled with the FFB acceptance record, monthly sale production and annual recapitulation.  Documents verifications its known if there is of Certified Palm Kernel sold to each buyer period of 24 April 2017– 31 January 2018 with buyers Mandau Kernel Crushing Plant - PT Adei Plantations & Industry (Kompleks Pertokoan Taman Anggrek Blok B2-B5 Jalan Tuanku Tambusai, Pekanbaru 28291 Riau, Sumatera Indonesia). Mandau Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below: <ul style="list-style-type: none"> <li>○ Member name : Mandau Kernel Crushing Plant</li> <li>○ Member ID: RSPO_PO1000001465</li> <li>○ Category : Refinery</li> </ul>	

	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b> Supply chain actors who: <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries; and</li> <li>take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>	
<b>Question :</b> Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)	
<p>- CPO There is no sales of certified CPO period of 24 April 2017– 31 January 2018, CPO sales of Tapung Kanan POM claimed by ISCC. It also confirmed by auditor through Tapung Kanan transaction report on RSPO traceability system(e-trace).</p> <p>- PK Documents verifications its known if there is of Certified Palm Kernel sold to each buyer period of 24 April 2017– 31 January 2018 with buyers Mandau Kernel Crushing Plant - PT Adei Plantations &amp; Industry (Kompleks Pertokoan Taman Anggrek Blok B2-B5 Jalan Tuanku Tambusai, Pekanbaru 28291 Riau, Sumatera Indonesia). Mandau Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:</p> <ul style="list-style-type: none"> <li>Member name : Mandau Kernel Crushing Plant</li> <li>Member ID: RSPO_PO1000001465</li> <li>Category : Refinery</li> </ul> <p>Based on documents verifications and verifications in Palm trace website its known if all trading of CSPK has been registered in IT Platform</p>	
	<b>Status: Comply</b>
<b>5.7.2</b> The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> <li>Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	
<b>Question :</b> Did the organization correctly perform the applicable actions on RSPO IT Platform?	
<p>Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO/ISCC) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.</p> <p>Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciled with the FFB acceptance record, monthly sale production and annual recapitulation.</p>	

Documents verifications its known if the selling of CSPO under ISCC scheme not yet removed from RSPO IT Platform, and its become Observation that the company must evaluation related to the time order of remove stock on Palm trace of CSPO and CSPK products sold in other schemes or conventional (OFI No 14)	
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b>	
The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Question : Has the organization established RSPO training plan?	
Based documents review and interview with the managements representative its known if the training plan on RSPO SCC requirements conducted annually once a year. The training program scheduled on February 2018 and that's has been conducted.	
	<b>Status: Comply</b>
<b>5.8.2</b>	
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
Question : Has the organization Delivered Effective RSPO training?	
Documents verifications and interview with managements its known if the company has been conducted SCC training on 03 February 2018 with the numbers of participants are 8 persons, with the trainers from sustainability departments	
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b>	
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
Question : All records are accurate, complete, up-to-date and accessible?	
Based on SOP SCC (SOP No 32) mentioned if Retention times for all records and reports shall be a minimum 10 (ten) years	
	<b>Status: Comply</b>
<b>5.9.2</b>	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Question : All records are kept for minimum two years and comply with legal and regulatory requirements?	
Based on SOP SCC (SOP No 32) mentioned if Retention times for all records and reports shall be a minimum 10 (ten) years.	
	<b>Status: Comply</b>
<b>5.9.3</b>	
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
Question :	

For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?	
Has been set the estimated certified products that will be produced by Tapung Kanan POM, for one year license period are:	
<ul style="list-style-type: none"> <li>- FFB → 125,094 MT</li> <li>- CPO → 27,521 MT</li> <li>- PK → 6,880 MT</li> </ul>	
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b> Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
Question : Conversion rates applied accurately?	
Based on interview with managements there no conversion rate that applied by PT Sekarbumi Alamlestari. All certified output based on OER that's produced cross reference with FFB Process	
	<b>Status: Comply</b>
<b>5.10.2</b> Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Question : Conversion rates periodically updated?	
Based on interview with managements there no conversion rate that applied by PT Sekarbumi Alamlestari. All certified output based on OER that's produced cross reference with FFB Process	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b> The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Question : Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?	
Based on field observations there is no claims regarding the use of or support of RSPO certified oil palm products	
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b> The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Question : Documented procedures for stakeholders complaints established?	

procedures for collecting and resolving stakeholder complaints. refer to SOP No 1 procedure of complaints / grievances submission) revision dated August 10 August 2017. Complaints can be submitted through the recording on logbook that has been provided, verbally direct to the foreman, through the suggestion box, through gender committees, union labor, hotline and email provided by the company and through the RSPO website. Grievances included <b>anonymous and whistleblower</b> cases can be submitted through the suggestion box, suggestion boxes checked by GM/director periodically.	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b> The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
Question : Management reviews performed annually at planned intervals?	
In the Procedures of SCCS (SOP 32; SC MB) mentioned if managements reviews conducted annually a year. The last managements review conducted on 19 January 2018. With discussion material regarding the results of Audit (Internal and External); Feedback from buyers / customers; Procead performance and Product nonconformity; preventive and corrective actions; follow-up actions from management review; changes that could affect the management system, and improvement recommendations	
	<b>Status: Comply</b>
<b>5.13.2</b> The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
Question : Has all input required above has been included in the management review?	
The last managements review conducted on 19 January 2018. With discussion material regarding the results of Audit (Internal and External); Feedback from buyers / customers; Procead performance and Product nonconformity; preventive and corrective actions; follow-up actions from management review; changes that could affect the management system, and improvement recommendations	
	<b>Status: Comply</b>
<b>5.13.3</b> The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
Question : Has all output required above has been included in the management review?	
The output from the management review conducted by PT Sekarbumi alamlestari on 19 January 2018 are: <ol style="list-style-type: none"> <li>1. Improvement of the effectiveness of the management system and its processes. Based on managements reviews its known if all procedur and managements system still relevant and effective to implement.</li> <li>2. Resources needs included Method; Man; Material; Money and Machine</li> </ol>	
	<b>Status: Comply</b>



**3.2.2 (Module E) CPO Mills - Mass Balance Requirements**

Clause	Requirement																
E.1	Definition																
E.1.1																	
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.																	
Supply FFB to Tapung Kanan POM comes from their own estates (certified) and KKPA (non-certified), so that until ASA-4 Tapung Kanan POM continues to apply the requirements of SCCS Model E (MB).																	
	Status: Comply																
E.2	Explanation																
E.2.1																	
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&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.																	
Has been set the estimated certified products that will be produced by Tapung Kanan POM, for one year lisense period are:																	
<div><div>-</div><div>FFB → 125,094 MT</div></div> <div><div>-</div><div>CPO → 27,521 MT</div></div> <div><div>-</div><div>PK → 6,880 MT</div></div>																	
Actual tonnage of certified product that been produced during the lisense period of ASA-4 (24 April 2017 – 31 January 2018) has been recorded in the basic information in this report, namely:																	
<table><tr><th colspan="2">Projection (24 April 2017 – 23 April 2018)</th><th colspan="2">Actual production (24 April 2016 – 31 January 2018)</th></tr><tr><td>FFB</td><td>116,594</td><td>FFB</td><td>86,231.36</td></tr><tr><td>CSPO</td><td>25,651</td><td>CSPO</td><td>18,314.19</td></tr><tr><td>CSPK</td><td>6,413</td><td>CSPK</td><td>4,660.40</td></tr></table>		Projection (24 April 2017 – 23 April 2018)		Actual production (24 April 2016 – 31 January 2018)		FFB	116,594	FFB	86,231.36	CSPO	25,651	CSPO	18,314.19	CSPK	6,413	CSPK	4,660.40
Projection (24 April 2017 – 23 April 2018)		Actual production (24 April 2016 – 31 January 2018)															
FFB	116,594	FFB	86,231.36														
CSPO	25,651	CSPO	18,314.19														
CSPK	6,413	CSPK	4,660.40														
	Status: Comply																
E.2.2																	
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																	
Tapung Kanan POM has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:																	
Member name : Sekarbumi Palm Oil Mill																	
Member ID: RSPO_PO1000000638																	
Category : Oil Mill																	
License Status: Expires 24 April 2018																	
Sub License ID : CB25906																	
<div><div>•</div><div>There is no sales of certified CPO period of 24 April 2017 – 31 Januari 2018, CPO sales of Tapung Kanan POM claimed by ISCC. It also confirmed by auditor through Tapung Kanan transaction report on RSPO treaceability system(e-trace).</div></div>																	

- Certified Palm Kernel sold to each buyer period of 24 April 2016 – 31 Januari 2018

IDA No:	Buyer	PK Collected	
		This Month	Todate
SBIP/00131-S/PK-MB	Mandau Kernel Crushing Plant	64,180	100,000
SBIP/00132-S/PK-MB	Mandau Kernel Crushing Plant	46,560	100,000
SBIP/00133-S/PK-MB	Mandau Kernel Crushing Plant	100,000	100,000
SBIP/00134-S/PK-MB	Mandau Kernel Crushing Plant	100,000	100,000
SBIP/00135-S/PK-MB	Mandau Kernel Crushing Plant	100,000	100,000
SBIP/00147-S/PK-MB	Mandau Kernel Crushing Plant	150,000	150,000
SBIP/00148-S/PK-MB	Mandau Kernel Crushing Plant	150,000	150,000
SBIP/00149-S/PK-MB	Mandau Kernel Crushing Plant	150,000	150,000
SBIP/00150-S/PK-MB	Mandau Kernel Crushing Plant	100,000	100,000
SBIP/00151-S/PK-MB	Mandau Kernel Crushing Plant	100,000	100,000
SBIP/00152-S/PK-MB	Mandau Kernel Crushing Plant	100,000	100,000
SBIP/00153-S/PK-MB	Mandau Kernel Crushing Plant	100,000	100,000
SBIP/00154-S/PK-MB	Mandau Kernel Crushing Plant	300,000	300,000
SBIP/00155-S/PK-MB	Mandau Kernel Crushing Plant	300,000	300,000
SBIP/00156-S/PK-MB	Mandau Kernel Crushing Plant	300,000	300,000
SBIP/00157-S/PK-MB	Mandau Kernel Crushing Plant	300,000	300,000
SBIP/00158-S/PK-MB	Mandau Kernel Crushing Plant	300,000	300,000
SBIP/00159-S/PK-MB	Mandau Kernel Crushing Plant	296,530	296,530
<b>Total</b>		<b>3,057,270</b>	

**Status: Comply**

### **E.3 Documented procedures**

#### **E.3.1**

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- Complete and up to date procedures covering the implementation of all the elements in these requirements;
- The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

The company has had the Supply Chain Proceddure (SOP No 32 dated 10 August 2017) who described:

- Definition  
The Supply Chain model of Mass Balance is when the facility receives and processes FFB certified and is not certified together.
- FFB reception at security posts and weigh stations
  - FFB from internal suppliers are certified by RSPO
  - FFB from external suppliers are not certified RSPO
  - Details of the supplier and the scales results are input into the computer.
- Documentation CPO / PK Certified
  - Daily Fresh fruit Bunch receipt record from internal and external suppliers
  - daily production records from CPO / PK classified as CPO / PK Certified

- CPO / PK Certified delivery note
  - Annual Summary
  - All records are kept for a minimum period of 10 years
4. Responsibility
- Managers are responsible for ensuring the application and compliance of these SOPs in their respective areas - monitoring product balances within palm trace
  - marketing departments are responsible for issuing sales contracts, arranging shipment and making claims on product conformity and issuing invoice of payment
  - Internal audits of sustainability are conducted to control the non-compliance that may occur in the application of SOPs and from certified management systems established by Palm Oil Mill on an annual basis. Each violation recorded will be displayed as a warning to be followed up. Internal audit and management review is conducted 1 X 1 Year

**Status: Comply**

### E.3.2

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

No changes to the current procedures of Supply Chain. Tapung Kanan POM still apply the model of Mass Balance in its processing, due to there still supply from the uncertified source namely KKPA of Sahabat Lestari. The company has had the Supply Chain Procedure (SOP No 32 dated 10 August 2017) who described:

1. Definition  
The Supply Chain model of Mass Balance is when the facility receives and processes FFB certified and is not certified together.
2. FFB reception at security posts and weigh stations
  - FFB from internal suppliers are certified by RSPO
  - FFB from external suppliers are not certified RSPO
  - Details of the supplier and the scales results are input into the computer.
3. Documentation CPO / PK Certified
  - Daily Fresh fruit Bunch receipt record from internal and external suppliers
  - daily production records from CPO / PK classified as CPO / PK Certified
  - CPO / PK Certified delivery note
  - Annual Summary
  - All records are kept for a minimum period of 10 years

**Status: Comply**

### E.4

#### Purchasing and goods in

#### E.4.1

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

Months	FFB Received(Kg)		
	FFB Certified	Smallholders (Non Certified)	Total FFB
24 Apr'17	2,525,160	184,180	2,709,340
May'17	8,667,851	897,519	9,565,370
June'17	6,912,383	839,817	7,752,200

	Jul'17	9,095,195	1,568,055	10,663,250
	Aug'17	9,195,022	1,981,698	11,176,720
	Sep'17	9,407,928	2,149,942	11,557,870
	Okt'17	9,547,545	1,934,215	11,481,760
	Nov'17	10,218,098	1,887,562	12,105,660
	Des'17	8,844,774	1,657,166	10,501,940
	Jan'18	11,817,402	1,928,918	13,746,320
	<b>Total</b>	<b>86,231,359</b>	<b>15,029,071</b>	<b>101,260,430</b>

**Status: Comply**
**E.4.2**
**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

In the procedure of SCC (SOP No 32) mentioned if there is over-production, the Manager must notify the CB. Based on documents verifications its known if there is no over productions:

	<b>Projection (24 April 2017 – 23 April 2017)</b>	<b>Actual production (24 April 2016 – 31 January 2018)</b>
FFB	116,594	FFB 86,231.36
CSPO	25,651	CSPO 18,314.19
CSPK	6,413	CSPK 4,660.40

**Status: Comply**
**E.5**
**Record keeping**
**E.5.1**

- 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.
- 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.
- 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.)

Tapung Kanan POM has recorded and balancing all FFB receipt and shipment of RSPO-certified CPO and PK in three monthly basis.

No	Months	FFB Process	CSPO produce	CSPO Despatch		CSPO Remaining	CSPK Produce	CSPK Selling	CSPK remaining
<b>Remaining Stocks 23/4/17</b>				<b>ISCC</b>	<b>MB</b>	<b>410,807</b>			<b>323,542</b>
	24-30/4-17	2,525,160	561,200	264,490	0	707,516	144,770	170,510	297,801
	Mayi'17	8,667,851	1,825,774	2,146,240	0	387,050	471,172	225,570	543,404
	Jun'17	6,912,383	1,457,770	499,360	0	1,345,460	364,431	-	907,834
	Jul'17	9,095,195	1,919,084	2,300,640	0	963,903	498,836	-	1,406,671
	Aug'17	9,195,022	1,966,864	2,723,840	0	206,927	507,095	453,910	1,459,855
	Sep'17	9,407,928	2,026,460	1,134,500	0	1,098,887	520,672	110,300	1,870,228

	Oct'17	9,547,545	2,023,183	2,144,080	0	977,990	517,853	-	2,388,081
	Nov'17	10,218,098	2,146,002	1,747,580	0	1,376,412	532,876	-	2,920,957
	Dec'17	8,844,774	1,883,256	1,448,840	0	1,810,829	460,377	1,120,280	2,261,054
	Jan'18	11,817,402	2,504,593	2,493,230	0	1,822,192	642,310	976,700	1,926,665
	<b>Total</b>	<b>86,231,359</b>	<b>18,314,185</b>	<b>16,902,800</b>			<b>4,660,393</b>	<b>3,057,270</b>	
	<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>								
	Tapung Kanan POM does not hiring the outside crusher, the entire PK produced delivered to Mandau KCP (buyer).								
	<b>Status: Comply</b>								

**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>
RC	PT SA do not use 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>
RC	PT SA do not use logo	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
RC	PT SA do not use logo	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
RC	PT SA do not use logo	√
	<b>Status: Comply</b>	



### 3.3 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Kuala Lumpur Kepong Bhd against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Bhd on 2016.

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd based on their Time Bound Plan. There are five (5) uncertified mills and twentyone (21) uncertified estates of Kuala Lumpur Kepong Bhd. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are 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 are 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.

<b>2.2 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Positive assurance statement provided, which does not include the new mill found in the revised time bound plan..
2.2.2	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>	The company has conducted HCV assessment in January – February 2012 for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. The new mills and newly acquired land are still under consultant preliminary report.
2.2.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	No new planting reported for existing units. However, the newly acquired lands will adhere to the NPP procedures when it is ready.
2.2.4	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.	SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	None noted. No stakeholder comments or complaints received

2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	None noted. No stakeholder comments or complaints received
-------	--	--

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

#### 3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

<b>NCR No.</b>	<b>: 2017.1</b>	<b>Issued by</b>	<b>: Leonada</b>
<b>Date Issued</b>	<b>: 24 February 2017</b>	<b>Time Limit</b>	<b>: Recertification</b>
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 27 December 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.2.3</b> In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.		
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>  Based on field observation in Tapung Kanan Estate 1 block 93B pole No. 3 is identified that the areas held by the local community. However, Certificate holder could not show evidence of a dispute resolution process.			
<b>Root Cause Analysis (filled by organization audited):</b> No map of land disputes of HGU Sekarbumi I that is controlled by the community (a / n Mardion) and no evidence of the process of completion			
<b>Corrective Action (filled by organization audited):</b> Shows evidence of the settlement process undertaken and mapped disputed area 1. There is an agreement between PT. Sekarbumi with Mr. Mardion dated: May 24, 2010. (refer to attachment 1) 2. There is a dispute land map in block 93B CEC 1 (attachment 2)			
<b>Preventive Action (filled by organization audited):</b> All areas of dispute will be identified, mapped and provided evidence of the process of completion (appendix 3)			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verify December 27, 2017,</b> The Company has presented evidence of dispute settlement settlement such as a report of land verification meeting between community members and PT Sekarbumi Alamlestari on 7 Dec 2017, a statement from the mardion stating that it will not claim compensation to a second party on land belonging to HGU PT Sekarbumi in Div 1-B Block 491 and that between the two sides there is no problem. There is a meeting attendance between both parties who are accompanied by the local government (Kepala Desa). Related to the area has been reported to the related institution (Ka BPN Kab Kampar) through letter number 112 / GM-TKE / SA / V / 2017 dated May 18, 2017. Can be shown the map of land occupation location on behalf of Mardion in scale map 1: 5000 4.07 Ha, SOP of land dispute resolution document number SOP 6 revision dated August 10, 2017.  Based on the evidence submitted, the discrepancies are declared fulfilled.			
<b>Verified by</b>	<b>: Sandra</b>		

<b>NCR No.</b>	<b>: 2017.2</b>	<b>Issued by</b>	<b>: Leonada</b>
<b>Date Issued</b>	<b>: 24 February 2017</b>	<b>Time Limit</b>	<b>: Recertification</b>

NC Grade	:	Minor	Date of Closing	:	27 December 2017
Standard Ref. & Requirement	:	2.2.5 For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor)::					
Based on field observation in Tapung Kanan Estate 1 block 93B pole No. 3 is identified that the areas held by the local community. However. From land disputes map, Certificate holder has not been able to show the map participatory.					
Root Cause Analysis (filled by organization audited):					
There is no evidence of the process of completion and reporting on land in the community-controlled HGU Sekarbumi (a / n Mardion) to the local government					
Corrective Action (filled by organization audited):					
Provision of evidence of settlement process conducted and mapped of disputed area					
- Create dispute resolution procedures (appendix 4)					
- Making meetings with tenants and documented (attachment 3)					
- Reporting land occupation to BPN (appendix 5)					
Preventive Action (filled by organization audited):					
All areas of dispute will be identified, mapped and provided evidence of the process of completion (appendix 3)					
Assessor Evaluation and Conclusion (filled by auditor):					
Verify December 27, 2017,					
The Company has presented evidence of dispute settlement settlement such as a report of land verification meeting between community members and PT Sekarbumi Alamlestari on 7 Dec 2017, a statement from the mardion stating that it will not claim compensation to a second party on land belonging to HGU PT Sekarbumi in Div 1-B Block 491 and that between the two sides there is no problem. There is a meeting attendance between both parties who are accompanied by the local government (Kepala Desa).					
Related to the area has been reported to the related agency (head of BPN Kab Kampar) through letter number 112 / GM-TKE / SA / V / 2017 dated May 18, 2017. Can be shown map of land occupation location on behalf of Mardion in scale map 1: 5000 of 4.07 Ha, SOP of land dispute resolution document number SOP 6 revision dated August 10, 2017.					
Based on the evidence submitted, the discrepancies are declared fulfilled.					
Verified by	:	Sandra			

NCR No.	:	2017.3	Issued by	:	Leonada
Date Issued	:	24 February 2017	Time Limit	:	25 April 2017
NC Grade	:	Major	Date of Closing	:	5 April 2017,
Standard Ref. & Requirement	:	4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.			
Non-Conformance Description & Evidence observed (filled by auditor)::					
Certificate holder has a risk assessment document for all activities of estate operations (revised 22 April 2016) and					

palm oil mill operations (revised 21 April 2016). Work accidents became one of the considerations in developing risk analysis. Based on the results of field observations found a non compliance related to the implementation of safety and health:

- Visits in Tapung Kanan Estate 1, Division 1B block 94A discovered a harvester riding a motorcycle without safety cover of harvesting tool. It also found that FFB loader stand on connection of tractor and trailer.
- Visits in the loading ramp 3 Tapung Kanan POM found rotating chain uncover.
- Visits in Tapung Kanan 1 division 2D blok 93C found that sprayer foreman did not use PPE. Visit in Tapung Kanan Estate 3 blocks 94D division 4A and blok 98C division 4B are found harvesters not using PPE (helmet).

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

1. Lack of supervision of disciplinary use of PPE in the field
2. There is no regular inspection in the station that has a machine
3. The damaged PPE has not been replaced and foreman PPE has not been distributed

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

1. Issuing the memorandum by Group Manager on disciplinary of use of PPE and the sanction if found any worker not use PPE during work
2. Engineering control with make a cover for the chains spin on loading ramp
3. Replace the damaged PPE and distribute the PPE for formeman on spraying aactivity

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

1. Conducting monitoring in weekly basis by sustainability assisstant / team on disciplinary of PPE usage in field and documenting and take the necessary action to whom that may not concern on PPE matter. Regular inspection in accordance with senior manager instruction on 17 March 2017. Mechanism of PPE replacement based on SOP No 51
2. Sanctioned to employees who violate and undiscipline of PPE use
3. Resocialization of HIRARC to all employees and priority to stoker, harvester and chemical operator
4. Regular inspection in all station in mill to ensure that all machine is safe for use/operated

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

**Verification on 1 April 2017,**

The company has been shown the evidence of corrective action, namely:

Use of PPE and replacement of damaged PPE:

- Circular letter of EM No 051/SM-TKE/SA/II/2017 dated 23 Feb 2017 on OHS implementation in field
- Sampling of record of PPE distribution to workers (replacement of damaged PPE and distribution new PPE)
- Record of PPE usage monitoring that inform type of PPE and description
- Socialization of HIRARC in KTK1 Estate, KTK2 Estate and KTK3 Estate, for example in KTK1 Division 2A on 22 March 2017 as many as 17 participant
- Warning letter to workers who are not aware on PPE usage

Gear box in mill:

- Evidence of gear box reparationment
- Monitoring and checklist report of machinery in mill, for example monitoring of scrapper bar conveyor, capstand horizontal and vertical on Feb and March 2017, the report inform of note of unit which need follow up

**Verification on 5 April 2017,**

The company has been completing the explanation on root cause analysis, preventive action and shows evidence of

corrective action, namely:

- Instruction of SM No.: 080/SM-TKE/SA/III/2017 dated 17 March 2017 stating that monitoring of PPE use will be done three times a week by sustainability officer and inspection every morning during the muster morning by Division Assistant, and socialization of it has been done on 17 March 2017 to all managers, assistant and foreman.
- Mechanism of PPE replacement based on SOP No 51 (the SOP has been sent to auditor).

**The nonconformity has been noted closed and will be re-verifying on next assessment.**

**Verified by** : **Leonada**

NCR No.	: 2017.4	Issued by	: Brigitta Prita
Date Issued	: 24 February 2017	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	: 2 April 2017
Standard Ref. & Requirement	5.1.2 Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> In the EIA documents stated that a processing capacity is 30 Tonnes FFB/hour. Based on realization of processing in 2016, the capacity exceeding 30 tonnes FFB/ Hour. As an example: <ul style="list-style-type: none"><li>- October 2016: 30.28 tonne/hour.</li><li>- November 2016: 30.29 tonne/hour.</li><li>- December 2016: 30.21 tonne/hour.</li></ul> Certificate holder couldn't showed evidence of an evaluation of the excess production capacity that is listed in the document are owned environment, It becomes <b>Nonconformity Number 2017.04 Category Minor</b> .			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> PIC considered that the excess capacity of 0.2 ton/hr still tolerable (based on IUP the exceded is tolerable till 30% of capacity)			
<b>Corrective Action</b> <i>(filled by organization audited):</i> Evaluation of over-capacity and included in the RKL/RPL report period of Jul-Dec 2016 and reported to Environmental Agency			
<b>Preventive Action</b> <i>(filled by organization audited):</i> For the next, theactual throughput of mill will be evaluated and campared to the license owned.			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on 2 April 2017</b> The company has been shows the evidence of corrective action such as revision of RKL/RPL report, explained that the excess of capacity not over of 30% from the capacity allowed (30 ton/hr), and based on volume of effluent generated (25.45 M3) has not exceeded the provision ie 396 m3, the company also has installed Belt Press Machine to reduce solid waste.			



Provided evidence of RKL/RPL report submission to Environmental Agency on 6 March 2017

The NCR closed.

**Verified by** : **Brigitta Prita**

NCR No.	: 2017.5	Issued by	: Benli
Date Issued	: 24 Februari 2017	Time Limit	: 25 April 2017
NC Grade	: Major	Date of Closing	: 10 April 2017
Standard Ref. & Requirement	6.5.2. Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to employees.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> Certificate holder has the human resources management system to regulate the system for monthly workers and temporarily workers in the Collective Labor Agreement, where the monthly workers wages is IDR 2.190.000, - per month plus rice as much as 15 kg (IDR 135.000) per month and 50% for each dependents and the temporarily workers wage is IDR. 2.325.000 per month or IDR. 93.000, - per day.  based on interviews and documents review, there are employment (security) who earns IDR. 2.325.000 without the additional 50% for each dependent, working more than 21 consecutive days over 3 months and do not have employment agreements, for example labor with No. 020011014 and 021004001.  Based on the explanation, the company has not been able to demonstrate a clear system and / or work agreement detailing the rules of employment of the employment (security) .			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> There are no checks on the status of security, so the security who still daily basis as many as 28 persons have not been appointed yet as permanent worker (however, on remuneration has been equal to permanent worker).			
<b>Corrective Action</b> <i>(filled by organization audited):</i> <ul style="list-style-type: none"><li>Propose the appointment of daily basis workers into permanent workers and arrange their appointment programs. (evidence appendix 1)</li><li>The appointment of daily basis workers (Security) gradually in accordance with the instructions of the Managing Director (evidence appendix 1)</li><li>Provided agreement of Employees who have been appointed (appendix 3)</li></ul>			
<b>Preventive Action</b> <i>(filled by organization audited):</i> <ol style="list-style-type: none"><li>Issuing a Circular Letter by Managing Director dated March 1, 2017 concerning the appointment of employees who are on a daily basis (Appendix 4)</li><li>Instructions from Senior Manager to the sustainability team coordinator to carry out checks of attendance records of all workers and work agreement in each month so that it can be known workers who must be appointed as monthly basis. (Attached).</li><li>Examples of employee attendance check reports and agreement inspections by sustainability teams (attached)</li></ol>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>Verification on 10 April 2017,</b> The company has presented evidence of corrective action, namely: <ul style="list-style-type: none"><li>List of security who is still daily basis worker enclosed with the time frame of appointment stage and application of appointment on 20 March 2017 no 066 / GM-TKE / SA / III / 2017</li></ul>			

- The approval of first stage appointment of security into monthly basis No.: 069 / SA / III / 2017 per 21 April 2017, dated March 31, 2017
- Appointment memo of daily contract workers to monthly workers from managing director and appointment decree of 5 security
- Instruction of monitoring of attendance list of daily-basis employee from senior manager No.: 081 / SM-TKE / SA / III / 2017 dated March 17, 2017 stating if any Daily-basis Employee working 20 days consecutive for 3 months will be appointed as permanent employees
- Internal audit report of PT SA from 9 – 20 March 2017 stating that there are no Daily-Basis Employee who work with 20 days consecutive for 3 months

Based on these evidences the discrepancy is declared fulfilled and will be observed upon resertification.

**Verified by** : **Sandra**

NCR No.	: 2017.6	Issued by	: Benli
Date Issued	: 24 February 2017	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	: 2 April 2017
Standard Ref. & Requirement	6.5.3. Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.		
Non-Conformance Description & Evidence observed (filled by auditor):			
Based on document review known that the amount of employees of Tapung Kanan Estate is 1,054 people. The company has demonstrated payment receipt BPJS for Tapung Kanan Estate for 1,026 employees in February 2017. But not yet able to show payment receipt for the 28 other employees.			
Root Cause Analysis (filled by organization audited):			
The availability of health card services from the village so it is feared there will be overlapping service			
Corrective Action (filled by organization audited):			
Identify the workers who are unregistered on BPJS-Kes, the workers who are registered in other Health Insurance such as KIS, Jamkesda and workers who are still in the process of register (attachment 1)			
Preventive Action (filled by organization audited):			
Re-registration of employees who have not registered on a regular basis and ensure registration when there is a new recruitment			
Assessor Evaluation and Conclusion (filled by auditor):			
Verification on 2 April 2017,			
<ul style="list-style-type: none"><li>The Company has submitted evidence of corrective action in the form of: Evidence of identification and justification of 29 employees of PT SA who are not on the list of employees paid by the company, but has been registered as a participant of BPJS-KES with the following categories: 1 person becomes independent BPSJ-KES participant, 1 person becomes dependent in his wife's astek, 4 people become KIS participants in the village, 6 people become dependent husband and 11 people are in the process of registration</li></ul>			

<ul style="list-style-type: none"> <li>Copy of KIS participant card, participant card of independent BPJS-KES, registration process of 11 workers. Based on these evidences, the incompatibility is fulfilled</li> </ul>	
<b>Verified by</b>	<b>Sandra</b>

NCR No.	:	2017.7	Issued by	:	Leonada
Date Issued	:	24 February 2017	Time Limit	:	Recertification
NC Grade	:	Minor	Date of Closing	:	2 April 2017
Standard Ref. & Requirement	:	6.10.4 Agreed payments shall be made in a timely manner.			
Non-Conformance Description & Evidence observed (filled by auditor):					
Based on document review of agreement between KKPA Tapung Kanan and PT SA known that has been agreed that the payment of FFB is done in monthly basis to the cooperative unit, however based on the results of FFB payment documents verification and interviews with board of cooperative unit of Sahabat Lestari known that the Company has not been able to show the evidence of payment for period of January 2017.					
Root Cause Analysis (filled by organization audited):					
The late of submission of invoices from Kopni-SL to PT Sekarbumi Alamestari caused the late of payment					
Corrective Action (filled by organization audited):					
Payment of FFB from Kopni Sahabat Lestari for the month of Feb'17 (attachment 1. evidence of receipt of FFB payment February'17)					
Preventive Action (filled by organization audited):					
A meeting was held with the farmer and board of KOPNI Sahabat Lestari about the administrative control for the payment timing of FFB from KOPNI-SL (Appendix 2)					
Assessor Evaluation and Conclusion (filled by auditor):					
Verification on 2 April 2017,					
The Company has shown evidence of corrective actio in the form of:					
<ul style="list-style-type: none"><li>Evidence of payment of FFB from Kopni Sahabat Lestari for the period of Febr 2017 based on letter no .: 047 / SA-UM / III / 2017, voucher no LBK215170300 dated March 22, 2017 through Bank Permata and deposit receipt through Bank Permata to Kopni Sahabat Lestari</li><li>Minutes of technical meeting between KOPNI's Board with PT SA on March 18, 2017, 12 participants discussed about the orderly administration of FFB KOPNI-SL sales payment terms.</li></ul>					
Non-compliance is declared fulfilled and will be re-verified at the time of Resertification.					
Closed with observation.					
Verified by	:	LEO			

<b>NCR No.</b>	<b>: 2017.8</b>	<b>Issued by</b>	<b>: Sandra Purba</b>
<b>Issued date</b>	<b>: 24 Feb 2017</b>	<b>Due date</b>	<b>: 25 April 2017</b>
<b>NCR Grade</b>	<b>: Major</b>	<b>Closed date</b>	<b>:</b>
<b>Ref. Standard &amp; Requirement</b>	<b>RSPO certification system clause 4.2.3</b>		

	<b>All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and outgrowers are of certifiable standard within 3 years.</b>
	<b>Nonconformance description and evidence (dilengkapi oleh auditor):</b> PT SA has been certified since 24 April 2012 with the scope Tapung Kanan POM, TK I Estate, TK II Estate and TK III Estate. In addition, PT SA also has a partnership with smallholder scheme "KKPA Sahabat Lestari" which also supplies FFB to Tapung Kanan POM. Until now been running four years since Tapung Kanan POM obtained the certificate (ASA-4) and KKPA Sahabat Lestari are yet to be proven in compliance with the RSPO certification standards (certifiable) according to the requirements of the RSPO certification system clausul 4.2.3.
	<b>Root cause analisis (dilengkapi oleh organisasi yang diaudit):</b> KOPNI-SL is not willing to implement RSPO
	<b>Corrective action (dilengkapi oleh organisasi yang diaudit):</b> Engagement and regularly socialization regarding of RSPO implementation to farmers and KOPNI's Board
	<b>Preventive action (dilengkapi oleh organisasi yang diaudit):</b>
	<b>Evaluasi Penilai dan Kesimpulan (dilengkapi oleh auditor):</b> <b>Verification on 15 May 2017,</b> The Company has sent evidence of corrective action in the form of FFB shipping documents from KKPA (244 Ha) area to an outside mill and a crop transfer statement from 244 Ha of KKPA to PKS Bina Pitri Jaya since May 28, 2017.  So there are still an area of 1050 Ha of KOPNI-SL that supplies FFB to Tapung Kanan Mill, but have not provided evidence that the area has been meet the requirements of the RSPO certification. Non-compliance still OPEN  <b>Verification on 14 July 2017,</b> The Company has made an efforts to ensure that the area of KOPNI-SL as one of FFB suppliers to Tapung Kanan POM can be certified. The process of engagement and socialization has been conducted since 2015 (when ASA-2), for example, it can be shown the minutes of meeting on RSPO certification activities for area of KOPNI-SL on July 2, 2015 which was attended by 15 participants including members of KOPNI, Board of KOPNI and PT SA management.  Assessment of the fulfillment of legality aspect of KOPNI-SL has been requested by PT SA to PT MAL and has been done on 14-16 Feb 17 but at the time of the activity the KOPNI's Board is not willing to attend. The meeting between PT SA and KP-SL was resumed in June 2017, and based on the meeting minutes it was found that KP-SL stated that it was unwilling to be audited. The assessment of documents and field observations was undertaken by PT Mutuagung (upon request of PT Sekar Bumi) against KP-SL on 13-16 June 2017, and at that time KP-SL refused to be audited.  A tripartite meeting between PT SA, PT MAL (CB) and RSPO-Malaysia was conducted to discuss these issue on July 6, 2017 at RSPO Secretariat - Kuala Lumpur. Based on the results of the meeting, PT Sekarbumi Alamlestari issued a declaration letter on the status of Kopni Sahabat Lestari, dated July 10, 2017 to PTMutuagung, which explains the chronology of efforts made by the company, and also its cooperation status was not KKPA (which based on the IUP PT SA have no obligation to develop KKPA), so in this case KP-SL is indenpent-outgrower.  Verification of the declaration letter has been done by PT Mutuagung through an interview to members of the KOPNI on July 13, 2017 and mentioned that most of members and Boards refuserefuse to be certified RSPO.  Based on the results of the above verification, the discrepancy is stated has been fulfilled.
<b>Verified by</b>	<b>: Sandra</b>

**3.5.2 Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment**

<b>NCRNo.</b>	<b>:</b>	<b>2018.01</b>	<b>Issued by</b>	<b>:</b>	<b>Dwi Haryati</b>
<b>Date Issued</b>	<b>:</b>	<b>08 February 2018</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA 1.1</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	<b>-</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.8.3</b> <b>Records of evidence that equal opportunity and treatment for work shall be available.</b>			
<b>Non-Conformance Description&amp; Evidence observed :</b>  Based on verification of the document, it is known that there are ± 290 employees of Daily contract workers working at PT Sekarbumi Alamlestari. The results of interviews with workers and document verification are known that the Daily contract workers has begun to work varyingly from 1998; 2000 - up to 2017, with the number of working days per month less than 20 Working Days. Related to that, there has not yet been enough evidence that PT Sekarbumi Alamlestari has given the same opportunities and treatment in the employment opportunity to all Daily contract workers (KHL) based on the expertise, ability, quality and health required for the work.					
<b>Root Cause Analysis:</b> -					
<b>Corrective Action:</b> -					
<b>Preventive Action:</b>					
<b>AssessorEvaluation and Conclusion:</b> -					
<b>Verified by</b>	<b>:</b>	<b>-</b>			

### 3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	2.2.4	Land dispute settlement / land claims process in the operational area of PT Sekarbumi Alamlestari
2	4.4.2	Ensure water and wetland management during replanting in accordance with the procedures
3	4.6.5	Evaluation of types of personal protective equipment in the form of apron on pesticide applicator.
4	4.7.3	<ul style="list-style-type: none"> <li>Evaluate the use of personal protective equipment that is damaged by work</li> <li>Renewal progression of OHS compulsory license</li> </ul>
5	4.7.5	Evaluate the completeness the contents of First Aid Box.
6	4.7.6	Progress of Social Security Agency (BPJS) membership registration for 19 daily contract workers (entry date of 20 December 2017)
7	5.2.2	Presenting specific assessment as feedback of RTE species monitoring result data especially for Elephas maximus. This will provides distribution of route range, population, food availability, as outcomes for next HCV management plan.
8	6.3.2	Documentation of verbal complaints from employees in complaints logbook
9	6.5.2	Evaluation of policies related to the provision of work tools and extra fooding for employees refers to the collective labor agreement owned.
10	6.5.3	Ensure that the number of toilet infrastructure facilities is adequate
11	6.8.2	Evaluation and identification of permanent worker throughout plantation operations
12	6.10.4	Ensure the payment of KKPA FFB's in accordance with the agreement
13	8.1.1	Evaluate compliance with regulations on safety, health, environmental and labor regulations for all contractors working with companies in particular for the activities of an empty fruit bunch application.
14	SCCS COC 5.7.2	Evaluation related to the time order of remove stock on Palm trace of CSPO and CSPK products sold in other schemes or conventional

### 3.5.4 Noteworthy Positive Components

No	Descriptions
1	The company's commitment to apply the principles of sustainable palm oil management
2	Have a team that is competent enough in sustainable palm oil certification
3	Good communication and presentation of documents at the time of audit
4	Has earned ISPO, RSPO and ISCC Certificates



**3.5 Summary of Arising Issues from Public, Management and Auditor Response**

Public Issues (Institution/ NGO/Community)	Auditor Responses
<b>Worker Union of PT Sekarbumi Alamlestari</b> <ul style="list-style-type: none"> <li>The Company has supported the establishment of Worker Unions in accordance with existing policies.</li> <li>PT Sekarbumi Alamlestari is a member of BKS-PPS.</li> <li>The Company has CLA for the period 2015-2017 between BKS-PPS and PP.FSP.PP-SPSI which has been registered in the Ministry of Manpower and Transmigration.</li> <li>The Worker Union accommodates all complaints of each worker who is then discussed at the Bipartite Cooperation Institution meeting with the company.</li> <li>There are several issues discussed during the Bipartite Cooperation Institution meeting, among others: <ul style="list-style-type: none"> <li>Extras fooding that is given not in the form of food but in the form of money of Rp. 1,000/day paid with monthly wages</li> <li>There are temporary employees who have been working since 2000 and until now still not appointed as permanent employees</li> <li>Provision of work equipment is still charged to workers and the company only gives a subsidy of 20%</li> </ul> </li> <li>Every employee has been granted BPJS health and employment</li> <li>The minimum wage set by the government has been implemented by the company.</li> <li>The Worker Union of PT Sekarbumi Alamlestari has 342 members until January 2018</li> </ul> <p>There are no issues concerning underage workers</p>	<p>This is further explained in criteria 6.5, 6.6, 6.7, 6.8 and 6.9</p>
<b>Gender Comitee of PT Sekarbumi Alamlestari</b> <ul style="list-style-type: none"> <li>The Company has supported the establishment of the Gender Committee in accordance with existing policies.</li> <li>During 2017 there is no act of harassment against women.</li> <li>The company checks pregnancies every month to prevent pregnant women from working in jobs exposed to chemicals.</li> <li>Regular gender committee meetings are held every month when posyandu is held to discuss complaints of female worker.</li> <li>Members of the gender committee are all female employees working in PT Sekarbumi Alamlestari</li> <li>During 2017 there was no issue of gender discrimination at PT Sekarbumi Alamlestari</li> </ul> <p>There are no issues concerning underage workers</p>	<p>This is further explained in criteria 6.7, 6.8 and 6.9</p>
<b>Worker Cooperatives of PT Sekarbumi Alamlestari</b> <ul style="list-style-type: none"> <li>The company supports the establishment of worker cooperatives in accordance with existing policies.</li> <li>Fields of business undertaken by the cooperative is a</li> </ul>	<p>PT Sekarbumi Alamlestari has facilitated the welfare of employees with the establishment of worker cooperatives.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>department store and savings and loan.</p> <ul style="list-style-type: none"> <li>Employee Cooperation has Worker cooperatives have been registered in the Cooperative Agency since 1997 and the worker cooperative is still active until now.</li> <li>1,055 members until December 2017.</li> </ul> <p>The worker cooperative has made report of Annual Member Meeting 2016 reported to the relevant Agency, while for report of Annual Member Meeting 2017 is still in the compilation stage.</p>	
<p><b>PT Evan Sarana Engineera (Contractor)</b></p> <ul style="list-style-type: none"> <li>Has been a contractor for civil works of PT Sekarbumi Alamlestari since 2016.</li> <li>The work that has been done in 2017 is the construction of employee housing and replacement of factory machine.</li> <li>Payments are made according to the time specified in the agreement.</li> <li>Currently there is a agreement with PT Sekarbumi Alamlestari for factory machine replacement and manufacturing of FFB cage at a factory targeted for completion in March 2018</li> <li>In the agreement stated on aspects of K3 for workers who work in the area of PT Sekarbumi Alamlestari</li> </ul>	<p>Certificate holder has been empowered local communities around the villages.</p>
<p><b>Village of Koto Aman, Sub District of Tapung Hilir, District of Kampar, Province of Riau</b></p> <ul style="list-style-type: none"> <li>Village of Koto Aman existed before the company establish palm plantation in the area</li> <li>There is no indigenous people in Koto Aman Village</li> <li>The majority of villagers are Malay tribe and there are some tribal immigrants like tribe of Java, batak, nias etc.</li> <li>The company's relationship with the village is good enough</li> <li>The company's CSR program is quite well</li> <li>There are several land dispute issues between villagers and companies</li> <li>The company has employed the villagers on the company's operational activities</li> <li>Village of Koto Aman Suggestion: <ul style="list-style-type: none"> <li>Villagers request that the recruitment of the worker be further enhanced for the community of Koto Aman Village</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Verified based on document review, communication to the community around done clearly and responded well by company (C6.2)</li> <li>Preparation of CSR programme has been based on communication with the community through questionnaire, (see C6.11)</li> <li>It has been clear, already have legal documents on land (C2.2)</li> <li>It has been clear, the land dispute on behalf of Dolok Pasaribu has been completed</li> <li>The land dispute with Koto Aman currently in the process of mediation, it has been verified by auditor, the explanation related to it can be found in C2.2</li> </ul>
<p><b>Village of Kota Garo, Sub District of Tapung Hilir, District of Kampar, Province of Riau</b></p> <ul style="list-style-type: none"> <li>Village of Kota Garo existed before the company establish palm plantation in the area</li> <li>There is no indigenous people in Kota Garo Village</li> <li>The majority of villagers are Malay tribe and there are some tribal immigrants like tribe of Java, batak, nias etc.</li> </ul>	<ul style="list-style-type: none"> <li>Verified based on document review, communication to the community around done clearly and responded well by company (C6.2)</li> <li>Preparation of CSR programme has been based on communication with the community through questionnaire, (see C6.11)</li> <li>It has been clear, already have legal documents on land (C2.2)</li> </ul>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> <li>The company's relationship with the village is good enough</li> <li>The company's CSR program is quite well</li> <li>There are several land dispute issues between villagers and companies</li> <li>The company has employed the villagers on the company's operational activities</li> <li>Village of Kota Garo Suggestion:               <ul style="list-style-type: none"> <li>Villagers request that the recruitment of the worker be further enhanced for the community of Kota Garo Village</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>It has been clear, the land dispute on behalf of Dolok Pasaribu has been completed</li> <li></li> </ul>
<b>Plantation Agency District of Kampar</b> <ol style="list-style-type: none"> <li>The company has submitted report plantation activities semester II of 2017.</li> <li>The CSR has been informed in Plantation activities reports, but the agency hopes the form of assistance is empowerment.</li> <li>Plantation agency ask about traceabilities related FFB from supplier (Outside) which is legal or not with the evidence of ownership STDB.</li> <li>The valuation of plantation activities will be planned for reprogramming this year (2018). This scheduling retreat from 2017 due to the limited human resources who have the competence of Plantations Class Appraiser.</li> <li>The company has sent a fire monitoring report every semester.</li> <li>Fire-fighting facilities and infrastructure are adequate.</li> </ol>	<p>Certificate holder has submitted all compulsory reports have been sent regularly.</p> <p>FFB is derived from the nucleus and KKPA Sahabat Lestari, which is part of the Group Kuala Lumpur Kepong.</p>
<b>Environmental Agency District of Kampar</b> <ol style="list-style-type: none"> <li>The company have routinely sent mandatory reports such as dangerous material and waste, POME, RKL-RPL, and others.</li> <li>The company are also expected to report the dangerous material management reports containing data such as: outdated B3 stock data, post stock,</li> <li>Permission of Land application has been extended and has received field visits from the Environmental Agency. Beside that, the POME and Hazardous Waste Temporary warehouse permission are still valid.</li> <li>There has no submission of issues related to environmental pollution.</li> <li>Field visits from Environmental Agency last on January, 6 2018 and October 2017.</li> <li>Environmental management report not yet in accordance with the format for Land Application. LA referral is a format based on Ministerial Decree 28 of 2003.</li> <li>In the Land Application area there are parameters that are still not in accordance with the standard quality.</li> <li>There is appeal from district leader regarding the domestic waste management, but not yet socialized to the company.</li> </ol>	<p>Certificate holder has submitted all compulsory reports have been sent regularly.</p> <p>The Company has showed the evidence and documented such as spraying ban, planting woody plants in the riparian area, and do harvesting in the riparian area, and others.</p> <p>The purpose of this sentence is the information from the environmental agency that there is an appeal from the bupati about the management of domestic waste but it has not provided socialization to the company.</p> <p>Environment agency will conduct socialization soon to be scheduled to the entire company. The company awaits the socialization agenda of the related department of appeal from the head of regent to be socialized to all oil companies in Kampar regency.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<b>Labor Agency District of Kampar</b>  1. The company have routinely submitted reports such as P2K3 reports, labor reports and work accidents reports. 2. No negative issues related to employment such as employee discrimination, underage workers, forced laborers and others. 3. Collective Labor Agreement (PKB) period of 2015-2017 still valid, while draft 2018-2020 on progress. 4. Labor union has been authorized and registered members. 5. Recruitment system from company to be more transparent. In this case the department hopes the company can increase employment opportunities for job seekers in Kampar regency.	Certificate holder has submitted all compulsory reports have been sent regularly.  Certificate holder shall maintain this aspect especially related worker welfare and OHS.

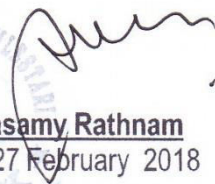
**4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

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

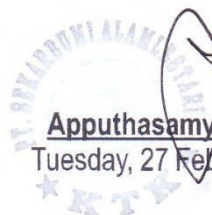
Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:


PT Sekarbumi Alamlestari  
Management Representative



**Apputhasamy Rathnam**  
Tuesday, 27 February 2018



PT Mutuagung Lestari  
Lead Auditor



**Moh Arif Yusni**  
Tuesday, 27 February 2018

**APPENDICES**
**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	Labor Agency	Kampar District, Riau Province	-	Interview	05 February 2018	✓	
2	Environmental Agency	Kampar District, Riau Province	-	Interview	05 February 2018	✓	
3	Plantation Agency	Kampar District, Riau Province	-	Interview	05 February 2018	✓	
4	PT Evan Sarana Engineera (Contractor)	Kampar District, Riau Province	-	Interview	05 February 2018	✓	
5	Labor Union	Kampar District, Riau Province	-	Interview	05 February 2018	✓	
6	Gender Committee	Kampar District, Riau Province	-	Interview	05 February 2018	✓	
7	Worker Cooperative	Kampar District, Riau Province	-	Interview	05 February 2018	✓	
8	Kota Garo Village	Kampar District, Riau Province	-	Interview	08 February 2018	✓	
9	Koto Aman Village	Kampar District, Riau Province	-	Interview	07 February 2018	✓	
10	6 Fertilizer Applicator, 2 harvester, and 6 Pestiside Applicator.	KTK 1 Estate	-	Interview	06 February 2018	✓	
11	7 Pestiside Applicator, 7 Fertilizer Applicator, 1 harvester, 7 loosefruit picker.	KTK 2 Estate	-	Interview	07 February 2018	✓	
12	2 harvester, 7 Pestiside Applicator, 10 Fertilizer Applicator, 4 loosefruit picker	KTK 3 Estate	-	Interview	08 February 2018	✓	
13	13 worker (security, loading ramp, sterilizer, crane, press, boiler, engine room and kernel station)	Tapung Kanan POM	-	Interview	05 February 2018	✓	
14	Walhi	Jakarta	<a href="mailto:info@walhi.or.id">info@walhi.or.id</a>	Questionnaire through email	01 February 2018		✓
15	AMAN	Jakarta	<a href="mailto:informasi@walhi.or.id">informasi@walhi.or.id</a>	Questionnaire through email	01 February 2018		✓
16	JKALAHARI	Pekanbaru	<a href="mailto:secretariat@jikalahari.org">secretariat@jikalahari.org</a>	Questionnaire through email	01 February 2018		✓
17	WWF Indonesia	Jakarta	<a href="mailto:wwf-indonesia@wwf.or.id">wwf-indonesia@wwf.or.id</a>	Questionnaire through email	01 February 2018		✓
18	Sawit Watch	Jakarta	<a href="mailto:info@sawitwatch.or.id">info@sawitwatch.or.id</a>	Questionnaire through email	01 February 2018		✓



**Appendix 2. Assessment Program**

DATE		04 – 09 February 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Sunday, 04 February 2018			
11.00 – 12.50	11.00 – 12.50	JAKARTA → Pekanbaru	All Auditor
13.00 – 16.00	13.00 – 16.00	Pekanbaru → PT. Sekarbumi Alamlestari	
Monday, 05 February 2018			
08.00 – 08.30	08.00 – 08.30	Opening meeting <ul style="list-style-type: none"><li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li><li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li></ul>	All Auditor
08.30 – 12.00	08.30 – 12.00	Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier  Public Consultation with relevant agencies in Kampar Regency  Field observation to Tapung Kanan POM : <ul style="list-style-type: none"><li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li><li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li><li>Implementation of Employment Procedure and Mechanism Aspect</li><li>Observation of Workers Facilities (Housing, School, Worship Place).</li></ul>	<ul style="list-style-type: none"><li>RGR</li><li>DHT</li><li>MAY</li><li>SMM</li><li>HSH</li></ul>
12.00 – 14.00	12.00 – 14.00	Break	
14.00– 17.00	14.00– 17.00	Documents Review <ul style="list-style-type: none"><li>Review of previous (Initial assessment) findings</li><li>Verification of Basic Information Mill and Estate</li><li>Confirmation of Time Bound Plan</li><li>Review of Partial Certification</li><li>Verification of stakeholder consultation result and field visit.</li><li>Document review and completing audit checklist.</li></ul>	All Auditor
Tuesday, 06 February 2018			
08.00 – 12.00	08.00 – 12.00	<ul style="list-style-type: none"><li>Stakeholder consultation to affected communities surrounding the plantations.</li></ul>	<ul style="list-style-type: none"><li>MAY</li></ul>

DATE		04 – 09 February 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00	08.00 – 12.00	<b>Field Observation to KEBUN TAPUNG KANAN 1</b> Aspect to be verified : <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>- Implementation of Occupational Health &amp; Safety Aspect</li> <li>- Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<ul style="list-style-type: none"> <li>• SMM</li> <li>• HSH</li> <li>• SMM</li> <li>• HSH</li> <li>• DHT</li> <li>• RGR</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>• Verification of stakeholder consultation result and field visit.</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Wednesday, 07 February 2018</b>			
08.00 – 12.00	08.00 – 12.00	<b>Field Observation to KEBUN TAPUNG KANAN 2</b> Aspect to be verified : <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>- Implementation of Occupational Health &amp; Safety Aspect</li> <li>- Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	<ul style="list-style-type: none"> <li>• MAY</li> <li>• HSH / RGR</li> <li>• SMM</li> <li>• HSH / RGR</li> <li>• DHT</li> <li>• DHT</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>• Verification of stakeholder consultation result and field visit.</li> <li>• Document review and completing audit checklist.</li> </ul>	<b>All Auditor</b>
<b>Thursday, 08 February 2018</b>			
08.00 – 11.00	08.00 – 11.00	<b>Field Observation to KEBUN TAPUNG KANAN 3</b> Aspect to be verified : <ul style="list-style-type: none"> <li>- Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage,</li> </ul>	<ul style="list-style-type: none"> <li>• MAY</li> <li>• HSH / RGR</li> <li>• SMM</li> <li>• HSH / RGR</li> </ul>

DATE		04 – 09 February 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) - Implementation of Occupational Health & Safety Aspect - Implementation of Employment Procedure and Mechanism Aspect - Observation of Workers Facilities (Housing, School, Worship Place).	• DHT  • DHT
11.00 – 14.00	11.00 – 14.00	Break	
14.00 – 16.00	14.00 – 16.00	• Verification of stakeholder consultation result and field visit. • Document review and completing audit checklist.	All Auditor
16.00 – 18.00	16.00 – 18.00	Internal discussion by auditor team preparing for Closing Meeting	All Auditor
19.00 – 20.00	19.00 – 20.00	<b>Closing Meeting:</b> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ • Comments, Responses and Questions	
Friday, 09 February 2018			
07.00 – 10.00	07.00 – 10.00	PT Sekarbumi Alamlestari – Pekanbaru	All Auditor
12.00 – 14.00	12.00 – 14.00	Pekanbaru - Jakarta	