

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

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

Name of Management : Bukit Ajong Factory
 Organisation : PT Sime Indo Agro subsidiary of Sime Darby Plantation Berhad
 Plantation Name : West Estate; East Estate; Plasma East Estate and Plasma West Estate
 Location : Village of Dosan, Sub District of Parindu, District of Sanggau, Kalimantan Barat Province, Indonesia
 Certificate Code : **MUTU-RSPO/088**
 Date of Certificate Issue : 18 July 2016 Date of License Issue : 18 July 2018
 Date of Certificate Expiry : 17 July 2021 Date of License Expiry : 17 July 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA 1.2	15 to 18 May 2018	Trismadi Nurbayuto, Andi Pratama Pasaribu, M. Rinaldi, Bayu Yogatama	Ardiansyah	Octo H.P.N Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA 1.2	02 October 2018

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Figure 1. Location Map of PT Sime Indo Agro

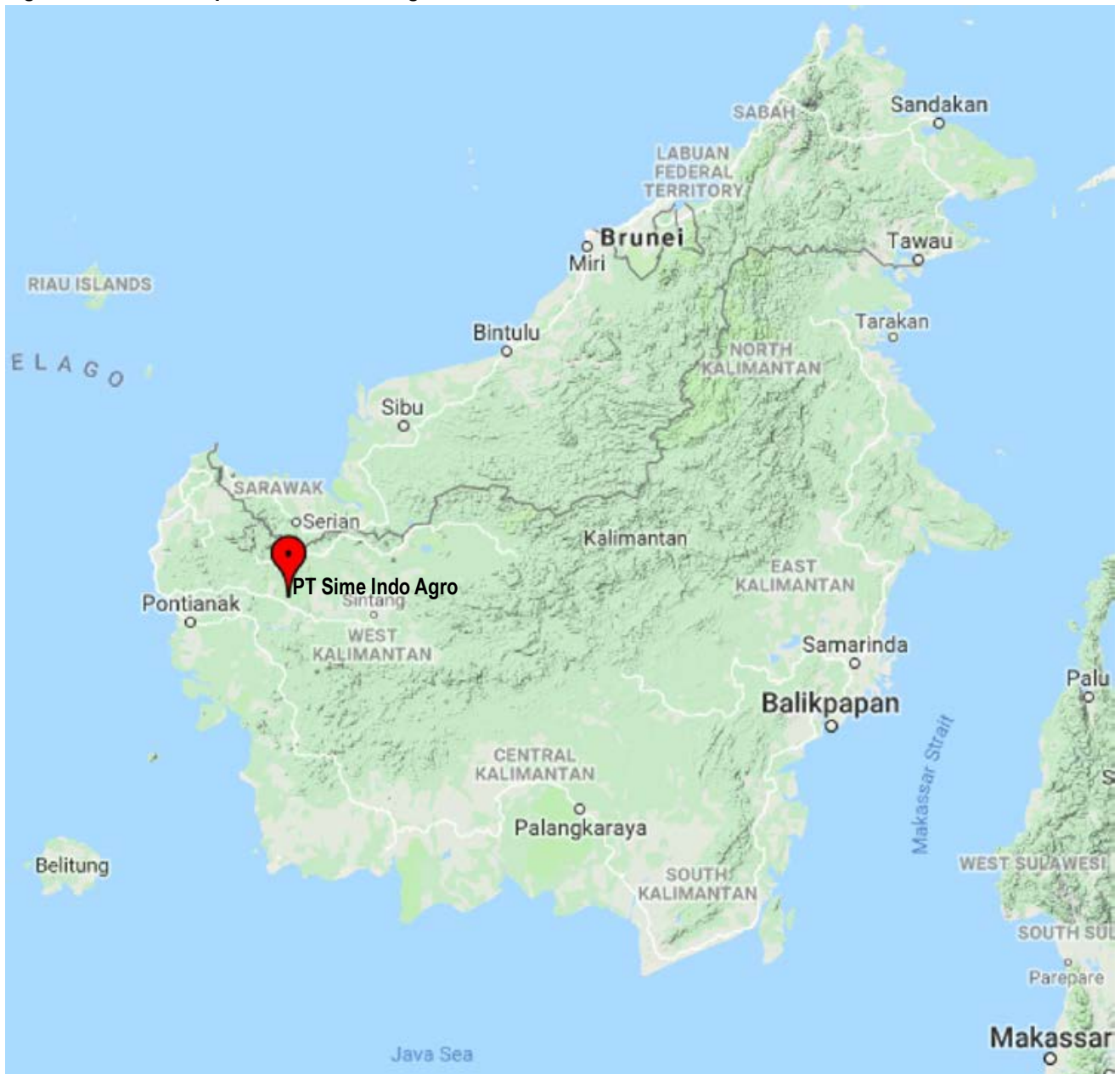
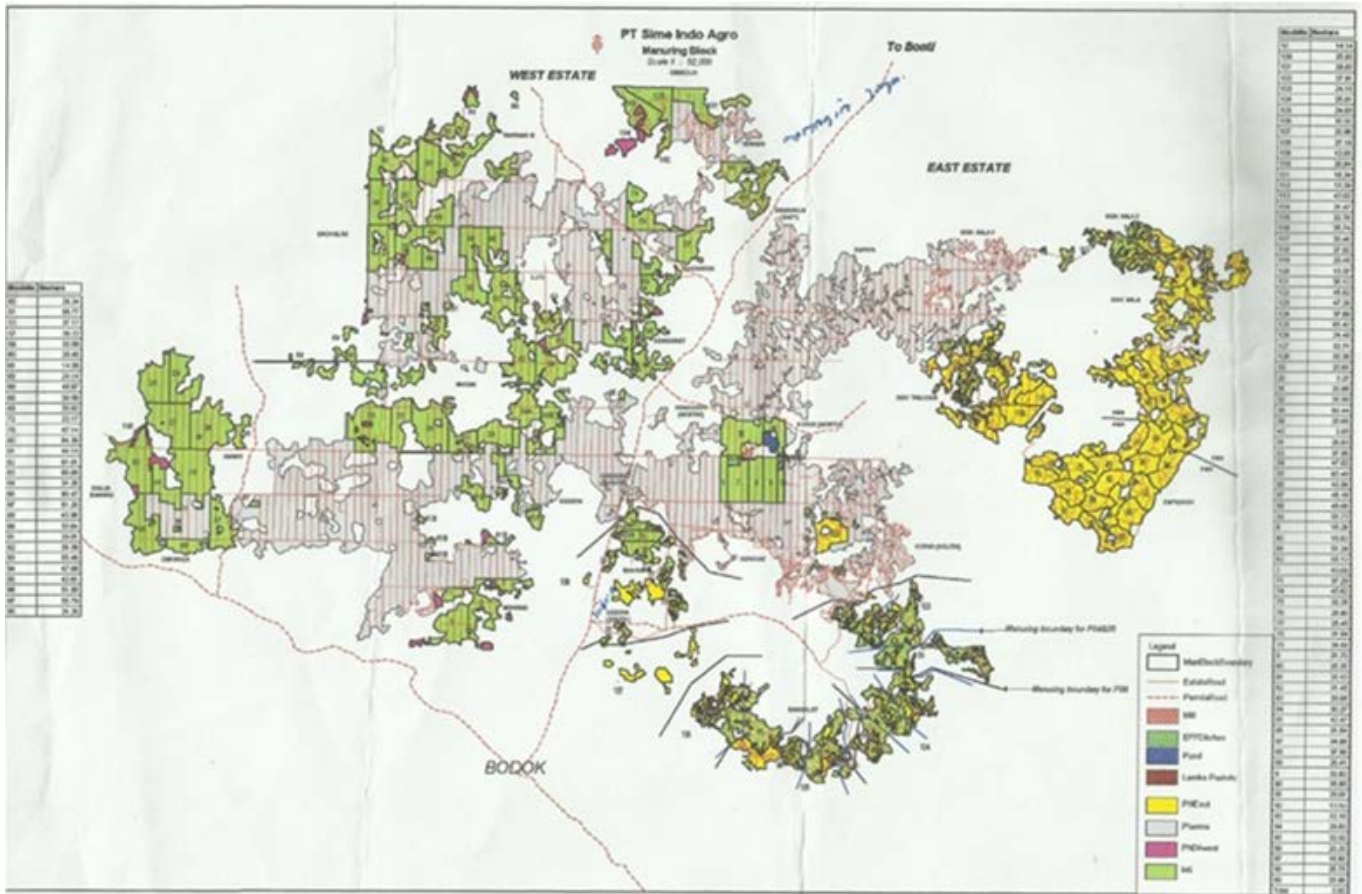


Figure 2. Operational Map of PT Sime Indo Agro (West Estate and East Estate)



Abbreviations Used

ASA	:	Annual Surveillance Assessment
AMAN	:	<i>Aliansi Masyarakat Adat Nusantara</i>
BAF	:	Bukit Ajong Factory
BOD	:	Biological Oxygen Demand
BMS	:	Block Manuring System
BSS	:	Block Spraying System
CH	:	Certificate Holder
CLA	:	Collective Labour Agreement
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
ESE	:	East Estate
FFB	:	Fresh Fruit Bunch
GHPI	:	General head Plantation Indonesia
GHG	:	Greenhouse Gas
GM	:	General Manager
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HPO	:	Head Plantation Operation
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
HRM	:	Human Resource Management
IPM	:	Integrated Pest Management
KUD	:	<i>Koperasi Unit Desa</i> / Village Cooperative Unit
MMCM	:	Monthly Management Committee Meeting
MRC	:	Minamas Research Centre
NGO	:	Non Government Organization
OER	:	Oil Extraction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
PIC	:	Person In Charge
PK	:	Palm Kernel
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protection Equipment
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
PT SIA	:	PT Sime Indo Agro
SGM	:	Senior General Manager
SIA	:	Social Impact Assessment
SOP	:	Standart Operating System
SOU	:	Strategic Operation Unit
WSE	:	West Estate
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 (Endorsed by the RSPO Board of Governors meeting on 30 th September 2016)</i>• <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 June 2017 (Module D / E for CPO Mill)</i>• <i>RSPO Certification Systems approved by RSPO Executive Board 26 June 2007, revised August 30, 2011</i>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT. Sime Indo Agro Subsidiary of Sime Darby Plantation Berhad.	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301. Liaison Office: The Plaza Office Tower, 36th Floor, Jl. M. H. Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	(+62-21)-29926000	
1.2.5	Fax	(+62-21)-29922686	
1.2.6	E-mail	mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	www.simedarbyplantation.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM)	
1.2.9	Registered as RSPO member	1 – 0008 – 04 – 000 – 00 7 September 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base : Bukit Ajong Factory, East Estate, West Estate, Plasma East Estate and Plasma West Estate.	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Bukit Ajong Factory	Village of Dosan, Sub District of Parindu, District of Sanggau, Province of Kalimantan Barat, Indonesia	N 0° 16' 10" E 110° 28' 58"

1.4.2	Location of Certification Scope of Supply Base					
	Name of Supply Base	Location	Coordinate			
			Latitude	Longitude		
	West Estate	Village of Palem Jaya; Sub District of Parindu; District of Sanggau; Province of Kalimantan Barat, Indonesia	N 0° 16' 18"	E 110° 24' 21"		
	East Estate	Village of Hibun, Sub District of Parindu; District of Sanggau; Province of Kalimantan Barat, Indonesia	N 0° 15' 22"	E 110° 30' 09"		
	West Plasma	Village of Palem Jaya; Sub District of Parindu; District of Sanggau; Province of Kalimantan Barat, Indonesia	N 0° 16' 15"	E 110° 24' 21"		
	East Plasma	Village of Hibun, Sub District of Parindu; District of Sanggau; Province of Kalimantan Barat, Indonesia	N 0° 15' 22"	E 110° 30' 09"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		7,227.82 Ha			
	• Community		4,271.00 Ha			
	• Total		11,498.82 Ha			
	Area Statement		Own Estate	Smallholders	Total	
	• Total area		7,227.83	4,271.00	11,498.82	Ha
	• Mature area		3,172.10	4,271.00	7,443.10	Ha
	• Immature area		-	-	-	Ha
	• Mill/ Building/Road/Parit		196.15	-	196.15	Ha
	• Conservation Area (HCV) Total HCV Area is 1227.33 Ha. Different 1227.33 ha - 321.20 ha = 906.13 ha (Outside Land Use Title).		321.20	-	321.20	Ha
	• Boundaries, River, Hill, valley and Occupation area (Enclave and others).		3,538.37	-	3,538.37	Ha
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		West Estate	East Estate	West Plasma	East Plasma	Total
	1997	1,458.56	-	1,195.00	-	2,653.56
	1998	1,003.74	-	1,120.00	208	2,331.74
	1999	-	635.24	-	1,392.00	2,027.24
	2003	-	48.82	-	218	266.82
	2004	-	25.74	-	138	163.74
	TOTAL	2,462.30	709.80	2,315.00	1,956.00	7,443.10
	1.6.2	New Planting area after January 2010		- Ha		
1.6.3	Planting Cycle		1 st 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 (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Bukit Ajong	40	194,757.36	42,730.59	21.94	10,919.90	5.61
	*Production data source from May 2017 to April 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)	%
	West Estate	4,562.34	2,462.30	29,515.19	11.99	29,515.19	100
	East Estate	2,665.48	709.80	5,662.91	7.98	5,662.91	100
	West Plasma (1154 smallholders)	2,315.00	2,315.00	73,425.22	31.72	73,425.22	100
	East Plasma (978 smallholders)	1,956.00	1,956.00	48,713.62	24.90	48,713.62	100
	TOTAL	11,498.82	7,443.10	157,316.94	21.14	157,316.94	100
	*Production data source from May 2017 to April 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)	
	West Estate (Non Certified RSPO)		PT SIA	-	513.70	6,157.64	
	East Estate (Non Certified RSPO)		PT SIA	-	1,731.39	20,497.06	
	Sei Mawang Estate (Non Certified RSPO)		PT SIA	-	837.75	1,668.93	
	Sei Mawang Plasma (Non Certified RSPO)		KUD Sepadan Jaya	240	480.18	4,314.22	
	Independent Suppliers (Non Certified RSPO)		(Non Desa and PT MAS)	-	513.70	4,802.58	
	TOTAL				194,757.37		
	*Source Production Data on May 17 to April 18						
1.7.4	Product categories				FFB, CPO, PK		
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (May 2017 to April 2018) (MT)	
	• FFB Process			183,530		157,316.94	
	• CPO Production			40,377		34,544.91	
	• Palm Kernel (PK) Production			10,094		8,827.43	
1.8.2	Product selling						
	Tonnage of selling product			Period of actual selling product May 2017 to April 2018			

	<ul style="list-style-type: none">CSPO sold as RSPO certified productCSPK sold as RSPO certified productCSPO sold under other schemeCSPK sold under other schemeCSPO sold as conventionalCSPK sold as conventional	4,733.23 1,300.75 0 0 24,402.59 7.432.87																																																																	
1.8.3	Estimate of Certified FFB Claim																																																																		
	<table><tr><th>Name of Estate(s)</th><th>Total Area (Ha)</th><th>Planted Area (Ha)</th><th>FFB (tonnes/year)</th><th>Yield (tonnes/ha/year)</th></tr><tr><td>West Estate</td><td>4,562.34</td><td>2,462.30</td><td>30,991</td><td>12.59</td></tr><tr><td>East Estate</td><td>2,665.48</td><td>709.80</td><td>5,946</td><td>8.38</td></tr><tr><td>West Plasma (1154 smallholders)</td><td>2,315.00</td><td>2,315.00</td><td>63,542</td><td>27.45</td></tr><tr><td>East Plasma (978 smallholders)</td><td>1,956.00</td><td>1,956.00</td><td>51,149</td><td>26.15</td></tr><tr><td>TOTAL</td><td>11,498.82</td><td>7,443.10</td><td>151,628</td><td>20.37</td></tr></table>	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	West Estate	4,562.34	2,462.30	30,991	12.59	East Estate	2,665.48	709.80	5,946	8.38	West Plasma (1154 smallholders)	2,315.00	2,315.00	63,542	27.45	East Plasma (978 smallholders)	1,956.00	1,956.00	51,149	26.15	TOTAL	11,498.82	7,443.10	151,628	20.37																																				
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1.10.1	Time Bound Plan for Other Management Units																																																																		
	<table><tr><th colspan="2">Management Unit</th><th rowspan="2">Supply Base</th><th rowspan="2">Time Bound Plan</th><th colspan="2">HGU on Process</th><th rowspan="2">Location</th><th rowspan="2">Status</th></tr><tr><th>Mill</th><th>Time Bound Plan</th><th>Ha</th><th>Time Bound Plan</th></tr><tr><td colspan="8">INDONESIA</td></tr><tr><td rowspan="2">Sekunzir. PT. Indotruba Tengah</td><td rowspan="2">2010</td><td>Sekunzir</td><td>2010</td><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2">Seruyan and West Kotawaringin District – Central Kalimantan</td><td>Certified</td></tr><tr><td>Seruyan</td><td>2010</td><td>Certified</td></tr><tr><td rowspan="3">Manggala. PT. Tunggal Mitra Plantations</td><td rowspan="3">2010</td><td>Manggala 1</td><td>2010</td><td rowspan="3"></td><td rowspan="3"></td><td rowspan="3">Rokan Hilir District – Riau</td><td>Certified</td></tr><tr><td>Manggala 2</td><td>2010</td><td>Certified</td></tr><tr><td>Manggala 3</td><td>2010</td><td>Certified</td></tr><tr><td rowspan="5">Bukit Ajong PT. Sime Indo Agro</td><td rowspan="5">2010</td><td>West</td><td>2010</td><td rowspan="5">1,652</td><td rowspan="5">2019</td><td rowspan="5">Sanggau District –West Kalimantan</td><td>Certified</td></tr><tr><td>East</td><td>2010</td><td>Certified</td></tr><tr><td>Sei Mawang</td><td>2018</td><td>-</td></tr><tr><td>East Plasma</td><td>2010</td><td>Certified</td></tr><tr><td>West Plasma</td><td>2010</td><td>Certified</td></tr></table>	Management Unit		Supply Base	Time Bound Plan	HGU on Process		Location	Status	Mill	Time Bound Plan	Ha	Time Bound Plan	INDONESIA								Sekunzir. PT. Indotruba Tengah	2010	Sekunzir	2010			Seruyan and West Kotawaringin District – Central Kalimantan	Certified	Seruyan	2010	Certified	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010			Rokan Hilir District – Riau	Certified	Manggala 2	2010	Certified	Manggala 3	2010	Certified	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	1,652	2019	Sanggau District –West Kalimantan	Certified	East	2010	Certified	Sei Mawang	2018	-	East Plasma	2010	Certified	West Plasma	2010	Certified	
Management Unit		Supply Base	Time Bound Plan			HGU on Process				Location	Status																																																								
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		West Plasma	2010				Certified																																																												

Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	421.31	2020	Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011				Certified
		Aneka Persada	2011				Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	308.25	2020	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012				Certified
Pematang. PT. Teguh Sempurna	2011	Pematang	2011			Seruyan and East Kotawaringin Dist rict – Central Kalimantan	Certified
		Kawan Batu	2011				Certified
		Hatan Tiring	2011				Certified
		Batang Garing	2011				Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011			Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011			Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011				Certified
		Nusa Lestari	2011				Certified
Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011			Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011				Certified
Angsana Mini*) PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013			Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011				Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011			Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011				Certified
		KKPA-4 PT.SHE	2013				Certified
Mustika. PT Sajang Heulang	2013	Mustika				Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013				Certified
		KKPA-3 PT.SHE	2013				Certified
		KKPA-5 PT.SHE	2013				Certified
		SAP 1	2020				ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	765	2020	Kotabaru District – South Kalimantan	Certified
		Gunung Kemas	2011				Certified
		Laut Timur	2011				Certified
		Pantai Timur	2011				Certified
		KKPA BSS	2020				-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	1,162	2020	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011				Certified
		KKPA Sungai Cengal	2014				Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011			Seruyan and East Kotawaringin Dist rict – Central Kalimantan	Certified
		Sapiri	2011				Certified
		Barasdanum	2011				Certified
		Kuala Kuayan	2011				Certified
Pondok Labu. PT Paripurna	2012	Binturung	2012	1,120	2020	Kotabaru District – South	Certified
		Pondok Labu	2012				Certified

Swakarsa		Rampa	2012			Kalimantan	Certified
		Sesulung	2012				Certified
Selabak *) PT Swadaya Andhika	2012	Selabak	2012	63	2020	Kotabaru District – South Kalimantan	Certified
		Randi	2012				Certified
		Sangkoh	2012				Certified
		Lanting	2012				Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012			Kotabaru District – South Kalimantan	Certified
		Matalok	2012				Certified
Betung. PT Laguna Mandiri	2014	Betung	2012			Kotabaru District – South Kalimantan	Certified
		Sekayu	2012				Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012			Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015				Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	1,639	2020	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020				-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	4,133	2020	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012				Certified
		Karang Ringin	2012				Certified
		Napal	2012				Certified
		Mangun Jaya	2012				Certified
		Sungai Jernih Estate and GPI KKPA	2017				-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	1,286	2020	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013				Certified
		Blang Simpo-01	2013				Certified
		Blang Simpo-02	2013				Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018			Sanggau District – West Kalimantan	-
		MAS 1	2018				-
		MAS 1	2018				-
		Plasma MAS	2020				-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014			Ketapang District – West Kalimantan	Certified
		Awatan	2014				Certified
		Karya Palma	2018				-
		KKPA SNP	2020				-
		Pelanjau (PT BAL)	2018				-
		Sungai Putih (PT BAL)	2018				-
		Baturus (PT BAL)	2018				-
		KKPA BAL	2020				-
MALAYSIA							
Sg Dingin SOU 1	2010	Bukit Hijau	2010			Kerangan, Kedah	Certified
		Padang Buluh	2010				Certified
		Bukit Selangor	2010				Certified
		Sg Dingin	2010				Certified
		Jentayu	2010				Certified

		Anak Kuli	2010			Certified
		Somme	2010			Certified
Chersonese SOU 2	2011	Chersonese	2011		Kuala Kurau, Perak	Certified
		Holyrood	2011			Certified
		Kalumpung	2011			Certified
		Tali Ayer	2011			Certified
Elphil SOU 3	2011	Kinta Kellas	2011		Sg Siput, Perak	Certified
		Elphil	2011			Certified
		Kamuning	2011			Certified
Flemington SOU 4	2011	Flemington	2011		Teluk Intan, Perak	Certified
		Bagan Datoh	2011			Certified
		Sabak Bernam	2011			Certified
		Sg Samak	2011			Certified
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011		Teluk Intan, Perak	Certified
		Sabrang	2011			Certified
		Sg Wangi	2011			Certified
		Sogomana (Main Division)	2011			Certified
Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011		Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg Beruas Division)	2011			Certified
		Bikam	2011			Certified
		Clumy	2011			Certified
Tennamaram SOU 6	2011	Tennamaram	2011		Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011			Certified
		Bkt Talang	2011			Certified
Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011		Kapar, Selangor	Certified
		Bkt Cherakah	2011			Certified
		Bkt Rajah	2011			Certified
		Bkt Lagong	2011			Certified
		Elmina	2011			Certified
East SOU 8	2010	East	2010		Carey Island, Selangor	Certified
		Dusun Durian	2010			Certified
		Sepang	2010			Certified
West - SOU 9	2010	West	2010		Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011		Raub, Pahang	Certified
Kerdau SOU 11	2011	Kerdau	2011		Temerloh, Pahang	Certified
		Jentar	2011			Certified
		Mentakab	2011			Certified
		Sg Mai	2011			Certified
		Chenor	2011			Certified
Jabor - SOU 12	2011	Jabor	2011		Kuantan, Pahang	Certified
Labu	2011	Labu	2011		Nilai, Negeri	Certified

SOU 13		New Labu	2011			Sembilan	Certified
		Bradwall	2011				Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010			Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010				Certified
		Bukit Pelandok	2010				Certified
Sua Betong SOU 15	2014	Salak	2014			Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014				Certified
		Siliau	2014				Certified
		PD Lukut	2014				Certified
		Sungai Baru	2014				Certified
		Tampin Linggi	2014				Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011			Bahau, Negeri Sembilan	Certified
		Kok Foh	2011				Certified
		Muar River	2011				Certified
		St. Helier	2011				Certified
		Pertang	2011				Certified
		Sg Gemas	2011				Certified
		Sg Sebalang	2011				Certified
		Sg Senarut	2011				Certified
Kempas SOU 17	2010	Kempas	2010			Jasin, Melaka	Certified
		Kemuning	2010				Certified
		Tangkah	2010				Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011			Jasin, Melaka	Certified
		Diamond Jubilee	2011				Certified
		Serkam	2011				Certified
Pagoh SOU 19	2014	Pagoh	2014			Muar, Johor	Certified
		Lanadron	2014				Certified
		Pengkalan Bukit	2014				Certified
		Welch	2014				Certified
Chaah SOU 20	2010	North Labis	2010			Chaah, Johor	Certified
		Cha'ah	2010				Certified
		Sg Simpang Kiri	2010				Certified
Gunung Mas SOU 21	2010	Gunung Mas	2010			Kluang, Johor	Certified
		Kempas Klebang	2010				Certified
		Bukit Paloh	2010				Certified
		Yong Peng	2010				Certified
Bukit Benut SOU 22	2011	Bukit Benut	2011			Kluang, Johor	Certified
		CEP Niyor	2011				Certified
		Lambak / Elaeis	2011				Certified
Ulu Remis SOU 23	2011	Pekan	2011			Layang-layang, Johor	Certified
		Sembrong	2011				Certified
		Tun Dr. Ismail	2011				Certified
		Ulu Remis	2011				Certified
		Bukit Badak	2011				Certified
		Cenas	2011				Certified
Hadapan SOU 24	2011	CEP Rengam	2011			Layang-layang, Johor	Certified
		Kulai	2011				Certified

		Layang	2011				Certified
		Seri Pulai	2011				Certified
Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008			Sandakan, Sabah	Certified
		Tunku	2008				Certified
		Tigowis	2008				Certified
		Sentosa	2008				Certified
		Saguliud	2008				Certified
Melalap SOU 27	2011	Melalap	2011			Tenom, Sabah	Certified
		Sapong	2011				Certified
Binuang SOU 28	2009	Tingayu	2009			Kunak, Sabah	Certified
		Sungang	2009				Certified
		Jelata Bumi	2009				Certified
		Binuang	2009				Certified
Giram SOU 29	2009	Mostyn	2009			Kunak, Sabah	Certified
		Giram	2009				Certified
Merotai SOU 30	2009	Imam	2009			Tawau, Sabah	Certified
		Merotai	2009				Certified
		Table	2009				Certified
		Tiger	2009				Certified
Lavang SOU 31	2011	Belian	2011			Bintulu, Serawak	Certified
		Kelida	2011				Certified
		Lavang	2011				Certified
		Lavang (SE)	2011				Certified
		Rasan	2011				Certified
Rajawali SOU 32	2011	Rajawali	2011			Bintulu, Serawak	Certified
		Samudera	2011				Certified
		Semarak	2011				Certified
		Bayu	2011				Certified
Derawan SOU 33	2011	Takau	2011			Bintulu, Serawak	Certified
		Damai	2011				Certified
		Derawan	2011				Certified
		Sahua	2011				Certified
Pekaka SOU 34	2011	Chartquest	2011			Bintulu, Serawak	Certified
		Dulang	2011				Certified
		Peroh	2011				Certified
		Pekaka	2011				Certified
		Ruai	2011				Certified
LIBERIA							
Grand Cape Mount	2017	Matambo (2,500 Ha)	2017			Grand Cape Mount, Liberia	NPP May 2011
		Grand Cape Mount (2,372 Ha)	2017				NPP May 2011
		Zodua (264)	2017				NPP May 2011
				Bomi (3,128 Ha)	2017		

		Lofa (2,254 Ha)	2017				NPP May 2011
P & G (New Britain Palm Oil)							
Poliamba	2012	Kara	2012			Kevieng, New Ireland Province, P&G	Certified
		West Coast	2012				Certified
		Nalik	2012				Certified
		Noatsi	2012				Certified
		Madak	2012				Certified
		North (Smallholders)	2012				Certified
		South (Smallholders)	2012				Certified
		West (Smallholders)	2012				Certified
Tetere	2011	Tetere	2011			Gudaicanal, Solomon Island	Certified
		Ngalimbiu	2011				Certified
		Mbalisuna	2011				Certified
		West Zone (Smallholders)	2011				Certified
		Central Zone (Smallholders)	2011				Certified
		MBA East (Smallholders)	2011				Certified
		MBA West (Smallholders)	2011				Certified
Sangara, Sambiripa & Mamba	2013	Sangara	2013			Higaturu, Popondetta, Oro, P&G	Certified
		Sumberipa	2013				Certified
		Ambogo	2013				Certified
		Embi	2013				Certified
		Mamba	2013				Certified
		Sorovi (smallholders)	2013				Certified
		Igora (smallholders)	2013				Certified
		Saiho (smallholders)	2013				Certified
		Aeka (smallholders)	2013				Certified
		Ilimo (smallholders)	2013				Certified
Gusap	2010	Dumpu	2010			Madang, P&G	Certified
		Surinam	2010				Certified
		Jephcott	2010				Certified
		Gusap	2010				Certified
		Paddox	2010				Certified
		Ngaru	2010				Certified

			Madang VOP (smallholders)	2010			Certified
			Morobe VOP (smallholders)	2010			Certified
	Hagita	2013	Giligili	2013		Milne Bay, P&G	Certified
			Hagita	2013			Certified
			Waigani	2013			Certified
			Sagarai	2013			Certified
			Padipadi	2013			Certified
			Mariawatte	2013			Certified
			East Gurney	2013			Certified
			West Gurney	2013			Certified
			East Sagarai	2013			Certified
			West Sagarai	2013			Certified
	• Mosa	2008	Bebere	2008		West New Britain	Certified
	• Kumbango		Kumbango	2008			Certified
	• Kapiura		Togulo	2008			Certified
	• Namumdo		Dami	2008			Certified
	• Waraston		Waisisi	2008			Certified
			Kautu	2008			Certified
			Karaus	2008			Certified
			Moroa	2008			Certified
			Bilomi	2008			Certified
			Loata	2008			Certified
			Haella	2008			Certified
			Garu	2008			Certified
			Daliavu	2008			Certified
			Sapuri	2008			Certified
			Malilimi	2008			Certified
			Rigula	2008			Certified
			Nomundo	2008			Certified
			Navarai / Karato ME	2008			Certified
			Volupai . Lotomgam / Natupi / Goruru	2008			Certified
			Lolokoru	2008			Certified
			Silovoti	2008			Certified
			LSS Hoskin (1,877 Smallholders)	2008			Certified
			VOP East (1,815 Smallholders)	2008			Certified
			VOP Central (1,958 Smallholders)	2008			Certified
			VOP West (1,277 Smallholders)Kaulong / Akamie / Pusiki / Repamira / Sakapei /	2008			Certified

		KDC ME (21 large smallholders)				
		LSS Kapiura (847 Smallholders)	2008			Certified
		VOP Kapiura (551 Smallholders)	2008			Certified
	<p>Sime Darby has achieved 34 management units in Malaysia, 24 management units in Indonesia, 10 management units in Liberia that RSPO certified. Total management unit in Sime Darby Plantation Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 10 in Liberia. In the year of 2017 there are two Mill that are no longer operating, and for the supplying base (Estate) is diverted to a mill that is still operating and has been certified RSPO.</p> <p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Sdn Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	PT SIA have associated smallholders (KUD Himado) that have been certified.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 1.2	<p>1. Trismadi Nurbayuto (Lead Auditor). Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, , HCV, and GHG emissions. OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this audit, he verify Legal, Social and SCCS aspect.</p> <p>2. Andi Pratama Pasaribu (Auditor). Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he verify OHS and worker welfare aspect,.</p> <p>3. Muhammad Rinaldi (Auditor). Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During the assessment he assigned to verify Transparencies, Longterm Business Plan, and Best Management Practices aspect.</p> <p>4. Bayu Yogatama (Auditor Trainee) Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, Awarnes RSPO, ISP RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During the assessment he assigned to support verify environmental aspect.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA 1.2	<p>Number of auditors: 3 auditors and 1 auditor trainee</p> <p>Number of days for Surveillance-1.2 at site: 4 days</p> <p>Number of working days for Surveillance-1.2 at site: 12 Working days</p>
2.2.2	Assessment Process
ASA 1.2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Sime Indo Agro to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 (Endorsed by the RSPO Board of Governors meeting on 30 th 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 on 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) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA 1.2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.3).</p>

The assessment program please find Appendix 2

2.2.3 Locations of Assessment
ASA 1.2 West Estate

- **Block A705** Observation of implementation Nursery
- **Boundary pole SIA 1** Observation the conditions and position of legal boundary SIA 1
- **Block A706** Observation the conditions and position of legal boundary SIA 3
- **Block A803 Div 3** Observation the implementation of HCV management in Tawang Bening
- **Block A709** Observation the conditions and position of legal boundary SIA 3.
- **Block A709** Observation the conditions and position of legal boundary SIA 31.
- **Block A703** Observation the implementation of HCV management in riparian of Sengoret River.
- **Block A703 Replanting** Observation the implementation of replanting procedure
- **Block A704. Division 1. EFB Application.** Observation related implementation of EFB in the field, dosisi usage, and PPE
- **Block A702. Road Maintenance.** Observation related collection and main road upkeep.
- **Block B801. Division 4. Interview with spraying worker.** Interview related OHS, implementation of spraying and handling on pesticide, PPE, and periodically medical check up
- **Block A803. Division 3. Interview with manuring worker.** Interview related OHS, implementation of manuring and handling on fertilizer
- **Block A801.Division 3. Harvesting.** Observation and interview related to block harvesting system, criteria of FFB, harvesting interval, and OHS.
- **BSS** Observation and Interview about pesticide handling and LB3.
- **Landfill Block A705** Observation about waste management.
- **Workshop.** Observation on implementation of OHS policy and waste management as well as interview with personnel related to employment aspect.
- **Oil, Chemical and fertilizer storage.** Observation and interview on OHS, waste management and employment aspect.
- **Mixing area and PPE storage.** Observation and interview related to OHS, waste management and employment aspect.
- **Fire Extinguisher Warehouse.** Observation of fire fighting equipment conditions.
- **Generator room and fuel tank.** Observation on OHS aspect, waste management and emergency preparedness aspect (secondary containment wall, oil trap and fire extinguisher).
- **Housing.** Observation on the feasibility of housing and others facility and interview to resident regarding to waste management and complain mechanism.
- **Clinic.** Observation on infectious waste management and interview related to employee's health services.

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- **Waste Water Treatment Plant.** Observation of waste management
- **Blok S901** Observation for implementation of Land Application and waste water management
- **Housing** observation for OHS and domestic waste management
- **Workshop.** Observation for OHS and hazardous material handling
- **Toxic and hazardous waste store.** Observation for OHS and hazardous waste material handling
- **Water treatment plant.** Observation for process water monitoring
- **Empty Bunch Area** observation related to solid waste and liquid waste management
- **Chemical store.** Observation for OHS and hazardous material handling
- **Central Warehouse** Observation for OHS and material handling
- **Grading station.** Observation related criteria FFB
- **Sterilizer station.** Observation related safety working
- **Boiler & Engine Room .** Observation related safety working, PPE, periodically medical check up and operator

	<p>licensed</p> <ul style="list-style-type: none"> • Security Post. Observation FFB received procedures and interview safety, SCCS aspect and worker welfare aspect. • Reservoir Observation of the existence of spray limit signs, sign boards and safety facilities • Hydrant simulation. <p>Plasma West estate</p> <ul style="list-style-type: none"> • Chemical store Observation for OHS and hazardous material handling • Fertilizer store Observation for OHS and material handling • Harvesting, Spraying, and Transport EFB on Group Farmer 2 Amang. Observation related best management practices, OHS, training, and safety working <p>Public Consultation with village representative near the company's area such as:</p> <ul style="list-style-type: none"> • Village Representative of Sepakat Jaya Village (Sub-Village Sungai Beliang). • Village Representative of Pangkalan Suka (Sub-Village Pebantan). • Village Representative of Mensubang (Sub-Village Mensubang). • Village Representative of Pangkalan Teluk • Village Representative of Suka Gerundi Village • Village Representative of Palem Jaya Village <p>Government Office</p> <ul style="list-style-type: none"> • Plantation Agency of Sanggau District • Labor agency of Sanggau District • Environmental agency of Sanggau District
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA 1.2	<p>Consultation of stakeholders for <i>PT Sime Indo Agro</i> was held by:</p> <ol style="list-style-type: none"> 1. Public Notification www.mutucertification.com on 30 April 2018 2. Consultation meeting and interview with government agencies in Sanggau District on 16th May 2018 3. Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples on 17th May 2018 4. Numbers of input from stakeholders were clarified by PT Sime Indo Agro 5. Consultation with NGO (WWF, AMAN, and Walhi) by Email on 8 May 2018
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
ASA 1.2	The next visit (ASA 1.3) will be determined eight (8) – twelve (12) months after ASA 1.2

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Bukit Ajong POM – PT Sime Indo Agro, Minamas Plantation Group operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were sixteen (16) Nonconformities were assigned against Major Compliance Indicators. four (4) nonconformitys were assigned against Minor Compliance Indicators and one (1) opportunity for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditors in form of documentation evidences e.g. document record/photographic/etc.

MUTUAGUNG LESTARI found that Bukit Ajong POM – PT Sime Indo Agro, Minamas Plantation Group complied with the requirements of RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, 30 September 2016. RSPO Supply Chain Certification Standard and System For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised on June 2017 (Module E for CPO Mill)

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	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.	
1.1.1	<p>The CH has been established the list of document that accessible by public as explained in the SOP of request of information no. RSPO/B.4.7/SIA revision 1 on 1 July 2015, personal to response and update the information is PSD Staff and/or Head of Administration. In the SOP also mentioned that the every request should be responded within two weeks. In addition, the CH also regularly submit the mandatory report to related institution, sighted the evidence of report submission, for e.g. EIA management and monitoring semester report submitted to Environmental Agency on 3 August 2017 for smester 1 and 20 March 2018 for smester 2; Hazardous waste report to Environmental Agency on 7 May 2018;</p> <p>Based on interview to the related stakeholders (relevant agencies and surrounded communities) stated that the mechanism for requesting of information has been well understood. Socialization are conducted to the stakeholders through formal and informal way.</p>	
1.1.2	<p>It is available in the SOP of request of information no. RSPO/B.4.7/SIA revision 1 on 1 July 2015 stating the response to the incoming letter is two week. KUD Himado also has a SOP for information requests stating the response time period of the information request is 1 week. PIC for main estate is PSD officer (Plantation Service Department). while PIC for KUD Himado is a plasma assistant.</p> <p>Responses to information requests were conducted on time such as letter number 1962 / UN22.3 / PP / 2018 dated 26 April 2018 (received by PT SIA dated May 7, 2018) from Tanjungpura University on student apprenticeship. The reply letter has been given by PT SIA dated May 9, 2018 via email and stated that they have not been able to receive the</p>	

apprentice students because the quota of apprentice students per year as many as three people has been filled.

Status : Comply

1.2

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

1.2.1

PT SIA already has a list of publicly accessible documents as described in previous audit results covering operational area, public facilities, employee data, legal documents, company policy, HCV, EIA, OHS, etc. Meanwhile, the list of KUD Himado documents that can be accessed by the public and personal in charge to manage them (KUD secretary), described in the SOP of information request authorized Feb. 8, 2017, as many as 14 document types, 1 week maximum response submission.

Status: Comply

1.3

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

1.3.1

PT SIA shows a business ethics policy approved by GM, SGM, HPO, and GHPI on May 24, 2007. The management unit develops business ethics by observing the stakeholders' expectations of the company and how to enforce the ethics including monitoring, reporting and sanctions for violations of the code of ethics. Commitment in interacting with stakeholders is a major concern of the company and a part of the company's business ethics, as well as the creation of added value.

In addition to business ethics the management unit also creates an ethics of work that regulates the basic attitude of individual and individual behaviors within and outside the company. Based on interviews with spraying workers in block B801 and manuring workers in block A803 West Estate workers say the policy on business ethics and work ethics has been delivered at the time of the morning circle by the Assistant Division. While the delivery to the plasma farmers is done by the plasma assistant as the information obtained at the time of interviewing with farmer group 2 Amang.

Based on interviews with EFB and CPO transporters, it is known that business ethics policies have been conveyed such as policies for honest behavior in business and avoiding corruption.

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 & 2.1.2

According to the previous assessment, found NCR 2017.04

- PT SIA has had list of legal requirements, but the list has not covered all relevant legal requirements and/or new (updated) regulations such as regulation regarding to electricity, forest area release/ forest are exchange, the update plantation act, the update river regulation the update regulation related to location permit.
- KUD HIMADO has not shown information related to legal requirements that relevant to oil palm plantation.

Certificate holder has showed the procedur to updating the latest regulation and the regulation list document (last updated on April 2018).

Based on the evidence that has been showed, this non conformity has been closed.

Certificate holder has showed several evidence of regulation fulfillment as follows:

1. West Kalimantan Decree No. 708/DISNAKERTRANS/2017 dated on November 9th 2017 concerning the establishment of West Kalimantan Province minimum wage in 2018.

2. Certificate holder has had bipartite cooperation institute as regulated in labor ministry regulation no. 32 year 2008.
3. Certificate holder and labor union has registered their collective labor agreement period 2015 – 2018 to the labor agency of Sanggau District.
4. Certificate holder has registered their OHS Committee to the labor agency of Sanggau District.

Certificate holder has showed the legal requirement procedure No 301/SNP-HKM-05/11 regarding to identification and inventarization of legal requirement system which is related to the best management practices, product and service in Minamas Plantation business activity.

Certificate holder showed the compliance evaluation of regulation by PSQM on April 2018 on the document described on the types of regulations, descriptions, fulfillment status (documents / reference program) and description. Total of regulation are 130 regulations. For example: West Kalimantan Decree No. 708/DISNAKERTRANS/2017 regarding to minimum wage in West Kalimantan. Mechanisms to ensure the implementation of the law was conducted routinely. For example, RSPO internal audit, mill or plantation advisory was and PSQM internal audit.

KUD Himado showed the record of regulation compliance, for e.g. document of legal entity registration no. 55/BH/X/1996, dated 31 January 1996, company registration no. 140224700126 dated 11 January 2004 (approved by cooperative ministry no.: 158/SK-PAD/DPPK/XI/2004), tax-payer number 02.050.949.3-705.000 and agreement document between PT SIA and KUD No.55/BH/ KWK.14/I/1996 dated 31 January 1996.

Environment

- Licensed for temporary hazardous waste storage No:503/003/PMPP-D/LB3/2015
- Licensed Land Application No:503/001/PMPP-D/IPALT/2016
- Have a Environmental permit (AMDAL)
- Regularly submit the mandatory report to related institution, sighted the evidence of report submission, for e.g. EIA management and monitoring; Hazardous waste report; and Emission report.

Best Management Practices

- The Company has committed to reduce the use of pesticides belonging to WHO 1A and 1B groups and does not use paraquat
- MSDS is available for every pesticide used.

2.1.3

The company has shown several national/local regulation that has been updated. For example, governor decree of West Kalimantan Province number 708/DISNAKERTRANS/2017 dated 9 November 2017 regarding to minimum wages for Sanggau District year 2018. Based on document verification and interview with human resources staff or employee, it local regulation has been well implemented.

However, Himado Cooperation has not shown information related to legal requirements that relevant to oil palm plantation.

NCR No. 2017.05 Minor raised to Major.

HIMADO Cooperation has show the latest updated of legal compliance (last updated on 1 June 2018). According to the document, there was 139 national and local regulation. Based on the evidence that has been showed, non conformity No. 2017.04 has been closed.

2.1.4

PT SIA and KUD HIMADO not yet able to shown the system for updating and tracking of any changes of the law. **See NCR No 2017.06 Minor raised to Major.**

Auditor verification on 7 July 2018

Certificate holder has showed the Document Control Procedure No. 05/HIMADO/17 to identify the latest regulation/ law. Updating legal compliance will conducted annually. The person who take responsibility on that is unit manager and ESH

manager.

Auditor Conclusion on 7 July 2018

Based on the evidence that has been showed, this non conformity has been closed.

2.1.3 Status: Non conformance NC.2017.05 with minor category raised to major

2.1.4 Status: Non conformance NC.2017.06 with minor category raised to major

Open

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

The Certificate Holder has several land use title such as:

- Agraria Minister/Head of National Land Agency Decree No. 81/HGU/BPN/98 dated 19 November 1998 with area 7,300 Ha.
- Agraria Minister/Head of National Land Agency Decree No. 20/HGU/BPN/2000 dated 2 May 2000 with area 4,352 Ha.
- National Land Agency Letter No. 2528-310.3 dated 28 July 2008 about the release of partial land use title of Land Title No. 5 year of 2000 with area 1,754.49 Ha, it's from 4,352 Ha to 2,597.51 Ha.
- Building Use Title No. 1 dated 16 June 1998 with area 49,852 M².
- Building Use Title No. 2 dated 16 June 1998 with area 49,990 M².
- Building Use Title No. 3 dated 16 June 1998 with area 49,990 M².
- Building Use Title No. 4 dated 16 June 1998 with area 49,973 M².
- Building Use Title No. 5 dated 18 June 1998 with area 49,936 M².
- Building Use Title No. 6 dated 18 June 1998 with area 49,995 M².
- Building Use Title No. 7 dated 15 April 1998 with area 49,852 M².

CH has had Document of land title by PT SIA in the form of Land Use Title and Building Use Title for an area of 7,227.82 Ha.

Area of KUD Himado smallholders consist of 4,271 Ha (2,132 members) also has the right to use the land shown by owner certificate for 1,857 members. The others members has certificate of land cultivation from head of village and sub district head.

Based on interview with PSD staff sighted that land title of plasma submission is still on process, it cause there are new administrative requirement from Headquarters of National Land Agency. While the progress of land use title submission is still in the process of re-overlay by PSD and it will be reported to the National Land Agency of Sanggau District, after all the process is complete. The company to be consider to follow up the plasma land titles and land use titles (East and West Estates) progress. **(observation)**

2.2.2

The certificate holder was show the Plot Map shows the location of boundaries pole on West Estate in scale 1:20,000 (map No. 17-14.04-2007 dated 27 November 2007) and also East Estate in scale: 1:20,000 (map No. 09-14.04-2007 dated 22 May 2007) from land agency of Kalimantan Barat Province that informed a boundaries pole. Based on field observations to the several boundary stone on East Estate, at Block A706 Number 2, Block A709 Number 3 and Number 31 and also number 1 boundary with main road. Meanwhile, The information on farmers' landholdings (KUD Himado) can be seen in the certificate of land rights and found also during field visits.

2.2.3, 2.2.4, 2.2.5 & 2.2.6

The previous non conformances has been closed on this assessment with several evidence as:

- Land claim by Mr. Petrus was solved at 25 November 2016, there are minute of meeting dated 7 September 2016 to negotiate between both of parties.
- Land claim by Mr. Buihung was solved at 1 December 2014, the certificate holder not willing to conducted land measurement. It cause the area who claim has been compensated to Mr. Geradus Dak. The certificate holder ask to Mr. Buihung is expected to re-verified to the village team, before complaint or buying land title.

Meanwhile, according to interviews with surrounding village (Maringin Jaya and Suka Grundi) was not identified any significant land dispute and no mercenaries use in maintaining peace and order in the company's or KUD Himado operations.

The Certificate Holder was shown several evidence, such as:

1. Minute of meeting measurement and checking location of Mr. Peter Judah at *Jangkuk Poros 2 Empawek to Poros 1 Baharu Binjai* dated 7 September 2016. This agreement was signed by both of parties.
2. Statement letter by Mr. Judah dated 7 September 2016, he was claim the land on Division 01, Block A702 which has been planted rubber trees witnesses by Head of Baharu Sub Village. There are also attendand list of this meeting.
3. Compensation payment dated 5 November 2016 to the land consisting of 30 rubber plants, 12 oil palm plants, 1 clump of sago. It was signed by assistant, manager and landowner.

Mr. Bu Hiung complaint resolutions:

1. The Customary fine has been conducted dated 11 October 2013 to Mr. Bu Hiung due to illegal harvestig by Mr. Bu Hiung in the HGU area of PT SIA, Block A701/Engkuyit (dated 27 August 2017). The result of the customary meeting is subject of sanction amount IDR 2,210,000. In accordance to minutes of meeting described at point 8 that the status of the land is managed by the PT SIA until further settlement. Point 9 the complaint of Mr. Bu Hiung will be followed up by bringing witnesses of landowner and other parties with time will be coordinated later.
2. Invitation letter by Mr. Bu Hiung dated 30 November 2014, for re-measurement by National Land Agency of Sanggau District on a land certificate (deed of sale and purchase) on behalf Marius Lomon and Piah on 2 December 2014.
3. Plasma Assistant Letter No. 01/KP/XI/WEST/2014 dated 1 December 2014 to Mr. Bu Hiung explained that the company is not willing re-measure with National Land Agency. It cause the location is clearly located withtin the HGU area of PT SIA. It has been compensated to Mr. Geradus Dak from Sedoya Sub Village. The company requested that Mr. Bu Hiung coordinated with the previous owner (Mr. Geradus Dak) and witness by Satlak Team, Board of Mawang Sub Village and other parties related to te matter. However Mr. Bu Hiung is not willing to confrontir with Satlak Team.

Based on above explanation, the NCR No. 2017.08 and 2017.09 has been closed.

2.2.1	Status: Observation
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2.3

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

2.3.1, 2.3.2, 2.3.3, & 2.3.4

Operational areas used by CH are the community land that has been compensated. The company has shown a record of land compensation for the area used as oil palm plantations. The compensation activities have been conducted at the beginning of land clearing and documented well. Meanwhile, for the plasma area is the land owned by local communities respectively, so there is no process of compensation to the previous owner.

Status: Comply

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

3.1

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

3.1.1

The management unit shows the Long Term Business Plan Document 2016/2017 - 2020/2021. The document describes the production of FFB, the percentage of OER, the cost of production, the estimated price, as well as the benefits for core and plasma scope (West Estate, East Estate, Sei Mawang Estate, West Plasma and East Plasma). This document is endorsed by SOU Chairman 15 PT Sime Indo Agro.

3.1.2

Based on the data of planting year known that the planting year in both main estate and plasma plantation area is 1997 - 2004. The main estate has been able to show the replanting plan from 2015/2016 to 2024/2025. However, there is no

replanting plan for plasma plantation or justification if the plasma plantation will not carry out replanting activities. It becomes a nonconformity NCR.No.2018.01

3.1.2	Status: Nonconformance NC 2018. 01 with Minor Category
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PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

Estates and mill are using the PT Minamas SOPs. The estates are using the PT Minamas Agriculture SOPs while the mill is using the Mill Processing SOPs. SOPs related to all the estate operations such as nursery, land preparation, planting, field maintenance, harvesting, FFB collection and transport. Palm Oil Mill has a separate manual which includes SOPs for each processing stations. Based on interviews with KUD administrators and plasma managers, it is explained that the reference for the cultivation of smallholder plantation farmers follows the main estate SOP (Agriculture Reference Manual).

Result of field visit to Block A705 of Division 1 of West Estate at the time of breeding activity known to nursery implementation has been referring to SOP which determined such as Pre-Nursery and Main -Nursery nurseries. Implementation of germination selection and seed selection, and destruction of seed / seedlings rejects.

4.1.2

The Company already has a mechanism of inspection and monitoring of operational activities through Internal Audit activities. Based on the management's explanation, internal audit is conducted every 6 months by Group Corporation Audit Department (GCAD). While the time period given to make improvement within 2 weeks.

The audit field covers the whole eg administration. Internal audit activities for the Estate related to quality / harvest quality, conducted every month by the PSQM team. If there is a discrepancy then the repair deadline will be made in the next month

KUD Himado has shown the results of the 2017 members' meeting held on March 28, 2018. In the report on CHAPTER IV has been listed the inspection results of supervisors such as the analysis of financial statements and methods of supervision. However, there has been insufficient evidence of an examination or monitoring of activities in accordance with the operating procedure at least once a year. It has become a non-conformance to ASA-1 assessment. until the ASA-2 assessment the nonconformity has not been complied so the grade of nonconformity No. 2017.11 become Minor raised to Major.

4.1.3

Internally measured monitoring and measurement records are listed in the Working Papers of Conclusion Inspection. For example the assessment results of Semester 1 period 2017/2018 which among others states empty bunch still accumulate in the mill because it has not been transported for application. Empty bunch stock in mill is not well monitored so that the data is not in accordance with the conditions in the field. However, smallholders has not been able to show any record of the results of operational monitoring activities and evidence of follow-up to the monitoring results. It becomes nonconformity NCR.No.2018.02

4.1.4

Based on FFB received document known that Bukit Ajong Factory receives the FFB from third party including smallholdings. FFB received from each supplier has recorded and documented well

4.1.2.	Status: Non Conformance No 2017.11 with Major Category
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4.1.3	Status: Non conformance NC 2018 02 with minor category
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4.2

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

4.2.1

Reference Manual of Agronomy Planting of Palm Oil explains several parts related to soil fertility management such as fertilization, use of organic fertilizer (EFB and POME) and planting of cover crops. In addition, the company also conducted soil and leaf analysis as one way to monitor soil fertility and as a basis for preparing manuring recommendations.

Based on field observation in the West estate (WSE) blockA704 division 1 it is known that the company has implemented soil fertility management with the application of EFB to the circle. Verification of the SOP implementation is carried out by the level of supervision ranging from the foreman, assistant division, estate manager and assisted by the PSQM team.

4.2.2

Information about manuring record can be seen from the monthly report Estate as follows:

Fertilizer	West Estate (Ton)		West Plasma (Ton)		Fertilizer/ton FFB	
	Program	Actual	Program	Actual	West Estate	West Plasma
CCM 44	1,449,03	1,160,33			0,037	
Rockphosphate	235,55	235,55			0,007	
Borate / HGFB	17,97	17,97			00057	
KCL			519,48	236,45		0,004
UREA			346,32	96,8		0,001
NPK			519,48	329,1		0,005
Empty Bunch	19,575	14,465.71	18,600	4,784.31	0,48	0,07

Based on these data, the realization of fertilization has been achieved 100% for CCM type 44 settlement will be implemented before June 2018

4.2.3

The soil sampling procedure is contained in document No. 724 / TQEM-SPM / 09 dated August 27, 2010 states that soil sampling is carried out every 5 years. Leaf sampling was conducted once a year with no RSPO / 4.4 / TPCD document dated March 04, 2014.

The company shows the semi-detailed soil survey of PT Sime Indo Agri in 2017 - 2022 issued by MRC in February 2017. Leaf analysis was also carried out by MRC and was last implemented in August 2017. Parameters tested include P, K, Mg, Ca, N, B and Ash. As for soil analysis of parameters tested include soil profile analysis, physical soil chemical properties, soil fertility status, and soil suitability. The results of soil and leaf analysis as presented by the staff of PSQM and MRC serve as a reference in the preparation of manuring recommendation

Based on the statement from the MRC it is known that the smallholder and owned estate are side by side then the results of the analysis of soil and leaves carried out for the owned plantation have represented smallholder. Manuring recommendations made for owned estate will also be adopted by smallholder. The company shows the results of semi-detailed land surveys for the period 2017-2022 conducted by Minamas Research Center in February 2017. The implementation of leaf analysis and soil analysis for both of the owned plantation and smallholder are carried out together. In accordance with the procedure, the period of soil samples is five years, while the period of sampling of leaves is once a year.

Based on the description above, it can be concluded that both the owned plantation and smallholder have recorded soil

and leaf analysis activities. The responsible officer of smallholder is Mr Gusti Darmudin and Mr Tamui as smallholder assistant. whereas from Cooperative Himado is Mr. Rahmat as an employee of Himado cooperative. The three officers have the responsibility to communication with the MRC in relation to soil and leaf analysis activities and the preparation of manuring recommendations. Based on the verification of root causes analysis, corrections, and corrective actions as well as proof of improvement provided the non-conformity No. 2017.12 is stated to have been fulfilled.

4.2.4

The certificate holder known to have a nutrient recycling strategy such as the utilization of pruning, the application of POME, and the utilization of plant residues after replanting, other than that certificate holder utilize Empty bunch to help with minimal soil nutrient enrichment. An empty bunch application from July til September 2017 is 2,719.56 ton with area 67.99 ha in block B701, B702, B703, C701, A707, A801, A802, and A80.

Based on field visit to replanting activity of 2017/2018 WSE A-703, it is known that ex-replanted palm oil rods are collected in hole in stacking.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The company shows a semi-detailed soil survey document which includes the condition of the soil and the slope class. The document has been completed with a map of the distribution of soil types and land slope maps. The scale used is 1: 65,000. Based on the document, it is known that the area of west plasma and west estate of the slopes that is identified is flat to undulating

4.3.2

The policy on land protection on a certain slope is found in SOP No.Policy 724 / TQEM-SPSMS / 09, no revision 00, dated 27/08/2010. Soil with a slope angle of > 40% (> 21.80°) in the designated reserved or non-cultivated reserve land, if there is already plantation in the area and is recommended for planting forest species. In the early stages to prevent soil erosion and runoff is by planting cover crops/ LCC and not planting Palm Oil.

Based on field observations in the WSE block C701 division II found some evidence of corporate strategy in managing areas with a certain slope eg the contour terrace, letting the nephrolepis grow, and the preparation of the frond with the U-shape method. smallholders also apply the same thing as in the main estate.

4.3.3

Both main estate and smallholders already have road maintenance programs. For smallholders adjacent to the main estate, the road maintenance program follows the main estate program. As for the plasma plantations that are not directly adjacent to the main estate, the road maintenance program is incorporated into CSR.

MMCM data for the period of April 2018 states that it has realized 93,321 m of road maintenance for West estate and 35,787 m for east estate.

Data on CSR realization in July 2017 - March 2018 informed the rental of excavators for improvement of smallholder road Gok.Tanjung, Main road of Emperuk smallholders, Gok Nala, Sepaya Bridge, and Gok Nala Bridge. When surveillance-2 is conducted, the rainfall conditions are high so that road maintenance is done manually by making water straps or hoarding with rocks. Based on the field visit to block A801 west estate and plasma west group 2 Amang known condition of the road still passable smoothly

The company shows the program and realization of road maintenance listed in MMCM for April 2018 period. In this document there is information on the realization of road maintenance until April 2018 is 93,321 m for West estate and 35,787 m for east estate

The smallholder road maintenance program bordering the owned plantation is combined with the owned plantation program. For smallholder road maintenance programs that are not adjacent to the owned plantation, road maintenance program are included in CSR. There is a routine evaluation of road conditions carried out by the traction foreman. Based on the root cause

analysis, corrections, and corrective actions that have been given nonconformity No. 2017.14 is closed.

4.3.4 & 4.3.5

Based on the soil Survey Semi Detail document implemented by MRC in 2017 obtained information of soil type found on West Estate, East Estate, and Sei Mawang Estate is Spodosol and Ultisol with land suitability class S1 up to S3.

The HCV and AMDAL documents of PT Sime Indo Agro stated that the soil types contained in the PT Sime Indo Agro area are Litosol and Ultisol.

From the description can be concluded that there is no peat soil in the company's operational area so there is no need to do the management and monitoring on the peat area. There is no replanting in the peat area so that the assessment of the viability does not need to be implemented.

4.3.6

SOP No.Policy 724 / TQEM-SPSMS / 09, no revision 00, dated 27/08/2010 has explained about marginal land management. strategies for improving soil fertility aimed at improving soil organic matter, increasing basic saturation, improving cation exchange capacity, improving soil pH and improving infiltration and soil permeability eg by:

- Application of empty bunch, has been done in every estate
- Maintain and develop the Nephrolepis SP ferns

Based on field visits to block A704 it is known that EFB applications are prioritized in newly planted replanting areas. Used dose is 300Kg / staple with single layer application.

Status: Comply	
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4.4

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

4.4.1

Certificate holder has identified the water source and conducted the efficiency of water use by monitoring the water use in BAF every day. Field visits on block A703 at West Estate found that companies managed Sengoret river riparian by marked the buffer zone (throughout 50 m bothsides on riparian), perform revegetation with *Tengkawang* plant, and signboard placement.

Company also conducted regularly water quality testing every semester. and then Based on workers interview on estate housing shown that drinking water for them originated from refill water and BAF also provides clean water access for all workers. other than that Certificate holder have a program for make a water gate boulderis and mud dredging every one year.

Water sources identification and management plan are listed on EIA Management and Monitoring plan. These document describe the program and plan.

4.4.2

Company provided procedures for these catchment areas protection/conservations listed on SOP No;15/PT SIA/2009 document. Field visit during audit, for examples on Sengoret river riparian block A703 acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking the chemical boundary border and make a ditch boulderis with a distance 50 meter, other than that certificate holder making sign boards of spray boundary markers and restrictions on chemical applications around the rivers.

4.4.3

Certificate holder has conducted liquid waste quality tests every month (November 2016 - April 2017) conducted by Sucofindo Laboratory. Based on the explanation, there are no testing parameters (Ph, BOD & COD) that exceed the quality standard stipulated by Minister of Environment Decree No.28 Year 2003. In addition, the CH shows the utilization of waste water permit for PT Sime Indo Agro by the Office of Investment and Licensing Services Sanggau District with letter agreement number 503/001 / PMPP-D / IPALT / 2016. This permit is valid for 5 years from February 5, 2016 to February 5, 2021. Based on field visit results to the application land area in Block S901 there is no runoff Water and recording of waste water discharge conducted every day.

4.4.4

Observations on BAF water treatment plant found monitoring for raw and process water usage was done by officer

periodically, and flowmeters at inlet/outlet serves normally other than that Certificate holder has showed records of water use monitoring for the process (Mill) for the period 2017-2018. Average water use for the process is 1.062 m³ / ton FFB. This does not exceed the budget set by the company amounted to 1.26m³/ton FFB.

Status: Comply

4.5

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

4.5.1

IPM documented in an annual work plan that is then detailed into a monthly work plan. Through the application of IPM the method used emphasizes the consistency of the census and monitoring of pest and plant disease. The use of pesticides is the last alternative if indeed the results of the census and pest monitoring show an attack level above the threshold

One form of biological control is by using beneficial plants such as turnera, antigonon, and cassia. Utilization of barn owls as a natural predator for rats has not been successfully implemented because of the habit of the surrounding community to consume barn owls and rats. This is reinforced by the results of interviews to the head of farmer group 2 Dusun Amang informs that consuming barn owl and rats is a common thing.

With the application of IPM pesticides use is reduced for example from the active ingredient cypermetrin. Based on monitoring the use of pesticides belonging to west estate and west plasma use of cypermetrin last time in July 2017. Then in January 2018 there was the use of 22.45 liters due to the attack rate of Oryctes that exceeded the threshold. Period February - April cypermetrin is no longer used

In the replanting area If the pest is found directly controlled by pesticides. This is done because the newly planted plants are more vulnerable to pest attack. If not quickly controlled replanting area could be a source of pest reproduction and newly planted plants experience mass death

Based on the pest monitoring of April 2018, it is known that pest attack rate is still below the threshold of control such as:

- Ganoderma and Termites did not find any attacks
- The rat attack for the entire PT SIA is still at a maximum of 2.5% / ha while the control threshold is 5%
- Detection results found the caterpillar however the results of the census showed the average number of 0.0035 larvae / palm tree. Threshold control is 5 larvae / palm tree
- The Oryctes census results show an average attack rate of 0.5% / Ha. Threshold control is 5% / ha

Based on field observation to block B801 and A803 west estate and Dusun Amang farmer group, there were no ganoderma symptom while the symptom of Palm Leaf Eating caterpillar were also not seen. Detailed results regarding pest observation that have been carried out by the company in the form of pest observation documents

4.5.2

Records of training on IPM that has been implemented by the company include:

- Integrated Pest Management Training on June 14, 2017 for West Estate, West Plasma, East Estate and East Plasma was participated by 12 participants. The presenters are the West Estate Managers
- Based on the interviews with pest observers in the West Estate observer officers have been able to explain well about observed pest species, observation frequency, and threshold values. For pest oryctes observations are performed every month, detection is done every day, and the threshold of control if there is an attack with a value of 5% per ha.

The company has shown the minutes of meeting of Integrated Pest Management training (both of owned plantataion and smallholder) held on June 14, 2017 followed by 63 people from representatives of farmers and owned plantation. The training materials included benefecial plants, the use of barn owl as natural predators, and the use of ferotrap to control horn beetles. Based on root cause analysys, corrcion, and corrective action the non-conformity No. 2017.17 is Closed.

Status: Comply

4.6

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

4.6.1

The Company has a procedure "Reference Manual Agronomy Planting of Oil Palm". In Section 15 (plant protection) and Section 16 (weed control) there is a justification for the use of chemicals in accordance with existing weeds / pests eg Micania control with Fluroxypir while controlling Asytasia with Glyphosate. Strategies to avoid resistance include with the application of pesticides that target targets, pesticide applications, timely applications, pesticides appropriate dose and rotation of the use of active ingredients pesticides

Based on verification to the pesticide site, owned by the Director General of the Ministry of Agriculture of the Republic of Indonesia PSP, pesticides used by PT Sime Indo Agro have been registered

Based on interviews with pesticide applicators in block B801 West estate found that workers had understood about the target of pesticide and the dose used. For example the use of glyphosate to circle path spraying using a dose of 120cc / knap sack

However, smallholders has not been able to show documentary evidence that the use of pesticides matches the target species and recommended doses and has a minimum impact on species outside the target. For example:

- Based on the field observation at KT 2 Dusun Amang, there is still circle path spraying which is done by blanket system without considering target of target species
- Based on field observation and interviews with farmer groups 2 Dusun Amang at the time of spraying the circle and path were known that the dose used for spray was 150 ml / knapsack and for spray the blanket was 200ml / knapsack. This is not in accordance with the recommended pesticide recommendations in plasma areas 2017 - 2018. The permitted dose of glyphosate is 120 ml / 16 liters of water. It becomes Non-conformity NCR.No.2018.03

4.6.2

Monitoring the use of pesticides owned by PT SIA has informed about the type of pesticide used, the name of the active ingredient, the unit, the number of active ingredients use per-ha, and the application area. While information about LD 50 is available on each product MSDS. For example the use of methyl metsulfuron in west plasma period April 2018. The number of methyl metsulfuron applications was 13.50 liters, active ingredients used 2.7 liters, application area 4,767 ha, and the use of active ingredient per ha was 0.0005 / ha, besides recording has included rotation, rotation is carried out every 4 months.

4.6.3

Under normal conditions the use of pesticides is always based on the results of the census and monitoring. However, in special conditions such as replanting prophylactic use is possible. For example to control Oryctes. In the area of replanting EFB application is done which is potential as a breeding ground Oryctes. So the application of cypermethrin does not wait for the emergence of pests. However, any type of control measures undertaken by the company are always based on recommendations and coordinate with the MRC.

4.6.4

The Company has a book on the World Health Organization Pesticide Classification which describes the categories of pesticides 1A and 1B. There is a policy of Memo Estate Manager and HPO memo dated November 4, 2008, regarding the dismissal of the use of chemicals made from paraquat, bradifacoum and deltamethrin ingredients, which have been categorized as type 1A or 1B included in the Stockholm and Rotterdam convention lists.

At the time of Survailen - 2 assessment there was no use of WHO 1a and 1b pesticides. Based on the results of field visits to the chemical warehouse known pesticides used are pesticides with active ingredients triklopir, glyphosate, methyl metsulfuron, and cypermethrin

4.6.5

The Company has routinely provided training for workers handling pesticides either through formal training or delivered at the time of the morning briefing. Training related to pesticide handling conducted in 2017 - 2018 are:

- Training on handling and application of pesticides to the west estate block spraying system team on June 14, 2017 at the west estate meeting room followed by 17 participants including the foreman and assistant division. The speaker is the MRC staff and the Estate Manager
- Weed handling training for plasma was held on February 2nd, 2018 at KUD Himado office followed by 10 participants

representing each farmer group such as farmer group 2 Amang. The speaker is the MRC staff assisted by a plasma assistant

Pesticide applicators in the main estate are special people who are members of the BSS team. The BSS team has been routinely trained on pesticide handling and safe application practices for both themselves and the environment. In smallholders, pesticide applicators are special people who have been accustomed to applying pesticides.

Based on interview with BSS officer in B801 block 4 division is known to the workers have understood about the way of application and how to handle pesticide. Workers also wear PPE in accordance with the set by the company. When ASA-2 takes place there is no spray activity in the owned plantation. BSS workers are transferred to manual work scratching a circle and cutting down a woody growth. However, in the BSS house where PPE is stored can be seen the completeness of PPE spray teams such as helmets, aprons, masks, and eye protection. The PPE is according to risk identification document.

The application of pesticides should always be applied to product labels but based on field visits to groups 2 Dueun Amang, it is known that the pesticide dosage used exceeds the recommended dose limits set by the company. Nonconformities have been incorporated into indicators 4.6.7. PPE used by plasma pesticide applicator also not yet in accordance with that specified in SOP of Pesticide Handling and Management

4.6.6

The container of used pesticide packaging of both main estate and plasma has been returned to licensed hazardous temporary waste storage. Results of field visits were not found any container of used pesticide packaging used for other purposes such as pots or water reservoirs. However, plasma storage has not yet applied the best practices that have been established. For example:

- There is no dangerous and toxic hazard board, MSDS for all products, First Aid Kit, hand wash, face, eye, and body (body shower and eyewash).
- Not equipped with a special wash site intended to wash the former packaging, or earmarked in mixing the doses before being brought to the field.
- There is no washing room and mixing doses equipped with a washing drain that is accommodated in a special tub.

It is not yet compatible with SOP of Pesticide Storage of PT Sime Indo Agro with No document 18 / PTSIA / 2012. Non-conformance NCR.No.2018.04

4.6.7

At the time of the ASA-2 field visit the owned plantation isn't carried out spraying activity. However, based on observations on the BSS team car parked in the workshop, there was a special place to store workers' supplies in the form of safes on the side apart from pesticides.

Based on interview with the BSS team obtained information when they wanted to eat all workers were obliged to wash their hands with soap and clean water provided

Pesticide mixing is done at BSS houses as well as PPE storage.. However the use of pesticides by smallholdings has not yet refers to methods that can minimize risks and negative impacts such as:

- Based on field observation in KT 2 Dusun Amang note that the pesticides are still in pure form and have not been mixed before being taken to the field
- Based on field observation in KT 2 Dusun Amang note that mixing doses of pesticides is done near the culvert
- Based on field observation in KT 2 Dusun Amang it is known that the mixer and pesticide applicator do not use complete Personal Protective Equipment (long-sleeved shirts, hats and face protectors)

It is not yet compatible with SOP of Pesticide Storage and SOP of Pesticide Management which among others states:

- Use of Pesticides: Officers should wear special armor and long-sleeved protective clothing, gloves, hats and face protectors

- The pesticide storage room is equipped with a special wash site intended to wash out the packaging or to be used in mixing the doses before being taken to the field

Nonconformity NCR.No.2018.05

4.6.8

Based on interviews with Minamas Research Center staff and information obtained from West Estate Manager known to have never done the application of pesticides by air. In the document of plan and realization of integrated pest control which is summarized in MMCM also not got information about controlling plant pest organism through

4.6.9

Information on pesticide handling is routinely delivered during morning briefing as well as training. Training periodically has been implemented for example as described in indicator 4.6.5. The results of interviews with 7 BSS workers and 4 smallholders pesticide applicator group 2 Dusun Amang known to be exercised regularly every year, while the refreshment of the training is usually delivered during the morning circle or supervision visit to the field.

4.6.10

Certificate holder showed Procedure management of hazardous waste & Non-hazardous Waste with document number Rev.1 dated August 27, 2013. Approved by SOU Chairman and estate manager. Based on field visit to the East & West estate, Pesticide packaging is reused for spraying activities while for unused packaging the back is perforated and stored in storage containers of pesticide packaging and collected in licensed warehouses in accordance with the permit by the Sunggau Regency Investment and Licensing Office with the number SPK 503/003 / PMPP-D / LB3 / 2015. This permit is valid for 5 years from 30 June 2015 to 2020. Based on interview with officer hazardous waste and Estate Manager (Mill & Estate), they have been known related handling of agrochemical. Certificate holder has conducted hazardous waste handling training including pesticide wastes conducted in February 2018 followed by chemical warehouse workers and spray officers.

4.6.11

Based on the results of the medical test in 2017 known all of pesticide operator has been provide with annual medical surveillance, but the result of medical surveillance chekup identified several employees whose medical test results are not good i.e 4 BAF employees have decreased hearing quality, 1 ESE employees suspect *normocytic normochromic anemia* and 2 plasma farmers are prohibited to apply the chemicals again. On the report of the test, the doctor recommends to conduct follow up test and 2 plasma farmers no longer work with chemicals. However, until the audit finished, there is no record / follow-up report and doctor's advice on the results of the follow-up test. **Non Compliance No. 2018.06 indicator Major.**

4.6.12

The company has had the policy that doesn't allowed pregnant and a breastfeeding women's working on activities related to chemicals handling. To ensure no pregnant women working on chemical, they conducted monthly checking. If the employee was pregnant, she will be transferred in to nonchemical activity. It also implemented in smallholders scheme.

Based on the last check in May 2nd 2018 to 12 chemical applicator in East and West Estate found that no pregnancy women during that time. According to interview with the chemical workers, they has been described the procedure if any women workers that got pregnant she will be transferred to the nonchemical activity job. They also known the risk of chemical application for pregnant or breastfeeding women.

4.6.1	Status: Nonconformance NC 2018 03 with Major Category
4.6.6	Status : Nonconformance NC 2018 04 with Major Category
4.6.7	Status :Nonconformance NC 2018 05 with Minor Category
4.6.11	Status : Nonconformance NC 2018.06 with Major category

4.7

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

4.7.1

No changes since the ASA-1.1, the OHS policy has been approved by Head Plantation Upstream Indonesia on December

2011. The CH committed to provide and keep the safe and health workplace through implementing the effectively management.

Based on interview with employee in estates and mill concluded that management has been socialized the OHS policy. They also attended some OHS activity such as safety briefing every morning before they start to work, OHS monthly meeting, safety town hall training, firefighting simulation, OHS competency training etc.

KUD HIMADO also had OHS policy which is planned in OHS plan document. Based on office visit on May 17th 2018, auditor founded some OHS activity that has been conducted by the KUD committee. For example, best management practices training on January 19th 2018 regarding to safety work procedures of herbicide application.

4.7.2

Risk and hazard has been identified in all operational activities of PT SIA including KUD HIMADO, inform type of activity, hazard, effect, risk, risk control, residual risk and PIC. Accident monitoring done routinely and evaluated as well as its result became a feedback for next HIRARC preparation. According to the accident report, there is no accidents reported in estates and mill during January – April 2018. It also in KUD HIMADO area.

4.7.3

The CH has been provide the OHS training to employees of WSE and BAF, for example BMS and BSS training on 8 and 11 May 2018 in West Estate and first aid training on May 4th 2018 in BAF meeting room which is attended by all field and mill supervisor.

During the field visit to the smallholder plantation, the worker can described their safety work procedure. They also equipped with PPE.

4.7.4

OHS committee of PT. SIA has been registered on labor agency of Sanggau District since 21 June 2017. That committee has been established as personnel for implementation of OHS program, consist of chairman and vice chairman, secretary (certified as general OHS expert No. Reg 22797/PK3/AJ/31/2015/P0 on 19 June 2015), health and environment section (3 persons), external and internal communication (3 persons), equipment, documentation and archives (3 persons). OHS meeting to discuss the safety and health issues including accident evaluation has been conducted regularly in monthly basis, the latest meeting performed on 23 March 2018. KUD HIMADO also appointed Astuti S.Kep as personnel in charge who take responsibility about OHS plan and implementation.

4.7.5

Has been established the SOP of emergency preparedness' no. 21/PT SIA/2010 and work accident No AI0900. The SOP explained the handling of minor, major and fatality accident, including the administration needed (reporting and insurance claim process). PT SIA has been monitored the accident occurred in monthly basis and recapitulate in yearly. For example, during January – April 2018 there is no accident founded.

Based on field visit, certificate holder has been appointed mandour/field supervisor as first aider. In line to the interview with them known that all first aider brought first aid kit that contains 21 items according to the national regulation. They also involved in annual first aid kit training. The latest has been held on 4 May 2018.

Smallholders operational activities conducted by the farmers themselves, there is no accident occurrence reported to the cooperative unit board. Based on field observation to smallholders for example FG 1, Kavling 1, Empawek village and document verification known that the Cooperative Unit (HIMADO) cannot provide the evidence of first aid kit provision and its training. **NCR No 2017.26.**

Certificate holder has been showed corrective action's evidence such as:

- First aid kit handover to the field supervisor on 25 June 2018.
- First aid kit training for field supervisor on 5 July 2018, attended by 33 person.

Certificate holder added the evidence such as appointment letter and job description of ESH officer of HIMADO. Based on the evidence that has been showed, this non conformity has been closed. Effectivity of the system will be checked in the next surveillance.

4.7.6, 4.7.7.

Certificate holder has showed the evidence of new list of temporary worker that has been registered in worker insurance including the slip of payment and member card.

Based on the evidence that has been showed, this non conformity has been closed. Effectivity of the system will be checked in the next surveillance.

PT SIA has been covered its employees entirely in social insurance (health and accident), list and payment receipt can be provided as evidence that the insurance is still valid. The smallholder's workers such as clerk and foreman has been included. The latest payment of April 2018 has been paid on 9 May 2018.

Certificate holder has been documented their Lost Time Accident (LTA) regularly. Based on the latest report on April 2018, there is no lost time accident reported since January 2018 until the end of April 2018.

In the other hand, there is no fatal accident reported in HIMADO Cooperation during January – April 2018. Each land owner managed their own worker (if any) and will helped them if any injury during the work.

4.7.5	Status: Non conformance NC.2017.26 with Minor raised to major
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Open

4.8

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

4.8.1 & 4.8.2

The company has showed the employee training history during 1 January 2017 until 17 May 2018. Several training that has been completed as follows:

- Block spraying system training on 8 May 2018 attended by 13 supervisor and applicator in WSE.
- Block manuring system training on 11 May 2018 attended by 11 supervisor and applicator in WSE.
- First aid training for all field supervisor that conducted by company's doctor on 4 May 2018 and attended by 3 staff and 21 supervisor in WSE.
- Block spraying system and chemical training on 20 March 2018 attended by 27 supervisor and applicator in ESE.
- Safety town hall training on 16 March 2018 who attended by 230 daily workers and 25 contract workers.

KUD HIMADO

- Chemical handling training on 12 July 2018 for KUD HIMADO's farmers. It attended by 48 person.
- Integrated pest management training to 62 smallholder farmers on 16 January 2018.

Based on interview with estate and mill workers, they have been trained by the CH. They already know about the description of each task. Interview with contractor known that no specific training program for contractor, but for relevant aspect the training has been involved contractor such as waste management and fire handling.

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 an environmental impact assessment (AMDAL) document that has been approved by the Head of Agribusiness Agency of the Ministry of Agriculture no. 016 / ANDAL / RKL-RPL / BA / VIII / 1997 dated August 19, 1997

regarding the ANDAL Agreement and Environmental monitoring plan / monitoring plan of PT Sime Indo Agro. The scope of the Amdal study includes a 14,000 ha palm oil plantation development plan (In accordance with the Location Permit issued by the Head of Land Office of Sanggau Regency No. 400-29 / IL-41-1996 dated October 24, 1996) located in Sub District Parindu, Sanggau District With the development plan of 2 units of Mill with a capacity of 60 Ton FFB / hour and 30 Ton / FFB /Hour. This document covers the West estate, East estate, Plasma West and Plasma East.

5.1.2.

Certificate holder has showed the environmental management plan contained in the Environmental monitoring plan / monitoring plan implementation report of Semester I & II 2017, such as decreasing soil fertility, air quality and noise, water quality, flora and fauna, and community unrest.

5.1.3

Company are consistently done the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring per sixth month regularly. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL. Public consultation with Environmental agency of Sanggau 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 on August 2017 and all parameters have been reviewed with the results still relevant to be implemented Based on the evidence of improvement shown NCR No 2017.29 Closed.

Status: Comply

5.2

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

5.2.1

Certificate Holder has identified HCVs in 2010 conducted by HCV approve assessors from Aksenta institutions. HCV assessment using HCV Toolkit Indonesia 2008 method. HCV assessment has been in consultation with stakeholders conducted in August 2009. The area of potential HCV identified in PT SIA is an area of 2,531.13 ha consisting of riparian, water action area, tembawang, Sloping areas and cemeteries. There is a difference in HCV area between the HCV report and the statement area because not all of the potential HCV contained in the HCV report can be managed by the company because it is located outside the company management area. Based on monitoring data of flora and fauna for the Year 2017. The types of protected fauna are: *Nyctibecus coucang* (Bringsi / Encici) (Vulnerable) and *Hystrix brachyura* (Vulnerable).

5.2.2

Certificate holder has conducted a management plan to improve HCV and RTE such as, prohibition of clearing land in HCV area, patrolling HCV area, water management program implementation, HCV area socialization, monthly flora and fauna monitoring, making board, planting woody plants and others.

Based on monitoring data of flora and fauna for the Year 2017. The types of protected fauna are: *Nyctibecus coucang* (Bringsi / Encici) (Vulnerable) and *Hystrix brachyura* (Vulnerable). The company have management plant to increase biodiversity (2017-2018) example planting woody plants, Protecting and conserving important plants.

In the HCV management document PT SIA has described the threats and management actions for HCV areas.

Specific management measures for HCV habitats documented in HCV management PT SIA include:

- Make clear boundary marks on HCV in the field according to the map of identification results.
- Not making roads, canals and other infrastructure on HCV.
- Implementation of zero burning system policy (without burning) in land clearing.
- Identification of fire risks and fire control including preventing the spread to HCV areas with weed control, the presence of fire tower, the preparation of firefighting teams.
- Maintain a water source within HCV.
- Making protection of important plants,
- Conducting conservation.

5.2.3

Certificate holder showed HCV Socialization of PT SIA on February 5, 2018. This socialization was conducted by the head of village community around PT SIA. Socialization aims to know about HCV areas and in participating in maintaining environmental and ecosystem management. In addition, CH has a policy to protect RTE species. Based on field visit in Sengoret Riparian Block A705 Division 1 West Estate and interview with workers there is no worker who found to capture, harm and collect the RTE Species, the workers known about a police RTE Species.

5.2.4

The certificate holder has not been able to demonstrate the HCV SIA management plan for 2017 and 2018 as well as the realization of HCV management in 2017. **and This becomes Non-Conformance No. 2018.07**

5.2.5.

Certificate holder has not shown any evidence of agreement regarding the management of HCV areas in the Sengoret River West Estate that entered the village community. Based on the above explanation this indicator is **Nonconformance No.2017.30 with Minor upgrade to Major**

5.2.4	Status: Nonconformance NC 2018 07 with minor category
5.2.5	Status: Nonconformance NC 2017 30 with minor raise to Major category

5.3

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

5.3.1

Certificate holder and KUD Himado has shown the list of waste products in mill and estates including: oil, filter, battery, sludge, ash boiler, chemical used packaging, used tires, clinical waste, domestic waste and others. As for the list of sources of pollution emissions such as NO₂, CO, SO₂, NH₃, CH₄ and others.

5.3.2

Certificate holder has obtained temporary storage permit hazardous waste approved by Sanggau Regent with Letter Agreement with number 503/003 / PMPP-D / LB3 / 2015. This permit is valid for 5 years from June 30, 2015 to 2020. Types of hazardous waste that may be stored include used lubricating oil, used batteries, medical waste, used fabrics, TL lamps.

There is minutes of letter hazardous waste transportation dated May 26, 2017 to PT Mitra Karya Surya Kencana with letter agreement 040 / MKSK / BAP-LB3 / V / 2017 number KB 9611 SA which is valid until May 18, 2018. Type of hazardous waste that is transported include:

- Used oil with manifest number AHK 0001379 of 4,320 tons.
- Used filter with manifest number AHK 0001380 of 0.438 tons.
- Used batteries with manifest number AHK 0001381 of 0.450 tons.
- Used TL lamp with manifest number AHK 0001382 of 0.002 tons.
- Packaging former hazardous with manifest number AHK 0001383 of 0.450 tons.
- Infectious waste with manifest number AHK 0001384 of 0.001 tons

PT MKSK has received the permit of recommendation for transportation of hazardous waste from the Ministry of Environment Republic Indonesia with letter number B-10139 / Dep / IV / LH / PDAL / 09/2014.

Vehicle with KB number 9611 SA has been permit License for special freight transport to carry hazardous waste with number: SK.1692 / AJ, 309 / DJPD / 2016 / 610710804BB issued by Ministry of Transportation Directorate General of Land Transportation valid from March 30, 2016 until February 12, 2020.

Based on field visits in the PT SIA and Smallholder area that founds:

- Jerry cans chemical used for garbage bins in BAF housing, each house gets one.
- Used paint Cans behind Bukit Ajong Factory workshop used for water catchment.
- Tin can and paint cans in the Bukit Ajong factory sterilizer.
- Not enough proof of all chemical packaging owned by plasma and farmer group have been managed according to

SOP owned and regulation.

5. Based on the above explanation, this indicator is **Nonconformance No.2018.08 with Major category.**

5.3.3

Domestic waste.

Based on the results of interviews with residents of housing in Block J East Estate, domestic waste is collected and then transported every 2 times a week to landfills. Final waste disposal site away from housing \pm 1 km is located in block A705 West Estate, based on a field visit to Block A705 West Estate, it is known that domestic waste management is in line with the company's waste management plan

Solid waste

Based on data of Environmental monitoring plan / monitoring plan implementation report of Semester II of 2017, solid waste data as follows:

- Empty Fruit Bunch (22-23%) FFB applied as mulch around palm oil with dose of 37-70 ton / ha / year. In 2017 is implemented in an area of 67.99 ha, with a total weight of 2,719.56 tons.
- Fibers (12-15%) of FFB are used as boiler fuel.
- Shell (4-5%) FFB used as boiler fuel.
- Furnace boiler 0.5% FFB is collected at the landfill site as a hardener.

Liquid waste.

Certificate holder use WWTP to manage liquid waste before it is streamed to the Land Applications. Use of Flat bad system by flowing liquid waste from application pond to flatbed using installation of pipes placed in application land.

5.3.2	Status: Nonconformance NC 2018 08 with Major Category
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5.4

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

5.4.1.

Certificate holder has made efficient use of fossil fuels with average electricity usage of 0.022 kwh / ton FFB and diesel efficiency of 0.446 liters / ton FFB. As for the efficiency of the use of shells of 0.060 FFB / ton and the efficiency of fiber 0.130 FFB / Ton.

	Status: Comply
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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 & 5.5.2

Zero burn policies and statements are contained in Sustainable Plantation Management Guidelines No Policy 724 / TQEM-SPMS / 09 dated August 27, 2010 chapter V section 5.7.2 which states clearing and replanting without burning (Zero Burning). Based on interviews with workers there is no known land clearing or replanting activities using fire Based on field visit to Block A703 division 1 show replanting activity done without fire. Replanting activities is done with mechanical system.

	Status: Comply
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5.6

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

5.6.1

Certificate Holder shows a list of sources of pollution from engine room, boiler station, generator machine, transportation, organic waste, fertilizer & spray activity. The resulting emissions are NO₂, CO, SO₂, NH₃, CH₄ and others. Certificate Holder has conducted tests related to the quality of emissions and air in accordance with the company's RKL-RPL, the results of emissions and air tests are known that all parameters are below the quality standard. in addition, the company

regularly reports every semester to the environmental services body.

5.6.2

The company shows plans to reduce pollution sources including:

- Reduce the use of generators in operation.
- Domestic waste is disposed to the existing landfill on the East Estate.
- Maximize application of Empty Fruit Bunch (EFB) to estate.
- Sludge and effluent liquid waste is managed in WWTP then applied to the land.
- Reduce the use of diesel fuel in each vehicle by maximizing vehicle load and shutting down the engine if the vehicle does not operate.
- Committed to decreasing the use of fertilizers and pesticides annually, and replaced them with organic fertilizer maximization and sustainable IPM application.

5.6.3

Monitoring for emission and pollutants (air emission, ambient, odor, noise, vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. The company also calculates GHG calculations for the 2016 and 2017 periods based on the RSPO GHG palm V 3.1 so that the NCR No.2017.34 has been closed, while the 2017 GHG emission calculation results produce data as below.

Summary of Emissions

Description	tCO ₂ e/tProduct
CPO	0.71
PK	0.71

Extraction	tCO ₂ e/tProduct
OER	18.11
KER	4.47

Summary of Plantation/field emissions and sink

Land Use	Ha
OP Planted Area	11,107.21
OP Planted on peat	0
Conservation (forested)	47.33
Conservation (non-forested)	-
Total	11,154.54

Description	Own			3 rd Party		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/tFFB
Land conversion	5691.91	14.23	1.0	0	0	0
CO ₂ emission from fertiliser	6306.05	1.2	0.09	0	0	0
N ₂ O emission	3426.45	0.8	0.06	0	0	0
Fuel consumption	1733.45	0.3	0.02	0	0	0
Peat Oxidation	0	0	0	0	0	0

Crop sequestration	-51968.49	-9.36	-0.71	0	0	0
Sequestration in conservation area	-340.4	-0.04	0	0	0	0
Total	16069.97	7.13	0.54	15631.56	0	0

Summary of Mill emission and credits

Description	tCO ₂	tCO ₂ e/tFFB
POME	0	0
Fuel Consumption	1276.91	0.01
Grid Electricity Utilisation	0	0
Exports of Excess Electricity to Housing & Grid	0	0
Sale of PKS	0	0
Sale of EFB	0	0
Total	1276.91	0.01

Palm Oil Mill Effluent (POME) Treatment

Diverted to compost	100%
Diverted to anaerobic digestion	0%

POME Diverted to Anaerobic Digestion

Diverted to anaerobic pond	100%
Diverted to methane capture (flaring)	0%
Diverted 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, 6.1.2 & 6.1.5

The CH has identified the Social Impact Assessment (SIA) conducted in August 2009 for all aspects of plantation including replanting. This study has been discussed about the positive and negative impacts that may be caused by plantation operations. Also pay attention to the impact on the smallholder scheme. The document study results showed that the assessment has been carried out with the participation of the parties. This is also recognized by the communities at public consultation with surrounding village (Maringin Jaya and Suka Grundi). Based an interview with communities at Maringin Jaya and Suka Grundi Village sighted that, all aspect has been covered on the SIA report.

6.1.3

The CH shows the social and environmental management plan review (own estate and smallholders scope) conducted on 8 May 2017. It has been conducted with involved the affected parties, the CH has plan to mitigate the negative impacts and promote the positive impacts. For example:

- Degradation of water quality. It will mitigate with routinely water quality testing and also buffer zone protection policy implementation.
- Negative perceptions from surrounding communities, it was resolved by CSR Program.
- Reduced community land, it was resolved by plasma program (agreement with KUD Himado), and others.

Based on document verification and interview with stakeholders, sighted that the CH has implemented above social management plan.

6.1.4

The CH shows management review of social management plan conducted on 8 May 2017. In the management review is known some kind of impact, evaluation and follow-up management, such as

- Air quality, noise and other sources of interference
- The quality of river water, reservoirs and wells. Evaluation has been carried out routine analysis for upstream and downstream rivers
- Liquid and solid waste. Evaluation has been done analysis and the results are still below the standard.
- Potential fires. Evaluation of potential fires in the dry season and when starting to grow crops
- Sustainability of soil, water and HCV conservation. Evaluation of field observations has been found HCV concessions.
- Disruption of flora and fauna. Evaluation has been done periodically
- Public unrest and replanting

The CH also shown other evidence, such as:

- 31 questionnaires from surrounding communities for social, environment, impact assessment.
- Updated Social Impact Management Plan (own estate and plasma) period of 2017 to 2019
- Social and environmental management plan review period of 2017 to 2019

However there are no specific time and PIC for Social and environmental management plan review period of 2017 to 2019. **The nonconformity No. 2017.36 was raised to Major NCR.**

6.1.4	Status: The nonconformity No. 2017.36 was raised to Major NCR.
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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

PT SIA has had communication and consultation procedure which explain flow chat of communication and consultation, time frame to response, etc. Based on interview with stakeholder (government agency, community and scheme smallholder) found that they already known the mechanism to communication and consultation with PT SIA. The PIC for communication and consultation is PSD staff or Estate/Mill Manager. KUD HIMADO has demonstrated its communication procedures and socialization record to the affected parties and also not been able to show the officer responsible for communication.

6.2.2.

The certificate holder has appoint PIC who responsible to communicate and consultation with stakeholders, for PT SIA was appointed Mr. Antonius Amon (PSD Assistant) and also Mr. Gusti Darmudin (Plasma Assistant) for KUD Himado. However there are no evidence PIC from KUD Himado (not company representative). **The nonconformity No. 2017.38 was raised to Major NCR.**

6.2.3

PT SIA has had stakeholder list with the last update on 1 July 2016. Based on the list there are 29 contractors, 28 suppliers, 29 communities, 17 other institution (hospital, police, immigration, etc) and 4 NGO; while KUD Himado have list of stakeholders such as: 14 contractors, 21 suppliers, 26 communities, 11 other institution and 4 NGO. PT SIA & KUD Himado always record the communication with stakeholders.

Himado KUD stakeholders list, there are 14 contractor, 21 supplier, 26 head of communities, 11 government parties, and 4 local NGO's, example: CV. Armada Niaga, CV Mega Motor, Head of Upe Village, Binjai Village, Hati Nurani Rakyat NGO, Institut Dayakologi Research and Development, Bela Banua Talino, and others. Himado KUD cant be shown communication responsible officer (not a company represantative).v **The nonconformity No. 2017.39 was raised to Major NCR.**

6.2.2.	Status: Non Conformity No 2017.38 with Major Category
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6.2.3.	Non Conformity No 2017.39 with Major Category
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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, 6.3.2

The CH has the SOP of complain handling which has been approved by SOU15 Chairman on 2 March 2014. Describes that the step of complain submission is through verbally and/or written addressed to unit manager/management. The response to the stakeholders are made in 2 weeks if no need the head department approval and 1 month if need approval. Also stated in the SOP that the identity of the complainants and whistleblowers will be kept confidential if required.

The entire complaints and its responses has been recorded in the complaint book, for e.g. for period of 2017-2018 the complaints recorded are comes from internal (workers), generally related to housing maintenance/there are no significant complaints or grievances from stakeholders. Based on document verification known that the whole complaint has been addressed well. Its also confirmed during the interview with housing residents in WSE.

Status: Comply	
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6.4

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

6.4.1, 6.4.2 & 6.4.3

Since the audit of ASA 1.1 to ASA-1.2, there is no new land acquisition proces. The CH already has SOP of Occupation Land Acquisition which identifies the mechanisms to identify and calculate the land compensation. In this procedure was explained that the process of identifying the company's land involves the community, the village administration and the Sub district Government.

At the beginning of the development of oil palm plantations, PT SIA has conducted socialization to the community so that in 1998 and 1999, there is handover of land from community to PT SIA for oil palm plantation development cooperation with the partnership pattern then the cooperation is outlined in the Cooperative Agreement Letter between HIMADO KUD with PT SIA on November 23, 2004.

Status: Comply	
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6.5

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

6.5.1

Minimum wages policy for PT SIA refer to West Kalimantan Governor Decree No. 708/DISNAKERTRANS/2017 dated on November 9th 2017 concerning the establishment of West Kalimantan Province minimum wage in 2018. Based on document review and interview showed that the workers in CH area consist of fixed term contract and permanent workers. Result of interview and document review in estate and mill, it could be concluded that the worker were paid in accordance with regulation. The workers also stated that wages is paid based on absent, if there were workers be absent without permission so the wages will be reduced. This has been in line with CLA. Auditor also verify payment evidence. For example, pay slip of employee ID 32462 that has been paid IDR 4,575,877.

Based on interview with HIMADO Board known that the smallholder's operational activities are managed by farmers and farmer-groups including the wage payment (for farmers who uses labor).

6.5.2

Certificate Holder has CLA and work agreement that rules the worker rights and obligation. The CLA applied to all permanent workers and the work agreement applied to contract workers. Based on interview with permanent workers know that they already inform about the rights and obligation such as wages, working hours, overtime, leave, minimum age, etc. Labor union will inform the rights and obligation of workers if any new clause on CLA.

6.5.3; 6.5.4

Based on field observation to workers housing in WSE, BAF and ESE and interview with the residents states that the CH has been provided the decent and adequate facilities, such as housing, electricity, clean water, clinic, school bus, waste management facility, mosque, church/chapel and facility for sport. In addition, the CH has been provide the access to market and decent food sources and affordable prices, the residents can use school bus for monthly shopping.

Based on interview with HIMADO Board known that the smallholder's operational activities are managed by farmers and farmer-groups. However, the for farmers which uses the labor for operational has paid wage above the standard, interview with famers in KUD HIMADO office informed that the harvester wage are Rp 120,000 – Rp 150,000 per day (7 hours) and sprayer wage are Rp 5,000,- / knapsack.

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, 6.6.2

Head Plantation Upstream of Indonesia has been approved the social policy on December 2011, which one of the articles mentioned that employees have the rights and freely to form and join with the unions according to their choice. It's also confirmed during the interview with labor union board, mentioned that the CH never intervened regarding to the determination of labor union members or bipartite representatives. Meeting with the management representative are done in accidentally if there are labor issues that need to discuss. The latest meeting are conducted on 27 June 2017, discussing on the plan of new drafting of collective agreement.

Based on interview with Himado Board known that the smallholder's operational activities are managed by farmers and farmer-groups, no need to form the labor union.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Mentioned on social policy on Dec 2011 related to the prohibition of forced employing and underage labor, the CH has been determined that the minimum age of workers is 18 years. Based on field observation and document verification known that the CH has been implemented its policy, there is no found any child labor or forced labor.

Based on interview with Himado Board known that the smallholder's operational activities are managed by farmers and farmer-groups, based on field observation known that the farmers not use child on its operational activities.

Status: Comply

6.8

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

6.8.1, 6.8.2.

In social policy that has been approved on Dec 2011 mentioned that the employees are treated fairly in regard of recruitment, promotion, limitation and condition of workers regardless of race, caste, gender, skin color, physical, organization membership, political view, religion and age.

Based on document verification on employee's master list, field observation and interview with workers confirmed that the policy has been implemented, mentioned that there is no discrimination. The interview were performed represent of all activities such as FFB process, harvesting, manuring, spraying, workshop and storage.

Based on interview with Himado cooperative unit known that the smallholder's operational activities are managed by farmers and farmer-groups, based on field observation and interview with farmer in KUD HIMADO office known that the farmers not discriminating in terms of employment.

6.8.3

The CH has recruitment SOP no. Policy 431/HRM-RCT/07 states that the recruitment are performed based on selection, qualification test, interview and medical test. In the IOM No. 062/RSP-i2/IV/2017 dated 28 April 2017 mentioned that the

evaluation are performed annually in July.

Provided the record of promotion of employees in BAF, WES and EAST that performed based on annual evaluation result, for example evaluation result of as many as 12 workers in BAF (evaluation parameter is capability, responsibility, achievement, honesty, discipline, loyalty, team work and self of belonging).

Based on interview with Himado cooperative unit known that the smallholder's operational activities are managed by farmers and farmer-groups. Based on field observation and interview with farmers mentioned that the operational activities such as manuring and spraying are done by farmers themselves, if there is any labor (for harvesting) generally it is the farmers family.

Status: Comply

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

On the social policy that has been approved by HPU Indonesia on 2011 stated that the CH are developing system to prevent sexual harassment and others violence against women as well as protect the rights related to reproduction for female workers.

The CH has been established the gender committee for period of 2017-2019 and mechanism for specific grievance in the document no. 41//PT SIA/2016. Based on interview with gender committee mentioned that until ASA 1.2 there is no specific grievance and/or report of sexual harassment, gender harassment and others submitted.

Provided the procedure for pregnancy test in the document no. 001/DR-SOP/IV/2014, mentioned that regularly conducted the physical check and monitoring the absence of menstruation. If found any female workers who is pregnant then not allowed to work in activities that related to chemical. Based on field observation and interview with spraying workers and manuring workers in WSE and ESE known that the policy has been applied, there is no found any female workers who are pregnant and breast-feeding in the field.

Based in interview with Himado Cooperative Unit Board mentioned that the spraying activities are coordinated by farmer groups and farmers themselves, however stated that it was prohibited for farmers who are pregnant to involve in chemical activities. During the audit, there is no spraying activities due the round has been completed.

Status: Comply

6.10

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

6.10.1 & 6.10.2

The management unit uses FFB purchase price standard based on the results of meeting from Pricing Team in plantation agency of FFB Production from Palm Oil Growers in West Kalimantan conducted every month and apply for the area of West Kalimantan Province. The team is composed from the Provincial Government and District as well as representatives from palm oil company and the smallholders (KUD). Based on interviews with the Head of Himado KUD known that the price above is available in the KUD office and POM PT SIA each period and became the basis of the sales and purchase price of FFB. The preparation mechanism of FFB price (period I March 2018) and FFB price records and evidences of payments to the parties (smallholders) are available in PT SIA and HIMADO KUD.

6.10.3 & 6.10.4

Records of contract with the parties in cooperation with PT SIA are well documented. The parties can read and understand the contents of the contract before making the deal (signature). According to the harvesters in West Estate and East Estate, the payments made by PT SIA are always on time in accordance with the contract made. There are evidences of payment which is equipped with the contract summary, the minutes of work examination, bank vouchers, and receipts for payment with stamp duty and transfer form.

Status: Comply

6.11
Growers and millers contribute to local sustainable development wherever appropriate.
6.11.1.

Certificate holder shows the Memorandum of Corporate Social & responsibility procedure with number M-056 / HPUI / XI / 2015 dated November 4, 2015 from Head Plantation Upstream Indonesia. This procedure includes CSR program planning, CSR program drafting and approval, CSR socialization and implementation programs and reporting. CH shows CSR Program and Work Plan Year 2017 - 2018. Example:

- a. Road maintenance in Amang sub-village on 2 November 2018,
- b. Internship fee for student on 8 March 2018.

6.11.2.

Based on interviews with smallholders it is known that KUD HIMADO was conducted regular training for smallholders, the understanding related to aspects of OHS, HCV, environment and other aspects of RSPO has been sufficient. For example:

- Chemical handling training on 12 July 2018 for KUD HIMADO's farmers. It attended by 48 person.
- Integrated pest management training to 62 smallholder farmers on 16 January 2018.

Status: Comply

6.12
No forms of forced or trafficked labour are used.
6.12.1, 6.12.2, 6.12.3

There is no found migrant workers and/or inter-regional workers in PT SIA, mostly the workers comes from surrounded villages. The CH has been set the policy on prohibition of uses of forced and child labor, it was mentioned in social policy Dec 2011.

Verification on work contract, appointment letter and work agreement known that there is no forced statement in the contract such as financial penalties. Inline with interview result with the workers in WSE, ESE and BAF, for example with generator operator, storage man, workshop personnel and workers in field, mentioned that the workers are freedom to resign and there is no threat against family members.

Based on field observation to harvesting field, known that there are no found any act of illegal/forced labor such as family gank for loose-fruit picking activity.

Based on interview with HIMADO cooperative unit known that the smallholder's operational activities are managed by farmers and farmer-groups. Based on field observation and interview with farmers mentioned that the paid labor (for harvesting) is daily basis, and they may refuse work at any time.

Status: Comply

6.13
Growers and millers respect human rights

Sighted the human rights policy, the document explained that the PT SIA and HIMADO Cooperative Unit are committed to protect the human rights such as the right to life, right to married and reproduction, right to self-development, right to equity, the right to personal liberty, right to security, the right to welfare, and the right for child protection. Based on interview with workers and gender committee known that the policy has been socialized and understood by workers, in addition the policy also has been displayed in workplace such as storage, workshop, estate office and division office.

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

Based on statement area, there is no new development area. Land planting activities have been in existence since 1997, 1998, 1999, 2003, and 2004.

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 & 7.2.2

Up to ASA-2 implemented, there is no new planting activity. Existing activity is replanting with zero burning method. information on land suitability is contained in the document semi detailed soil survey and Land Suitability for Oil Palm Plantation period 2017 - 2022 PT Sime Indo Agro conducted by GNSS, GIS and Soil Survey Minamas Research Center Pekanbaru in 2017. Based on the document is known land suitability class at PT SIA is land suitability class on PT SIA is S2 to S3 with flat to rolling topography condition.

Status: Comply

7.3

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

7.3.1; 7.3.2; 7.3.3; 7.3.4; & 7.3.5

Based on document review, the plantation area of PT Sime Indo Agro (East Estate, West Estate, West Plasma and East Plasma) did not land clearing above November 2005. Land planting activities have been in existence since 1997, 1998, 1999, 2003, and 2004.

Status: Comply

7.4

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

7.4.1 & 7.4.2

Until the ASA-4, PT SIA does not extend of new plantation area. There are only a replanting activities that have been conducted since July 2014.

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 results of document reviews, field visits and interviews found that PT SIA does not perform conversion or new planting.

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 & 7.6.7

Based on results of document reviews, field visits and interviews found that PT SIA does not perform conversion or new planting.

Status: Comply

7.7

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

7.7.1 & 7.7.2		
There is no new planting activity. Existing activity is replanting with zero burning method. Based on field visit to Block A703 division 1 show replanting activity done without fire. Replanting activities is done with mechanical system.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 & 7.8.2		
Certificate holder did not open the land after 1 January 2015. Land-planting activities have been in existence since 1997, 1998, 1999, 2003, and 2004.		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
PT SIA has conducted continuous improvement such as: RSPO Internal Audit was conducted on April 2018 by PSQM Assistant, there are several nonconformities as: indicator 4.4.1. There are no buffer zone management in Plasma, indicator 4.7.4. There are no OHS Guidance Committee for each units. All nonconformities has been closed by management unit.		
	Status: Comply	

3.2. Summary of Assessment Report of Supply Chain Requirement
3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
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>The certification unit has legal ownership for physically handles of RSPO Certified Oil Palm Products. According to interview with Mill Manager, Weighbridge Operator and document verification. There are three outsourced activities for CPO transport from Mill to the jetty in Tayan Sub District and also transport PK from Mill to the Akwang storage in Pontianak. The agreement between CH with transporter and PK storage, such as:</p> <ol style="list-style-type: none"> 1. Agreement No. 001/Jasa Pengangkutan/SIA-BMP/III/2013 Addendum VII dated 30 June 2017 between PT SIA with PT Bangun Melawi Persada address: <i>Jalan Raya Sosok No. 26, Kecamatan Tayan Hulu, Kabupaten Sanggau, Propinsi Kalimantan Barat</i> valid from 1 March 2013 until 2018 for CPO transport from Bukit Ajong Mill to the Tayan Jetty. 2. Agreement No. 003/Jasa Pengangkutan/SIA-AJ/VII/2013 Addendum VI dated 29 December 2017 between PT SIA with CV Agon Jaya address: <i>Jalan Sutan Syahrir GG. Lentera No. 77 RT 18/VI, Kelurahan Beringin, Kecamatan Kapuas, Kabupaten Sanggau, Propinsi Kalimantan Barat</i> valid from 1 July 2013 until 31 March 2018 for PK transport from Bukit Ajong Mill to the Akwang Storage or Tayan Jetty. 3. Agreement between PT Megah Sentosa Sejahtera dated 11 June 2012 Addendum II dated 1 January 2015 as PK Storage address: <i>Jalan Gajahmada Psr Flamboyan C 5-6 Pontianak, Propinsi Kalimantan Barat</i> for PK Storage.
	Status: Comply
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>The facility only processed their own FFB.</p>
	Status: Comply
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>Bukit Ajong Mill (PT Sime Indo Agro) – Sime Darby Plantations has registered on RSPO IT Platform with number member ID: RSPO_PO1000000107.</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>The Certification Holders didn't use a processing aids.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading</p>

can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
The Certificate holders has applied Mass Balance (Module E) for CPO Mill only.	
	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.	
The Certificate holders has applied Mass Balance (Module E) for CPO Mill.	
	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.	
The Certificate Holder has RSPO SCCS Manual Certification Standard No. SCCS-Std / RSPO / PSQM / 02 Rev.01 dated 2 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) and Module E (MB) both physical and office administration. The summary of this procedure were explain on below points:	
4.2.1. The procedure is documented	
4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.	
4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.	
4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.	
4.5. Third party activities (outsourcing)	
4.6. Sales and goods out	
Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.	
4.8. Training	
The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.	
4.9. The record keeping	
The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.	
4.10 Conversion Factor	
Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.	
4.11. Claim pursuant to RSPO communication and claim.	
4.12. Complaint	
Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.	
4.13. Management review	
Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.	
Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.	

	Status: Comply
5.3.2	The site shall have a written procedure to conduct annual internal audit
	SOP SCCS Internal Audit No. 060/SIA-INT-ADT-SCCS/I/18 (Rev-1) dated 2 January 2018. Internal audit SCCS will be conducted every year by PSQM Department. It will be conducted minimum two months before external audit will coming.
	Status: Comply
5.4	Purchasing and goods in
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
	Based on mass balance report verification and interview with weighbridge operator, there are no RSPO certified oil palm products purchasing during last year period.
	Status: Comply
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	The certificate holder has established a mechanism for handling of non-conforming oil palm products in mill and bulking.
	Status: Comply
5.5	Outsourcing activities
5.5.1	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.
	According to interview with Mill Manager, Weighbridge Operator and document verification. There are three outsourced activities for CPO transport from Mill to the jetty in Tayan Sub District and also transport PK from Mill to the Akwang storage in Pontianak. The agreement between CH with transporter and PK storage, such as: <ol style="list-style-type: none"> 1. Agreement No. 001/Jasa Pengangkutan/SIA-BMP/III/2013 Addendum VII dated 30 June 2017 between PT SIA with PT Bangun Melawi Persada address: <i>Jalan Raya Sosok No. 26, Kecamatan Tayan Hulu, Kabupaten Sanggau, Propinsi Kalimantan Barat</i> valid from 1 March 2013 until 2018 for CPO transport from Bukit Ajong Mill to the Tayan Jetty. 2. Agreement No. 003/Jasa Pengangkutan/SIA-AJ/VII/2013 Addendum VI dated 29 December 2017 between PT SIA with CV Agon Jaya address: <i>Jalan Sutan Syahrir GG. Lentera No. 77 RT 18/VI, Kelurahan Beringin, Kecamatan Kapuas, Kabupaten Sanggau, Propinsi Kalimantan Barat</i> valid from 1 July 2013 until 31 March 2018 for PK transport from Bukit Ajong Mill to the Akwang Storage or Tayan Jetty. 3. Agreement between PT Megah Sentosa Sejahtera dated 11 June 2012 Addendum II dated 1 January 2015 as PK Storage address: <i>Jalan Gajahmada Psr Flamboyan C 5-6 Pontianak, Propinsi Kalimantan Barat</i> for PK Storage. <p>Based on document verification sighted that all outsourcing activities was complied with RSPO SCCS, for example: related to CPO and PK consignment which inform Mass Balance module.</p>
	Status: Comply
5.5.2	Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:
	<ol style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; 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. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.

- 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

According to interview with Mill Manager, Weighbridge operator and document verification. There are three outsourced activities for CPO transport from Mill to the jetty in Tayan Sub District and also transport PK from Mill to the Akwang storage in Pontianak. The agreement between CH with transporter and PK storage, such as:

1. Agreement No. 001/Jasa Pengangkutan/SIA-BMP/III/2013 Addendum VII dated 30 June 2017 between PT SIA with PT Bangun Melawi Persada address: *Jalan Raya Sosok No. 26, Kecamatan Tayan Hulu, Kabupaten Sanggau, Propinsi Kalimantan Barat* valid from 1 March 2013 until 2018 for CPO transport from Bukit Ajong Mill to the Tayan Jetty.
2. Agreement No. 003/Jasa Pengangkutan/SIA-AJ/VII/2013 Addendum VI dated 29 December 2017 between PT SIA with CV Agon Jaya address: *Jalan Sutan Syahrir GG. Lentera No. 77 RT 18/VI, Kelurahan Beringin, Kecamatan Kapuas, Kabupaten Sanggau, Propinsi Kalimantan Barat* valid from 1 July 2013 until 31 March 2018 for PK transport from Bukit Ajong Mill to the Akwang Storage or Tayan Jetty.
3. Agreement between PT Megah Sentosa Sejahtera dated 11 June 2012 Addendum II dated 1 January 2015 as PK Storage address: *Jalan Gajahmada Psr Flamboyan C 5-6 Pontianak, Propinsi Kalimantan Barat* for PK Storage.

The CB's have access to the outsourcing activities, based on interview with PT Bangun Melawi Persada staff (Mr. Triadlan) sighted that there are no complaint or payment problem during agreement period with PT SIA. All contractors also has trained about RSPO SCCS by the Certificate Holders.

Status: Comply

5.5.3

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.

The Certificate Holder has record names and contact details of all contractors, such as:

1. PT Bangun Melawi Persada as CPO transporter.
2. CV Agon Jaya as PK transporter.
3. PT Megah Sentosa Sejahtera as PK Storage.

Status: Comply

5.5.4

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

Based on interview with mill manager, there are only three outsourcers which physical handling of RSPO certified oil palm products. It will be verified on next surveillance, if any new contractor.

Status: Comply

5.6

Sales and goods out

5.6.1

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

CSPO

Based on document verification sighted that all CSPO volume quota (40,377 MT) were included on credited allocations there were sold 35,377 MT. There are a physical product selling on February 2018 in accordance to Sales Contract No. 00262/SIA/KTR-MKS/LOK/II/2018 dated 1 February 2018 to PT Golden Hope Nusantara (RSPO_PO1000003174), *Jl. MH. Thamrin Kav. 28-30, the Plaza Office Tower Lt. 36 RT. 009; RW. 005; Gondangdia Menteng Jakarta Pusat*. The loading or shipment / delivery date: 1- 28 February 2018; SCCS Module: Mass Balance. The quantity of the products delivered is 2,250 MT. Transport from Bukit Ajong Mill to the Tayan Jetty by PT Bangun Melawi Persada. While transport from Jetty to the refinery by buyer transport.

CSPK

Based on document verification sighted CSPK selling on February 2018 amount 200 MT to PT Binasawit Abadipratama (*Sinar*

Mas Land Plaza Menara 2 Lt. 30 Jl. MH. THamrin No. 51 Gondangdia Menteng Jakarta Pusat) in accordance to Sales Contract No. 00159/SIA/KTR-IKS/LOK/II/2018. The loading or shipment / delivery date: 1- 28 February 2018. SCCS Module: Mass Balance. Transport from Bukit Ajong Mill to the Tayan Jetty by CV Agon Jaya. While transport from Jetty to the refinery by buyer transport.	
	Status: Comply
5.7	Registration of transactions
5.7.1 Supply chain actors who: <ul style="list-style-type: none"> are mills, traders, crushers and refineries; and 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 	
The Mills has register on RSPO IT platform id number: RSPO_PO100000107.	
	Status: Comply
5.7.2 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"> 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. 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. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	
Not all sales transactions of Certified RSPO Products are registered by the certificate holders. Based on document verification, sighted that all CPO volume quota (40,377 MT) is included in credited allocations, the CSPO was sold with volume 35,377 MT. Therefore on February 2018, there were physical sales of CSPO with volume 2,250 MT to PT Golden Hope Nusantara under contract No. 0262 / SIA / KTR-MKS / LOK / II / 2018. In addition, there is a physical sale of CSPK with volume 200 MT to PT Binasawit Abadipratama pursuant to contract No. 00159 / SIA / KTR-IKS / LOK / II / 2018. However, the physical sales of CSPO and CSPK have not been registered / announced in RSPO Palm Trace. It was raised as nonconformity No. 2018.09.	
	Status: Non Conformity No. 2018.09 with Major Category
5.8	Training
5.8.1 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	
The management unit has RSPO SCCS standard training plan on July 2017. The next training will be conducted on July 2018.	
	Status: Comply
5.8.2	

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														
The refreshing training of SCCS standard and system has been conducted on 20 July 2017 by PSQM Assistant to the Mill Assistant, Head of Administration and eight employees of Mill. Based on interview with security and weighbridge operators, they can explain about RSPO SCCS Mass Balance Module.														
	Status: Comply													
5.9	Record keeping													
5.9.1														
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														
Based on document verification sighted that the certificate holder has maintain accurate, complete and update data, such as: mass balance data, CSPO & CSPK sales contract, and others. The each of document was accessible by auditor team.														
	Status: Comply													
5.9.2														
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														
The Certificate Holder has RSPO SCCS Manual Certification Standard No. SCCS-Std / RSPO / PSQM / 02 Rev.01 dated 2 January 2018, point 4.9. About record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents. Based on field observation at administration store, they can showing FFB Consignment and CPO Consignment record for 2 years ago.														
	Status: Comply													
5.9.3														
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.														
Based on mass balance document verification sighted that there are no overproduction of FFB, CPO and PK period of May 2017 to April 2018.														
<table><tr><td>Past Annual Claim Certified Product</td><td>Last Year Projected Certified Volume (MT)</td><td>Last Year Actual Certified Volume (May 2017 to April 2018) (MT)</td></tr><tr><td>• FFB Production</td><td>183,530</td><td>157,316.94</td></tr><tr><td>• CPO Production</td><td>40,377</td><td>34,544.91</td></tr><tr><td>• Palm Kernel (PK) Production</td><td>10,094</td><td>8,827.43</td></tr></table>			Past Annual Claim Certified Product	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (May 2017 to April 2018) (MT)	• FFB Production	183,530	157,316.94	• CPO Production	40,377	34,544.91	• Palm Kernel (PK) Production	10,094	8,827.43
Past Annual Claim Certified Product	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (May 2017 to April 2018) (MT)												
• FFB Production	183,530	157,316.94												
• CPO Production	40,377	34,544.91												
• Palm Kernel (PK) Production	10,094	8,827.43												
Based on above information sighted that RSPO Certified Production is above the previous certificate claim.														
	Status: Comply													
5.10	Conversion factors													
5.10.1														
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 (www.rspo.org); 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														
There are no conversion rates for CPO Mill certification scope.														
	Status: Comply													

5.10.2	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
There are no conversion rates for CPO Mill certification scope.	
	Status: Comply
5.11	Claims
5.11.1	
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.	
Based on document verification, field observation to the weighbridge and bulking sighted that there are no communication to the stakeholder group/customers by the certificate holders in accordance with RSPO Rules on Market and Communications and Claim.	
	Status: Comply
5.12	Complaints
5.12.1	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
The Certificate Holder has RSPO SCCS Manual Certification Standard No. SCCS-Std / RSPO / PSQM / 02 Rev.01 dated 2 January 2018. Point 4.12. Related to Complaint: Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.	
Based on document verification and interview with CPO transporter/contractor, there are no complaint during last year period.	
	Status: Comply
5.13	Management review
5.13.1	
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
There are no evidence that annuall management review result. It was raised as nonconformity No. 2018.10.	
	Status: Non Conformity No. 2018.10 with Major Category
5.13.2	
The input to management review shall include information on:	
<ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
There are no evidence that annuall management review result include information on:	
<ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
Based on above information, it was raised as nonconformity No.2018.11.	

	Status: Nonconformity No. 2018.11 with Major Category
5.13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. <p>The Certificate Holder has not been able to show the results of the annual management review including the effectiveness of continuous improvement of the SCCS system. It was raised as nonconformity No. 2018.12.</p>
	Status: Nonconformity No. 2018.12 with Major Category

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.							
Bukit Ajong Factory received FFB from certified and uncertified base. Related to this case, Bukit Ajong Factory implemented Module E for mass balance CPO Mill.							
	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.							
Estimation of CPO and PK production period of 18 July 2018 to 17 July 2019:							
<ul style="list-style-type: none">- CPO: 36,304 ton- PK: 9,250 ton							
	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).							
Bukit Ajong Mill (PT Sime Indo Agro) – Sime Darby Plantations has registered on RSPO IT Platform with number member ID: RSPO_PO1000000107.							
All of reporting requirements was announced at RSPO Palm Trace, the information of CSPO & CSPK sales on below table:							
Product	Program	Certified Volume	Volume sold/removed	Volume allocated as credits	Remaining volumes	Trading activity	Stock activity
CSPO	Mass Balance	40,377	0	40,377	0	-	Allocate back to physical
CSPK	Mass Balance	10,094	0	0	10,094	Shipping Announcement	-
Credit type	Program	Credit allocated from physical volume	Credit allocated back to physical	Credit Offered/Sold	Available/Remaining Credits		
CSPO Credit	Mass Balance	40,377	0	35,377	5,000		
	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:

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

The Certificate Holder has RSPO SCCS Manual Certification Standard No. SCCS-Std / RSPO / PSQM / 02 Rev.01 dated 2 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) and Module E (MB) both physical and office administration. The summary of this procedure were explain on below points:

4.2.1. The procedure is documented

4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.

4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.

4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.

4.5. Third party activities (outsourcing)

4.6. Sales and goods out

Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.

4.8. Training

The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.

4.9. The record keeping

The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.

4.10 Conversion Factor

Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.

4.11. Claim pursuant to RSPO communication and claim.

4.12. Complaint

Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.

4.13. Management review

Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.

Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.

Status: Comply

E.3.2

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

The Certificate Holder has RSPO SCCS Manual Certification Standard No. SCCS-Std / RSPO / PSQM / 02 Rev.01 dated 2 January 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) and Module E (MB) both physical and office administration. The summary of this procedure were explain on below points:

4.2.1. The procedure is documented

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Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.

4.8. Training

The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.

4.9. The record keeping

The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.

4.10 Conversion Factor

Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.

4.11. Claim pursuant to RSPO communication and claim.

4.12. Complaint

Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.

4.13. Management review

Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.

Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.

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.

The Certificate Holder has been documented the volumes of certified and non-certified FFBs received period of 18 July 2017 to 30 April 2018:

Month	FFB		
	RSPO Certified	Non Certified	Total (kg)
18 - 31 July 2017	6,781	1,669	8,450
August 17	12,972	2,710	15,683
September 17	12,918	2,385	15,303
October 17	13,110	2,623	15,733
November 17	14,549	3,625	18,174

December 17	14,021	2,950	16,971
January 18	15,297	3,954	19,251
February 18	13,434	3,949	17,383
March 18	13,017	3,124	16,141
April 18	12,679	3,683	16,362
Total	128,778	30,673	159,451

Status: Comply

E.4.2

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

Based on mass balance document verification sighted that there are no overproduction of FFB, CPO and PK period of May 2017 to April 2018.

Past Annual Claim Certified Product	Last Year Projected Certified Volume (MT)	Last Year Actual Certified Volume (May 2017 to April 2018) (MT)
• FFB Production	183,530	157,316.94
• CPO Production	40,377	34,544.91
• Palm Kernel (PK) Production	10,094	8,827.43

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.)

The Certificate Holder has record of certified product mass balance period of 18 July 2017 to 30 April 2018.

Period	Certified Product		Certified Sales	
	CPO	PK	CPO	PK
18 - 31 July 2017	1,460	299	-	-
August 17	2,817	733	-	-
September 17	2,813	765	-	-
October 17	2,920	723	-	-
November 17	3,143	844	-	-
December 17	2,980	821	-	-
January 18	3,382	931	-	-
February 18	2,761	764	2,250	200
March 18	2,945	795	-	-
April 18	2,565	565	-	-
Total	27,785	7,240	2,250	200

Not all sales transactions of Certified RSPO Products are registered by the certificate holders. Based on document verification, sighted that all CPO volume quota (40,377 MT) is included in credited allocations, the CSPO was sold with volume 35,377 MT. Therefore on February 2018, there were physical sales of CSPO with volume 2,250 MT to PT Golden Hope Nusantara under contract No. 0262 / SIA / KTR-MKS / LOK / II / 2018. In addition, there is a physical sale of

CSPK with volume 200 MT to PT Binasawit Abadipratama pursuant to contract No. 00159 / SIA / KTR-IKS / LOK / II / 2018. However, the physical sales of CSPO and CSPK have not been registered / announced in RSPO Palm Trace. It was raised as nonconformity No. 2018.09 on indicator 5.7.2. General CoC.	
E.5.1.	Status: Non Conformity No. 2018.09 with major category
E.5.2 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.	
Bukit Ajong Factory does not conduct activities of outsource on the crushing of palm kernel to the independent crushers.	
	Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or √
ASA-1.2	PT Sime Indo Agro does not use the certificate and logo.	NA
	Status: NA	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ASA-1.2	PT Sime Indo Agro does not use the certificate and logo.	NA
	Status: NA	
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-1.2	PT Sime Indo Agro does not use the certificate and logo.	NA
	Status: NA	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-1.2	PT Sime Indo Agro does not use the certificate and logo.	NA
	Status: NA	

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Berhad 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

Sime Darby Plantation Berhad Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Berhad has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Berhad is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Berhad Indonesian representative on June 16th, 2016 by the Head of PSQM.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Berhad based on their Time Bound Plan. 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 significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remain unresolved social i.e. from Serikat Petani Kelapa Sawit (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.

2.1 Un-Certified Units or Holdings

Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: HCV assessment has been conducted for uncertified units i.e. PT Mitra Austral Sejahtera (by Aksenta in March 2009) and Sime Darby Plantation Liberia operations (by RSPO approved assessors – Dr SK Yap in 2011).</p> <p>Auditor Verification: Sime Darby Plantation Berhad sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p>
i.	Any new plantings since January 1 st 2010 must comply	Company Group/Holding Statement:

	with the RSPO New Plantings Procedure.	<p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017.</p> <p>RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>*Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. RSPO NPP process has been completed in 2011 for a new mill in Liberia.
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement:</p> <p>Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Berhad) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification:</p> <p>Auditor has verified the supporting evidence of above the company statement.</p> <p>There are land conflict in :</p> <ul style="list-style-type: none"> PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement:</p> <p>No stakeholder comments or complaints received.</p> <p>Auditor Verification:</p> <p>Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement:</p> <p>None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification:</p> <p>Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for PT Budidaya Agro Lestari waiting for land title process.</p>

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.
3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-1.1

NCR No.	: 2017.01	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 28 August 2017
Standard Ref. & Requirement	1.1.2 Records of requests for information and responses to the information requested shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> - PT SIA and KUD HIMADO have not been able to show the mechanism of information request and response. - Based on document review, it is known that there is a request for information but there is no response, such as letter dated 27 April 2017 about the report of the implementation of the Corporate Social Responsibility (CSR) program in 2016 and the submission of the company's CSR program for 2017.			
Root Cause Analysis <i>(filled by organization audited):</i> Discontinuity in filing SOP of information requests and responding. This is due to the lack of implementation of document control SOP. Receipt of submission of CSR program plan is located in the GM (GM staff) so that at the time of audit, it can not be submitted to auditor.			
Corrective Action <i>(filled by organization audited):</i> Refreshment to the PIC on document control, and what documents should be available during the audit.			
Preventive Action <i>(filled by organization audited):</i> Establish the responsible PIC that is the department of the PSD in the implementation of the SOP for information requests and the response			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 25 July 2017, The Company shows evidence of corrective action in the form of: ✓ SOP of response of information request no document AI0900 on April 1, 2010 explaining on step in response to incoming letter that is 1 week and SOP request information no document RSPO / B.4.7 / SIA dated June 1, 2009 ✓ Letter of submission of CSR program FY16 / 17 for PT SIA and PT MAS dated October 4, 2016 No letter 14 / GM-sanggau / SGU / 10/2016 area to Sanggau Regent. ✓ Proposed of CSR plan 2016-2017 (memorandum no 035 / SWE / 08/206 and memorandum no 01 / PTSIA-WSE / CSR / 08 / 16-17).			
Verification on 1 August 2017, 1. Evidence of CSR report on 4 October 2016 to Sekda Regent No.: 14/GM-area sanggau/SGU/10/2016. 2. SOP of document control No Document SOP Administration/2012.			
Verification on 28 August 2017, KUD Himado shows SOP Request of Information approved on 8 February 2018 by Chairman, vice chairman & secretary of KUD Himado. The SOP describes all the request letters submitted to the KUD addressed to the Chairman of KUD Himado; incoming letter of inquiry request will be studied and made answer by Chairman Himado; Secretary			

of KUD shall prepare a draft of letter / contents of response of information to stakeholders; all response letters that will be sent to the parties signed by KUD Himado, and incoming & outgoing mail are stored at KUD Himado Office. Maximum length of information for 1 week. In addition, a statement from Staff Plantation Service Department (PSD) of Sanggau Area on August 24, 2017 stating that it has understood the SOP for request of informati and response. Based on the above explanation, the indicator 1.1.2 stated compliance.

Verified by : **Sandra Purba.**

NCR No.	: 2017.02	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 31 July 2017
Standard Ref. & Requirement	1.2.1 Publicly available documents shall include, but are not necessarily limited to: a. Land titles/user rights (Criterion 2.2) b. Occupational health and safety plans (Criterion 4.7) c. Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d. HCV documentation (Criteria 5.2 and 7.3) e. Pollution prevention and reduction plans (Criterion 5.6) f. Details of complaints and grievances (Criterion 6.3) g. Negotiation procedures (Criterion 6.4) h. Continual improvement plans (Criterion 8.1) i. Public summary of certification assessment report j. Human Rights Policy (Criterion 6.13).		
Non-Conformance Description & Evidence observed (filled by auditor): KUD HIMADO not yet able to show the list of publicly accessible documents.			
Root Cause Analysis (filled by organization audited): Lack of neatness of document filling of KUD Himado due to the PIC not designated yet to manage the incoming and outgoing letter, so that at the time of audit the KUD Himado can not shown its document.			
Corrective Action (filled by organization audited): Shows SOPs of information requests including a list of public documents			
Preventive Action (filled by organization audited): Chairman assigns KUD secretary in the document control to be responsible for the management of documents in KUD HIMADO Office.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 31 July 2017, KUD Himado has presented a list of publicly accessible and personal in charge documents for managing it (KUD secretary), described in the SOP of information request authorized Feb. 8, 2017, of 14 types of documents, the delivery of responses to each request is 1 week. Acceptable repair, NCR Closed.			

Verified by	: Sandra Purba
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NCR No.	: 2017.03	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 28 August 2017
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		

Non-Conformance Description & Evidence observed *(filled by auditor):*

- West Estate already has 1 licensed operator of heavy equipment (lifting & hauling) under license No. 13.30719-OPK3-PAA/I/2014 dated 10 January 2014 and valid until 10 Jan 2019. Based on field observation and document verification known that the total of heavy equipment owned by the management unit is 10 units. The management unit not yet been able to show the license for 9 other operators. This is not in accordance with Permenaker No. 5 of 1985.
- Field visit at Bukit Ajong Factory known that there is electrical installation maintenance conducted by Electrical Engineer on behalf of Mikail. Based on document verification, known that electrical technicians have background of senior high school majored in electricity, but this is not yet in accordance with Regulation of labor Minister No 12 of 2015 stating that maintenance activities should be carried out by the Electrical OHS expert or OHS Electric technician.
- Based on field observation and interview known that the mill has a boiler with capacity of 30 ton/hour and operated in 2 shift, in addition the mill has 6 operator in total (for 2 shift), however document verification showed that the operator who has license is only 1 operator with grade class I, it is not in accordance with Minister of Manpower Regulation no. 1 of 1988 stating that for boilers with capacities more than 20 Ton / Hour - < 40 Ton / Hour must have 1 operator with grade class I and 1 operator with grade class II (each shift).

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

1. Difficulty in finding vendors to conduct operator training in Sanggau District makes the new operators do not have SIO and electrical competence certificates.
2. Employees on behalf of Riki Rolli Mere (foreman who has license) has been mutated into a process foreman so that boiler operator for shift A does not have license

Corrective Action *(filled by organization audited):*

1. Applying for license of 7 operator to related institution, while 2 others has been transferred to driver (Letter of request attached)
2. Mikail submitted by BAF management for trining of General OHS Expert (Electrical Speciality)
3. Management BAF took the policy to re-assign Mr. Riki rolly mere become boiler operator for shift A (letter of mutation attached)

Preventive Action *(filled by organization audited):*

1. West Management has established a system that the license application will be made in advance for each prospective lifting and transport equipment operator before performing the work. Any addition of new operator will be ensured in advance to have a license, which is responsible for each unit manager
2. Electrician o/b Mikail currently submitted by BAF management for OHS expert training in Electrical Field.
3. Assign Riki rolly mere as boiler operator for shift A.

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

Verification on 25 July 2017,

The company has show the evidence of corrective action, namely:

1. OHS expert training in Electrical Field training enrollment form o/b of Mikail but no information regarding to date of training and the OHS services agency who will be the training implementer
2. Letter of application for license of operator No. 25 / Mng.WSE.06.2017 dated June 12, 2017 for 7 operators, but no information related to the date of implementation of the training and the implementing agency.
3. Inter office mail about mutation letter on behalf of riki rolly mere no 016 / PT SIA-BAF / VI / 2017 dated June 19, 2017 from processor employees to boiler operators but not licensed as operator.

Verification on 28 August 2017 (verification major),

1. The company can show the license of boiler operator o/b of P Ricky Rolli Mere as operator class I, license No. 13.P05.172 OPK3-PUBT-B.I/VI/2013 date of 17 June 2013, valid until 17 Juni 2018
2. Has been identified the electrician of PT SIA who will be attend the training, namely :
 - ✓ ESE : Junaedi Pangariduan (SAP ID 0000071198 – Generator Set Operator)
 - ✓ WSE : Syayyid Hasim (32462 – Generator Set Operator)
 - ✓ BAF : Mikael (SAP Id 0000104629 – Generator Set Operator)

Upon three designated electrician technicians, submitted to HRM to be registered as trainees, the submission email was dated August 21, 2017 to HRM, and it was responded on August 29, 2017 stating that the vendor (Delta Praneggar) is currently awaiting the training quota fulfilled, the latest training will take place on 15-25 Sept 2017.

3. There is a letter of application for the issuance of lift and carriage license of 7 people (2 persons have been transferred to another section) WSE employees, by letter No. 25 / Mng.WSE.06.2017 dated June 12, 2017 to HIC estate area sanggau. Followed by a letter of application for the issuance of license to Disnakertrans of Sanggau Regency dated July 25, 2017 No. 41 / Mng.WSE / 07.2017. It has been responded by the agency dated July 29, 2017 stating that against the 7 people submitted, the license is currently in the process of issuance.

The evidence is acceptable, and will be observed during ASA 2. **Close with observation.**

Verified by : Sandra Purba

NCR No.	: 2017.04	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 17 May 2018
Standard Ref. & Requirement	2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <ul style="list-style-type: none">- PT SIA has had list of legal requirements, but the list has not covered all relevant legal requirements and/or new (updated) regulations such as regulation regarding to electricity, forest area release/ forest are exchange, the update plantation act, the update river regulation the update regulation related to location permit.- KUD HIMADO has not shown information related to legal requirements that relevant to oil palm plantation.			
Root Cause Analysis <i>(filled by organization audited):</i> Updating the regulation list still not completed during the audit.			
Correction <i>(filled by organization audited):</i> Certificate holder has been renewal the latest regulation until April 2018.			

Corrective Action *(filled by organization audited)*

Showed the latest regulation to the auditor.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 17 May 2018

Certificate holder has showed the procedur to updating the latest regulation and the regulation list document (last updated on April 2018).

Auditor Conclusion:

Based on the evidence that has been showed, this non conformity has been closed.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2017.05	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 17 July 2018
NC Grade	: Minor raised to Major	Date of Closing	: 16 July 2018
Standard Ref. & Requirement	: 2.1.3 A mechanism for ensuring compliance shall be implemented.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> KUD HIMADO not yet able to shown the result of legal compliance evaluation that relevant with its operational activities.			
Root Cause Analysis <i>(filled by organization audited):</i> Legal compliance evaluation document not updated during the audit.			
Correction <i>(filled by organization audited):</i> Personnel in charge of legal compliance from HIMADO board and PSD Department updating the latest regulation.			
Corrective Action <i>(filled by organization audited)</i> Showed the latest regulation to the auditor.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor verification on 16 July 2018 HIMADO Cooperation has show the latest updated of legal compliance (last updated on 1 June 2018). According to the document, there was 139 national and local regulation.			
Auditor conclusion on 16 July 2018 Based on the evidence that has been showed, this non conformity has been closed.			
Verified by	: Andi Pratama Pasaribu		

NCR No.	: 2017.06	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 17 July 2018

NC Grade	: Minor raised to Major	Date of Closing	: 7 July 2018
Standard Ref. & Requirement	2.1.4 A system for tracking any changes in the law shall be		
Non-Conformance Description & Evidence observed (filled by auditor): PT SIA and KUD HIMADO not yet able to shown the system for updating and tracking of any changes of the law.			
Root Cause Analysis (filled by organization audited): The procedure still not available in units.			
Correction (filled by organization audited): 1. Certificate holder revised and approved the latest procedure to identify the legal compliance and tracking of any changes of the law. 2. Certificate holder in coordination with HIMADO Board will updated the legal compliance regularly.			
Corrective Action (filled by organization audited) Implemented the procedure.			
Assessor Evaluation and Conclusion (filled by auditor): Auditor verification on 7 July 2018 Certificate holder has showed the Document Control Procedure No. 05/HIMADO/17 to identify the latest regulation/ law. Updating legal compliance will conducted annually. The person who take responsibility on that is unit manager and ESH manager. Auditor Conclusion on 7 July 2018 Based on the evidence that has been showed, this non conformity has been closed.			
Verified by	: Andi Pratama Pasaribu		

NCR No.	: 2017.07	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	2.2.1 Document that show ownership or lease, a history of period of land ownership / ownership and legal land rights		
Non-Conformance Description & Evidence observed (filled by auditor): Based on the result of overlay between the West Estate operational map and the Land Use Title map, it is known that the management area included in the HGU area is 2,557.14 ha and there are management areas outside the HGU such as B806, A702, A709, A705 (± 418.86 Ha). In this case the company has not been able to show valid proof of ownership for the area.			
Root Cause Analysis (filled by organization audited):			

There is no RSPO scope audit information for ASA 1.1 to PT SIA unit from PSQM Jakarta, so there is no delineation in the unit to separate and map HGU (scope audit) and non HGU (outside scope audit) area.

Correction *(filled by organization audited):*

Correction July 31, 2017:

1. Sending proof of request for funds to CFO and HPUI concerning the purpose of reimbursement fee of HGU HGU PT SIA
2. Sending PT SIA's legal bounds

About this PT SIA keep trying to always follow and strive for the development of problematic handling of HGU

Verify August 29, 2017

Overlay HGU maps with operational maps (entire areas) to obtain information on the blocks entering HGU and outside HGU, and make a list of blocks for each estate consisting of HGU blocks and non-HGU blocks including their area.

Corrective Action *(filled by organization audited):*

Maintain the block and map information document and provide at any time during the audit, in charge is Mr. Antonius Amon (Assistant PSD of PT SIA)

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

Verification 1 August 2017

The Company presented a letter from Regian Kalbar - Central Kalimantan Head on May 24, 2017 regarding the application for approval of the redemption fee at the HGU West Estate location of 7,300 Ha.

However, the Company has not been able to show evidence of approval from the management. Then have not shown the response from the BPN and a clear time plan in the implementation of repeated boundary measurement HGU.

Verification 29 August 2017 (field major verification)

Since ASA-4 (cycle 1) has been established by Minamas that scope audits for PT SIA are only HGU-rated areas (based on previous audit reports and certificate attachments)

The Company has presented a map informing the boundaries of planting areas and the division of planting blocks of HGU and non-HGUs for 1: 110,000 West Estate and 1: 80,000 East Estate which are equipped with a list of outside blocks and in HGU and their services.

- West: a total of 513.7 Ha outside the HGU (included in 14 planting blocks) and in HGU totaling 2462 ha (included into 24 planting blocks)
- East: 1731.39 Ha outside HGU (entered into 33 working blocks) and an area of 709.80 in HGU.

It has been shown the details of actual land use for HGU and Non HGU areas in the document of statement area, which explained that the total area of HGU / HGB is 7227.82 Ha divided into embedded 3172.10 Ha, facilities 196.15 Ha, HCV covering 321.20 Ha and area of occupation / enclave etc. area 3538.37 Ha.

It has been shown a map of PT SIA scale 1: 95000 that informs the boundaries of HGU, Non HGU, enclave and plasma areas.

Based on the explanation and evidence of the above improvements, NC are Closed

Verified by : **Leo & Sandra**

NCR No. : **2017.08**

Issued by : **Leonada**

Date Issued	: 2 June 2017	Time Limit	: ASA 2
NC Grade	: Minor	Date of Closing	: 17 May 2018
Standard Ref. & Requirement	2.2.3 Where there have been dispute shall be adequate proof of expropriation and adequate compensation or settlement of compensation process through the settlement of conflicts which have been received through Free, Prior and Informed Consent (FPIC) by all parties concerned .		
Non-Conformance Description & Evidence observed (filled by auditor): <ul style="list-style-type: none">- Based on the results of interviews with the land agency of Sanggau and letter of land Agency in December 2015 known land dispute between PT. SIA with villager of Pusat Damai Dusun Bodok.- From the the West Estate conflicts maps known that conflict for 0.88 Ha block A702. But the CH has not been able to show the recording of land conflict resolution.			
Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none">1. The land is owned by Mr. Geradus Dak from Sedoya Sub Village, who has been handed over to PT SIA, its area has been planted with oil palm at block A701. The matter concerning the reporting of Mr. Bu Hiung to National Land Agency, that is stepping over the SOP. The conflict resolution should be leveling resolution at the sub village, village and sub district taskforce by calling the land boundary witnesses. The company has conducted socialization to the communities and <i>Satuan Pelaksana (Satlak)</i> team at the village level. The company willing to make a participatory settlement, if starting from <i>Satlak</i> of Village level.2. Lack of coordination between replanting contractor with company staff. The location which compiled by Mr. Judah is a replanting area of West Estate, Block A70. The resolution of this conflict has been finished through a compensation agreement. The company also has conducted socialization related to replanting activity to the Himado KUD on 9 February 2016, <i>Satlak</i> and Dewan Adat Dayak on 11 April 2016, Parindu Sub District on 19 April 2016 and all stakeholders on 11 May 2016.			
Correction (filled by organization audited): <ol style="list-style-type: none">1. It has submitted settlement evidence based on Adat dated 11 October 2013 and also response letter to Mr. Bu Hiung by the company dated 1 December 2014 for Mr. Bu Hiung cases.2. It has submitted evidence of settlement and compensation dated 7 September 2016.			
Corrective Action (filled by organization audited) <ol style="list-style-type: none">1. Plantation Services Department (PSD) conducts a socialization to the communities through <i>Satlak</i> Village team related to land dispute resolution procedure every month.2. PSD and plasma teams coordinate with <i>Satlak</i> Village teams before replanting. The replanting will be conducted after the measurement conducted, and then made a trench between HGU and plasma area.			
Assessor Evaluation and Conclusion (filled by auditor): Verification at 17 May 2018 The Certificate Holder was shown several evidence, such as: <ol style="list-style-type: none">4. Minute of meeting measurement and checking location of Mr. Peter Judah at <i>Jangkhuk Poros 2 Empawek to Poros 1 Baharu Binjai</i> dated 7 September 2016. This agreement was signed by both of parties.5. Statement letter by Mr. Judah dated 7 September 2016, he was claim the land on Division 01, Block A702 which has been planted rubber trees witnesses by Head of Baharu Sub Village. There are also attendand list of this meeting.6. Compensation payment dated 5 November 2016 to the land consisting of 30 rubber plants, 12 oil palm plants, 1 clump of sago. It was signed by assistant, manager and landowner.			

Mr. Bu Hiung complaint resolutions:

4. The Customary fine has been conducted dated 11 October 2013 to Mr. Bu Hiung due to illegal harvesting by Mr. Bu Hiung in the HGU area of PT SIA, Block A701/Engkuyit (dated 27 August 2017). The result of the customary meeting is subject of sanction amount IDR 2,210,000. In accordance to minutes of meeting described at point 8 that the status of the land is managed by the PT SIA until further settlement. Point 9 the complaint of Mr. Bu Hiung will be followed up by bringing witnesses of landowner and other parties with time will be coordinated later.
5. Invitation letter by Mr. Bu Hiung dated 30 November 2014, for re-measurement by National Land Agency of Sanggau District on a land certificate (deed of sale and purchase) on behalf Marius Lomon and Piah on 2 December 2014.
6. Plasma Assistant Letter No. 01/KP/XI/WEST/2014 dated 1 December 2014 to Mr. Bu Hiung explained that the company is not willing re-measure with National Land Agency. It cause the location is clearly located within the HGU area of PT SIA. It has been compensated to Mr. Geradus Dak from Sedoya Sub Village. The company requested that Mr. Bu Hiung coordinated with the previous owner (Mr. Geradus Dak) and witness by Satlak Team, Board of Mawang Sub Village and other parties related to the matter. However Mr. Bu Hiung is not willing to confront with Satlak Team.

Auditor Conclusion:

Based on above explanation, this nonconformance has been closed out.

Verified by : Trismadi N

NCR No.	: 2017.09	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: ASA-1.2
NC Grade	: Minor	Date of Closing	: 17 May 2018
Standard Ref. & Requirement	: 2.2.5 For any conflicts or disputes, evidence should be available that the disputed land has been mapped to the adjacent community and local government if necessary).		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> CH can not been able to show a participatory land-disute map for land dispute with villager of Pusat Damai Dusun Bodok.			
Root Cause Analysis <i>(filled by organization audited):</i> The land is owned by Mr. Geradus Dak from Sedoya Sub Village, who has been handed over to PT SIA, its area has been planted with oil palm at block A701. The matter concerning the reporting of Mr. Bu Hiung to National Land Agency, that is stepping over the SOP. The conflict resolution should be leveling resolution at the sub village, village and sub district taskforce by calling the land boundary witnesses. The company has conducted socialization to the communities and <i>Satuan Pelaksana (Satlak)</i> team at the village level. The company willing to make a participatory settlement, if starting from <i>Satlak</i> of Village level.			
Correction <i>(filled by organization audited):</i> It has submitted settlement evidence based on Adat dated 11 October 2013 and also response letter to Mr. Bu Hiung by the company dated 1 December 2014 for Mr. Bu Hiung cases.			
Corrective Action <i>(filled by organization audited)</i> Plantation Services Department (PSD) conducts a socialization to the communities through <i>Satlak</i> Village team related to land dispute resolution procedure every month.			

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification at 17 May 2018

The Certificate Holder was shown several evidence, such as:

1. The Customary fine has been conducted dated 11 October 2013 to Mr. Bu Hiung due to illegal harvestig by Mr. Bu Hiung in the HGU area of PT SIA, Block A701/Engkuyit (dated 27 August 2017). The result of the customary meeting is subject of sanction amount IDR 2,210,000. In accordance to minutes of meeting described at point 8 that the status of the land is managed by the PT SIA until further settlement. Point 9 the complaint of Mr. Bu Hiung will be followed up by bringing witnesses of landowner and other parties with time will be coordinated later.
2. Invitation letter by Mr. Bu Hiung dated 30 November 2014, for re-measurement by National Land Agency of Sanggau District on a land certificate (deed of sale and purchase) on behalf Marius Lomon and Piah on 2 December 2014.
3. Plasma Assistant Letter No. 01/KP/XI/WEST/2014 dated 1 December 2014 to Mr. Bu Hiung explained that the company is not willing re-measure with National Land Agency. It cause the location is clearly located within the HGU area of PT SIA. It has been compensated to Mr. Geradus Dak from Sedoya Sub Village. The company requested that Mr. Bu Hiung coordinated with the previous owner (Mr. Geradus Dak) and witness by Satlak Team, Board of Mawang Sub Village and other parties related to te matter. However Mr. Bu Hiung is not willing to confrontir with Satlak Team.

Auditor Conclusion:

Based on above explanation, this nonconformance has been closed out.

Verified by : **Trismadi N**

NCR No.	:	2017.10	Issued by	:	Dwi Haryati
Date Issued	:	June 2, 2017	Time Limit	:	August 1, 2017
NC Grade	:	Major	Date of Closing	:	July 29, 2017
Standard Ref. & Requirement	:	3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company has not yet shown the long-term (3 year) plan related to the management of smallholders.					
Root Cause Analysis <i>(filled by organization audited):</i> Disapproval in document archiving.					
Verification on July 27, 2017 The document control process of the PIC Plasma (Plasma assistant) needs improvement so that when the assessment can not show the requested data. In fact, the requested document already exists.					
Corrective Action <i>(filled by organization audited):</i> Give PT SIME INDO AGRI longterm bussines plan to auditor. This document also contains long-term plans of East and West Plasma.					
Preventive Action <i>(filled by organization audited):</i> More tidying up this document so that the future will no longer be a finding?. What mechanisms can ensure data is available during audit activities?					
Verification on July 27, 2017 The person who responsible is plasma assistant, should be more thorough with the requested document so that it does not become a non-conformity.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					

Verification on July 24, 2017

The management unit shows the Long Term Business Plan Document 2016/2017 - 2020/2021. The document describes the production of FFB, the percentage of OER, the cost of production, the estimated price, as well as the benefits for estate and plasma scope (West Estate, East Estate, Sei Mawang Estate, West Plasma and East Plasma). This document is endorsed by SOU Chairman 15 PT SIME INDO AGRI.

Verification on July 29, 2017

Based on the evidence shown in the form of improvement in the Root Cause Analysis (email July 28, 2017), then this discrepancy is still declared fulfilled (closed).

The NCR has been fulfilled

Verified by : Dwi Haryati

NCR No.	: 2017.11	Issued by	: Dwi Haryati
Date Issued	: 2 June 2017	Time Limit	: 17 July 2018
NC Grade	: Minor raised to Major	Date of Closing	: 30 July 2018
Standard Ref. & Requirement	4.1.2 (A mechanism to check consistent implementation of procedures shall be in place). There are inspection activities or monitoring activities according to operating procedures at least once a year.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company has not shown sufficient evidence that plasma has been conducted activities of inspection and monitoring of activities (Audit) according to operating procedures at least once a year.			
Root Cause Analysis <i>(filled by organization audited):</i> Results report Internal audit activities by the Himado cooperative Supervisory Agency are not yet available because audit activities have not been carried out during ASA1			
Correction <i>(filled by organization audited):</i> Submission of report on the End of Year Meeting (RAT) of Himado Cooperative which contains the report on the results of the Cooperative supervisory body			
Corrective Action <i>(filled by organization audited)</i> Smallholder and HIMADO Cooperative will send an audit plan or the results of the report of the Cooperative supervisory board the previous year. The internal audit carried out by the supervisory board is carried out every year with the time to be determined by the supervisory board. The audit report is reported in the End of Year Meeting Book (RAT) to all members of the Smallholder HIMADO cooperative			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on May 16, 2018 HIMADO Cooperative has shown the results of the 2017 member meeting held on March 28, 2018. In the report in CHAPTER IV, the results of the supervisory examination have been included, among them are the analysis of financial statements and methods of supervision. However, there is not enough evidence of an examination or monitoring of activities according to operating procedures at least once a year. Thus the non-conformity is declared not fulfilled.			

Status Open

Verification on May 18, 2018

The implementation of internal audit is carried out by the Supervisory Board once every year referring to the Article of Association of the Himado Cooprrative and Law No. 12/1967 which was renewed with Law No. 25 about chapter cooperatives. VI Article 38 paragraphs 1 and 2

It cannot be shown that there is an examination or monitoring of activities according to operating procedures at least once a year. Non-conformities are declared as not yet fulfilled. Minor Raised to Major

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2017.12	Issued by	: Dwi Haryati
Date Issued	: 2 June 2017	Time Limit	: ASA-1.2
NC Grade	: Minor	Date of Closing	: 18 May 2018
Standard Ref. & Requirement	: 4.2.3 Recorded soil analysis, leaf and visual activities are regularly available		
Non-Conformance Description & Evidence observed (filled by auditor): Plasma has not shown sufficient evidence of regular recording of soil, leaf and visual analysis activities.			
Root Cause Analysis (filled by organization audited): Smallholder does not carry out leaf and soil sampling units because they are located side by side with the owned plantation of PT Sime Indo Agro. So that for manuring recommendations both in the owned plantation and smallholder are the same.			
Correction (filled by organization audited): Submit the results of Leaf and Soil Sampling Unit PT SIA to the Auditor.			
Corrective Action (filled by organization audited) Smallholder and Cooperative Himado will coordinate with MRC regarding the implementation of soil and leaf analysis activities. The responsible officer from plasma is Mr. Gusti Darmudin and Mr Tamui as Plasma Assistant while from Himado Cooperative is Mr. Rahmat as Cooperative employee.			
Assessor Evaluation and Conclusion (filled by auditor): Verification May 17, 2018 Based on the statement from the MRC it is known that the smallholder and owned estate are side by side then the results of the analysis of soil and leaves carried out for the owned plantation have represented smallholder. Manuring recommendations made for owned estate will also be adopted by smallholder. The company shows the results of semi-detailed land surveys for the period 2017-2022 conducted by Minamas Research Center in February 2017. The implementation of leaf analysis and soil analysis for both of the owned plantation and smallholder are carried out together. In accordance with the procedure, the period of soil samples is five years, while the period of sampling of leaves is once a year. Based on the description above, it can be concluded that both the owned plantation and smallholder have recorded soil and leaf analysis activities. Proof of improvement has been received but additional information is needed in the corrective action section. Non-conformities are declared as not yet fulfilled. Status Open			

Verification on May 18, 2018

The responsible officer of smallholder is Mr Gusti Darmudin and Mr Tamui as smallholder assistant. whereas from Cooperative Himado is Mr. Rahmat as an employee of Himado cooperative. The three officers have the responsibility to communication with the MRC in relation to soil and leaf analysis activities and the preparation of manuring recommendations.

Based on the verification of root causes analysis, corrections, and corrective actions as well as proof of improvement provided the non-conformity is stated to have been fulfilled. Status Close

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2017.13	Issued by	: Dwi Haryati
Date Issued	: June 2, 2017	Time Limit	: August 1, 2017
NC Grade	: Major	Date of Closing	: July 29, 2017
Standard Ref. & Requirement	4.3.1 Maps of any fragile soils shall be available		
Non-Conformance Description & Evidence observed (filled by auditor): Management of smallholdings cannot show sufficient evidence of the availability of land maps that explain the existence of marginal soil and critical soil.			
Root Cause Analysis (filled by organization audited): At the time of assessment activities, the latest Land Survey report does not yet exist in PT SIME INDO AGRI.			
Verification on July 27, 2017 the land survey report is still in the drafting stage by the MRC Team so it can not be shown yet.			
Corrective Action (filled by organization audited): Submit document of PT SIME INDO AGRI land survey report which contained plasma land information.			
Preventive Action (filled by organization audited): For the next assessment more neatly in the preparation of documents so that when the audit activities conducted this finding is not repeated.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on July 24, 2017 The management unit show semi-detailed soil survey documents and land suitability for oil palm planting period 2017 - 2022. The document describes information on plasma.			
Verification on July 29, 2017 Based on the evidence of compliance indicated in the form of evaluation of the root cause analysis (email July 28, 2017), no incompatibility. 2017.13 is declared fulfilled (closed). The NCR has been fulfilled			
Verified by	: Dwi Haryati		

NCR No.	: 2017.14	Issued by	: Dwi Haryati
Date Issued	: 2 June 2017	Time Limit	: ASA-1.2
NC Grade	: Minor	Date of Closing	: 18 May 2018

Standard Ref. & Requirement	: 4.3.3 Road maintenance programs should be available.
Non-Conformance Description & Evidence observed <i>(filled by auditor)</i> : <ul style="list-style-type: none"> - Based on the auditor's field visit at the East Estate, the access road to the boundary is still very limited in terms of road maintenance. In this case the company has not shown any evidence on the road maintenance program at East Estate. - Besides Plasma also has not shown program related to road maintenance. 	
Root Cause Analysis <i>(filled by organization audited)</i> : 1. The East Estate road maintenance program is listed in the MMCM only when the audit activity cannot be fully demonstrated so that the plasma has not been covered 2. The smallholder and owned plantation area of PT SIA is mostly adjacent so that the owned plantation road maintenance program includes smallholder roads. In addition, the owned plantation of PT SIA always helps repair if there is a Plasma who needs assistance with road repairs (urgent condition).	
Correction <i>(filled by organization audited)</i> : 1. Submit documents for the East Estate Road Maintenance Program 2017 - 2018 2. Submit CSR documents 2017 - 2018 which contain road improvement activities 3. A smallholder road maintenance program bordering the owned plantation is combined with the owned plantation. For smallholder road maintenance programs that are not adjacent to the owned plantation road maintenance program are included in CSR	
Corrective Action <i>(filled by organization audited)</i> In order to avoid this finding again, PT SIA Management is committed to always running road improvement programs as planned. Routine evaluations will be conducted every month by Mr. Albinus Aba as Traction Foreman	
Assessor Evaluation and Conclusion <i>(filled by auditor)</i> Verification on May 17, 2018 The company shows the program and realization of road maintenance listed in MMCM for April 2018 period. In this document there is information on the realization of road maintenance until April 2018 is 93,321 m for West estate and 35,787 m for east estate. Additional information is needed in the root cause analysis, corrections, and corrective actions so that non-conformities are declared as not yet fulfilled. Status Open Verification on May 18, 2018 The smallholder road maintenance program bordering the owned plantation is combined with the owned plantation program. For smallholder road maintenance programs that are not adjacent to the owned plantation, road maintenance program are included in CSR. There is a routine evaluation of road conditions carried out by the traction foreman. Based on the root cause analysis, corrections, and corrective actions that have been given nonconformities are stated to be fulfilled. Status Close	
Verified by	: Andi Pratama Pasaribu

NCR No.	: 2017.15	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017

NC Grade	:	Major	Date of Closing	:	29 August 2017
Standard Ref. & Requirement	:	4.4.2. Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.			
Non-Conformance Description & Evidence observed (filled by auditor):					
Based on a field visit at Kondot Riparian area Block A708 Division 2 (Areal Replanting) West Estate it is known that the Palm oil is left only one stem with spacing less than 50 meters. It does not comply with SOPs for River / Wastewater Management (DAS) and conservation areas with document number 15 / PT SIA / 2009. Based on the above explanation, this Indicator is become Nonconformance with NCR No.2017.15 with Major category.					
Root Cause Analysis (filled by organization audited):					
Lack of knowledge of SOP and inappropriate communication with AKSENTA TEAM in treating the Konua river border (Kondot).					
Corrective Action (filled by organization audited):					
1. Submit Document Memo from WSE Manager regarding direction of not doing fertilizer and spraying in Konua River Area (Kondot) block A708. 2. Submitting program documents indicating that there is no spraying chemist activity and fertilizing in Konua River area (Kondot) Block A708. 3. Send documentation photos of the bufferzone area marking (50 meters to the right and left) of the Konua river (Kondot).					
For the Revitalization Plan for riparian areas, west estate management has identified the buffer zone area in WSE replanting activities. Revitalization plan by planting tree of tengkawang and belian (program attached).					
Preventive Action (filled by organization audited):					
Assistant Division 2 WSE, will carry out the instructions from the WSE's manager on this matter. WSE management has identified the buffer zone again before doing the replanting and revitalizing the buffer zone with the existing SOP or regulation.					
Assessor Evaluation and Conclusion (filled by auditor):					
Verification, 2 August 2017. The company shows documentation marking the 50-meter boundary right-left of the Kondot river border with yellow-colored wood, and available memos by the West Estate Manager explaining regarding for not doing fertilizer and spray work in HCV area of Kondot River Block A708.					
Verification, 7 August 2017. The company has showed evidence of a revitalization plan of buffer zone in the replanting area by planting Tengkawang and Belian / iron wood as many as 213 staples.					
Field verification, 29 August 2017. Based on field observations to the Kondot river border, the spray boundary marking has been done as wide as 50 M from the river bank. Planting is not done on the area but left to be a border area of the river. The planting of woody					

plants has been planned and while it is in the process of nurseries.



The corrective action is acceptable and otherwise compliance and will be observed during ASA 2.

Verified by : **Brigitta Prita**

NCR No.	:	2017.16	Issued by	:	Dwi Haryati
Date Issued	:	June 2, 2017	Time Limit	:	August 1, 2017
NC Grade	:	Major	Date of Closing	:	August 30, 2017
Standard Ref. & Requirement	:	4.5.1 Implementation of Integrated Pest Management plans shall be monitored			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The East Estate and Plasma management units have not shown sufficient evidence of the implementation of Integrated Pest Management (IPM)					
Root Cause Analysis <i>(filled by organization audited):</i> Document archiving is not so neat that when auditors do audit documents have not been found.					
Corrective Action <i>(filled by organization audited)</i> Submit the document of IPM in the form of planting of beneficial plant on mature block. Submit the document of East estate progress replanting containing the planting beneficial plant program at the replanting area, cover crop plant breeding in the replanting area and chipping and debolling activities that function as a biologic way to suppress the development of horn beetles and the prevention of ganoderma diseases.					
Verification on August 1, 2017 1. Realization and integrated pest and disease control program 2017-2018 East Estate 2. Identification of potential pests and diseases of PT Sime Indo Agri.					
Preventive Action <i>(filled by organization audited):</i> Coordination in document collection will be further improved so that when assessment it does not happen again.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on July 24, 2017 Plasma management shows beneficial plant growth documentation (Turnera sp, Cassia cobanensis, and Neprolephis sp) in 2016-2017. The document describes the hectare plant, actual plant, planting site from July 2016 to June 2017.					

Based on evidence of improvements submitted, there is insufficient demand for indicators to explain:

- IPM program for the current year.
- Identification of potential pests
- Realization of IPM program for the current year.

Based on the evidence of improvement shown, then the non-conformity No. 2017.18. stated not yet fulfilled (open).

Verification on August 8, 2017

The company shows document-enhanced improvements:

- Identification of potential pest of PT SIME INDO AGRI 2016-2017 informing about pest type, type of monitoring, and evaluation.
- Program and realization of beneficial plant planting in 2017-2018 (Turnera sp, Cassia cobanensis, and Neprolephis).

Based on the evidence presented, please provide an explanation of the summary results of the EWS census of potential estate and plasma pests.

So the incompatibility of 2017.16 is not fulfilled yet (Open).

Verification on August 30, 2017

The company showed a pest and disease control report conducted in June 2016. The report explained that there were no attacks from pests and diseases. However, the company has implemented beneficial plants such as Turnera subulata planting of 1,500.00 m or 0.35 m / ha.

Pest and Disease control programs have been documented in the Pest & Disease document (No. 9XX / PTK-HPT / 2004 policy.

- a. Handling of Caterpillar Flies and Caterpillar Bags monitored daily by Mantri Hama.
- b. Handling of Rat Pests
- c. Handling of Oryctes
- d. Handling of Termite Pest with rotation as much as 1-2 times a week for spraying insecticide.
- e. And others.

Based on the above explanation, indicator 4.5.1 is stated fulfilled.

Verified by : **Dwi Haryati**

NCR No.	: 2017.17	Issued by	: Dwi Haryati
Date Issued	: 2 June 2017	Time Limit	: ASA 1.2
NC Grade	: Minor	Date of Closing	: 18 May 2018
Standard Ref. & Requirement	4.5.2 There should be evidence of Integrated Pest Management (IPM) training records		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company has not shown enough evidence of integrated Pest training for core and plasma plantations.			
Root Cause Analysis <i>(filled by organization audited):</i> The realization of owned plantation and smallholder Integrated Pest Management (IPM) training has not been implemented when the auditor's activities take place because they have not entered the training period			
Correction <i>(filled by organization audited):</i> Carry out owned plantation and smallholder IPM training and submit training minutes. Put IPM training programs into annual training programs such as training programs for the period 2017 - 2018			
Corrective Action <i>(filled by organization audited)</i> Routinely carry out every year about this training so that each employee can be identified according to their work			

Assessor Evaluation and Conclusion *(filled by auditor)*
Verification on May 17, 2018

The company has shown the minutes of meeting of Integrated Pest Management training (both of owned plantation and smallholder) held on June 14, 2017 followed by 63 people from representatives of farmers and owned plantation. The training materials included beneficial plants, the use of barn owl as natural predators, and the use of ferotrap to control horn beetles.

Proof of improvement has been received but additional information is needed in the root cause analysis so that inconsistencies are declared not fulfilled. Status Open

Verification on May 18, 2018

Proof of improvement has been received but additional information is needed in the root cause analysis so that inconsistencies are declared not fulfilled. Status Open

Based on root cause analysis, correction, and corrective action the non-conformity is stated as fulfilled. Status Close

Diverifikasi oleh : **Andi Pratama Pasaribu**

NCR No.	: 2017.18	Issued by	: Dwi Haryati
Date Issued	: June 2, 2017	Time Limit	: 1 Agustus 2017
NC Grade	: Major	Date of Closing	: 29 Agustus 2017
Standard Ref. & Requirement	4.6.1 Justification of all pesticide used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on interviews with landowner farmers, Dusun Empawek Farmer Group, plot no.1. Described by the land owner that spray activity is done by the farmer owning the land itself with a self-determined dose. While all expanses are sprayed without seeing the type of weeds according to the type of active ingredients contained in these chemicals. In this case KUD Himado has not been able to show evidence of weed control in accordance with the target species and pay attention to the impact on species outside the target.			
Root Cause Analysis <i>(filled by organization audited):</i> Information dissemination to plasma farmers about the procedures for the use and management of pesticides to some smallholders.			
Corrective Action <i>(filled by organization audited)</i> Recall by socializing the plasma farmers that have been done on July 12, 2017. About the procedures for the use of pesticides and the handling of poisoning on pesticide applicators in case of poisoning. Sends the minutes of the socialization meeting about this to the auditor. Please indicate that the correction indicated may refer to the appraisal and verification evaluation below.			
Preventive Action <i>(filled by organization audited):</i> In order for these findings to not recur, plasma management will continue to socialize to the smallholders of farmers about the handling of pesticides and the first aid procedures for pesticide applicators indicated to be poisoned. Socialization will be routinely carried out in the field or done regularly scheduled every semester.			

How about farmers' understanding of the types of pesticides that can be used and target species based on the type of pesticide used

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

Verification on July 24, 2017

Plasma management showed evidence of improvement in the form of training notulensi and socialization to the plasma farmers of PT SIME INDO AGRI SOU 15 in KUD Himado office on July 12, 2017 and attended by 39 plasma farmers. Socialization activities are one of them explained about the use of pesticides and pesisida handling according to SOP Minamas.

Based on the evidence shown, it has not yet explained about:

Types of pesticides permitted for plasma farmers.

1. Target species based on the type of pesticide used along with its recommendations.
2. Based on the evidence of improvement shown, the mismatch of 2017.20 is stated not yet fulfilled (open).
3. Improvements to these nonconformities are recommended for field verification again.

Verification on August 29, 2017

The Company shows the pesticide recommendations in the Plasma area of 2017-2018 approved by Plasma & Plasma Assistant Manager on July 2, 2017, among others:

pesticides	Chemical	Unit	Doses	Target
Thiram	Thiram	Kg	1 gr/ liter air	insects
Amistartop	Azoxystrobin	Liter	2 cc/ liter air	Curvularia sp
Antrocoal	Propineb	Kg	2 cc/liter air	Curvularia sp
Kenlon	Triclopyr butoxy-ethyl ester	Liter	1 liter/19 liter solar	Wide leaved weeds and wooden
Ally	Metsulfuron methyl	Kg	3 gr/pump	Wide leaved weeds and wooden
Supremo 41.0	Glyphosate	Liter	120 ml/pump	Weed narrow leaves
Round up	Glyphosate	Liter	120 ml/pump	Narrow leaved weeds
Audit	Glyphosate	Liter	90 ml/16 liter air	Narrow leaved weeds
Ken UP	Glyphosate	Liter	120 ml/16 liter air	Narrow leaved weeds
Cythrion	Cypermethrin	Liter	320 ml/pump	Horn Beetle
Racumin	Coumatetralyl	Kg	1 butir/pokok	rat
Basta	Glufosinate ammonium	Liter	320 ml/16 liter air	Narrow leaved weeds

In addition, field observation Block 29 West Plasma, known farmers sprayer using Round UP pesticide with a dose of 120 ml / pump to eradicate narrow leaf weeds.

Based on the above explanation then Indicator 4.6.1 stated fulfilled.

The NCR has been fulfilled

Verified by : **Dwi Haryati, Sandra**

NCR No.	: 2017.19	Issued by	: Dwi Haryati
Date Issued	: June 2, 2017	Time Limit	: August 1, 2017
NC Grade	: Major	Date of Closing	: August 30, 2017
Standard Ref. & Requirement	: 4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of		

	pesticides, except in specific situations identified in national Best Practice guidelines.
Non-Conformance Description & Evidence observed (filled by auditor): Based on field visit in ESE blocking area East - S 908 block was applied spraying application of horn beetle pest (Oryctes) by using pesticide with active ingredient of cypermethrin preventively. However, the company has not been able to provide the justification of pesticide application which is done by preventive	
Root Cause Analysis (filled by organization audited): The preventive use of cypermethrin is a recommendation from the MRC (minamas research center), carried out on the replanting area indicated by horn beetle pest and egg / larva horn beetle in high attack rate. In the program document shown to the auditor has not included the justification for not getting the information from the MRC	
Corrective Action (filled by organization audited): Establish justification based on MRC recommendations and census results conducted with respect to the use of cypermethrin for preventive.	
Preventive Action (filled by organization audited): Furthermore, for each action the chemical application will be justified by the estate manager of each unit, this is in accordance with the description of the estate manager, including coordinating with the MRC if there is less obvious info.	
Assessor Evaluation and Conclusion (filled by auditor): Verification on August 30, 2017 The Company has presented a document outlining the explanation and justification of the use of cypermethrin for the horn beetle preventive activity at the East Estate. In the document it was stated that the use of TBM replanting area for 2016 planting was done following the recommendation of MRC with the explanation that the provision of 156 kg / 25 tons / ha) which gives rise to potential pest of horn beetle. In addition, based on the results of the census on the symptoms of attacks in the adult phase is still below but in the larval phase / eggs have shown a fairly high attack. There is a census recapitulation and control of the oryctes period of 2017 which informs the extent of the adult phase attack and the number of larvae per stem. Where for example for field 16S910 the number of larvae reaches 65 / palm staple. Based on the explanation and the documents indicated, the discrepancies are met. The NCR has been fulfilled	
Verified by	: Sandra Purba

NCR No.	: 2017.20	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	4.6.6 Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).		

Non-Conformance Description & Evidence observed (filled by auditor):

Based on field visits and interviews with smallholders, waste of pesticide packaging is buried or burned. This is not in accordance with Government Regulation No.101 of 2014 concerning hazardous waste management. Based on the above explanation, this indicator is **Nonconformance NCR No.2017.20 with Major category.**

Root Cause Analysis (filled by organization audited):

The information provided by plasma management on previous occasions has not reached the smallholders interviewed.

Corrective Action (filled by organization audited):

Plasma management socialization to smallholder's representatives on the handling of hazardous waste and other agrochemicals according to Minamas SOP.

Preventive Action (filled by organization audited):

There was conducted socialization on July 12, 2017 on how to handle hazardous waste and other agrochemicals according to Minamas SOP. On another occasion, plasma management will continue to attempt to discipline monitored smallholders using pesticides in their work activities in order to deliver hazardous waste packaging to licensed Hazardous Storage at BAF.

Assessor Evaluation and Conclusion (filled by auditor):
Verification, 21 July 2017.

The Company showed training and minutes of meeting about the handling of Agrochemicals and the management of hazardous waste especially pesticide packaging and pesticide handling on July 12, 2017 located at KUD Himado Office. The number of smallholders who attended were 39 farmers. Presentation by Plasma Manager and Plasma Assistant (Attendance list and photo available).

Verification, 22 August 2017.

The Company has presented SOP of agrochemical & Non Hazardous Waste Management PT SIA - Plasma with document number 00. SOP was approved on February 8, 2017 by Chairman of KUD Himado. This SOP covers the company's activities on materials acceptance and management of hazardous Waste generated with an integrated management system in use and temporary storage to be safe for the labor and surrounding environment.

Verification, 29 August 2017.

Based on field observations and interviews with spray workers in Block 29 West Plasma note that the former packaging of hazardous waste is collected to the Chairman of Farmers Group then sent to temporary storage hazardous West Estate. Each delivered packaging waste is listed in the hazardous logbook.

Verified by : Brigitta Prita

NCR No.	2017.21	Issued by	Sandra Purba
Date Issued	2 June 2017	Time Limit	1 August 2017

NC Grade	: Major	Date of Closing	: 28 August 2017
Standard Ref. & Requirement	4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The CH has perform the general medical check on 27 July 2016 to all employees included the chemical applicator, however the CH not yet able to show the evidence of specific health checks to determine the levels of chemical exposure to all chemical applicator.			
Root Cause Analysis <i>(filled by organization audited):</i> For periodic physical MCUs have been done but MCU on the level of chemical exposure and audiometry has not been implemented until the audit process takes place. This is because of the difficulty of finding vendors for such checks			
Corrective Action <i>(filled by organization audited):</i> Performing checks on levels of chemical exposure (blood and cholinesterase examinations) to WSE, ESE and Smallholder (KUD Himado) spraying employees and audiometry checks for BAF employees. In the Document "PT SIA recap of the level of chemical exposure and audiometry" there is a "suggestion" column which is a form of evaluation of the examination.			
Preventive Action <i>(filled by organization audited):</i> Contracts with vendors (hospitals) who perform to year checks to be able to perform annual routine checks			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 3 August 2017, The company show the evidence of corrective action, among others: 1. Health examinations to the employee who working in high-risk position of WSE, ESE and BAF employees as many as 160 people. However, no evaluation to the result that indicated by occupational diseases, such as mild restriction, mild deafness and severe obstructive disorders. 2. Approval letter and submission of details of MCU implementation of Plasma employees as much as 50 pax in cooperation with RS Mitra Medika which is planned to be held on 31 July - 1 August, letter of assignment of MCU executor and photo of implementation documentation, but not yet shown the result of examination.			
Verification on 21 August 2017, 1. The Company has shown the evidence of corrective action in the form of recapitulation document of chemical exposure and audiometry level for PT SIA (ESE, WSE and BAF) completed with explanation of conclusion, suggestion and readiness of work. 2. No medical examination results for plasma.			
Verification on 28 August 2017, The company shows the result of medical check up (Spirometry & cholinestrage) for 2017 of 50 Farmers (West & East Plasma) conducted on July 31, 2017 by Mitra Medika Hospital. The result shows 46 participant is normal, 4 participant is need to follow, as described below: 1. Heronimus Heri (medical records No. 00-04-14-32), results of spirometry found that breathing is normal. Result of CHE of 13.173 * U/L (above the reference value of 5.320 - 12.920 U/L). 2. Salehudin (medical record No. 00-04-14-64), results of spirometry examination found that breathing in mild obstruction, diagnosis of asthma, recommended to consultation to lung specialist, and Cholinestration result shows 7,410 U / L (still in the reference value).			

3. Yafet (No. medical record 00-04-14-72) from spirometry examination results found that breathing is in moderately severe restriction, recommended to re-test of spirometry whereas for CHE 15, 305 U / L = Not Normal (above Reference value 5,320 - 12,920 U / L).
4. Apung (medical record 00-04-14-34) spirometry examination (Normal) and CHE of 14,766 U / L = Not normal (Value above 5,320 - 12,920 U / L).

Based on the explanation above, the Company's Doctor has undertaken a follow-up plan for the farmers members, among others:

Heronimus Heri will be re-examined of CHE at 1 year later; Salehudin will be examined to the Lung doctor specialist for more complete examination; Yafet will be checked to the specialist for more complete examination; and Apung will be examined CHE (Cholinestration) at 1 year later.

Based on the above explanation, Indicator 4.6.11 is stated fulfilled with Observation.

Verified by : **Sandra Purba**

NCR No.	: 2017.22	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 3 August 2017
Standard Ref. & Requirement	4.7.1 A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.		
Non-Conformance Description & Evidence observed (filled by auditor):: Himado Cooperative Unit cannot able to shown the OHS policy and its implementation program			
Root Cause Analysis (filled by organization audited): The SOP of document control has not implemented well			
Corrective Action (filled by organization audited): Shows the policy and program of OHS aspect of KUD Himado to the auditor Re-arrange the RSPO application documents for KUD Himado and assign the officer responsible for that matter			
Preventive Action (filled by organization audited): Re-arrange the RSPO application documents for KUD Himado and assign the officer responsible for that matter			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 25 July 2017, It has been shown the corrective action such as document of OHS policy of KUD Himado that has been approved by Smallholder Scheme Manager , as well as OHS program for period of 2016-2017 (4 activity). Verification on 1 August 2017, It has been shown the corrective action evidence such as assignment letter of personnel in charge of OHS document on behalf of Astuti S. Kep, details of job description which one of them is preparing KUD documents if there is ESH audit and RSPO audit, SOP of control document (Dok AI0900, Feb 2017) of KUD Himado as a guide in controlling documents. The corrective action evidence is acceptable and discrepancies are met.			

Verified by	: Sandra Purba
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NCR No.	: 2017.23	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 30 August 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 <i>(filled by auditor):</i> : 1. Risk and hazard has been identified in all operational activities of PT SIA, however: <ul style="list-style-type: none">- BAF cannot able to show the evidence of surveillance of the level of noise exposure of factory employees.- Based on field visit and interview in ESE known that the PPE of <i>cypermethrin</i> applicator taken and washed at employee's home, in regard of this matter the CH cannot able to shown the risk analysis against employees who apply <i>cypermethrin</i>. 2. Himado cooperative unit cannot able to show the result and document of identification and analysis of hazard and risk of its operational activities.			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Previously, the company only conduct physical examination and have not done audiometry inspection due to the difficulty of finding the vendor.- Some workers come from the surrounded village and are not willing to live in the housing provided by the company, and several of them take the PPE home after doing the work- Previously, HIRAC for PT SIA and plasma were combined because the activity was done by the company, after some activities were done by plasma, HIRAC was separated, but the hirac for plasma had not been prepared by KUD.			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">1. Conducting the audiometry test, evaluating the result and following up the result that indicated exposure to noise2. Provide the facility for keeping/stored PPE, compile the SOP and routinely socialize to the workers every morning muster activity3. Compile the HIRAC by the KUD Himado for all operational activities and socialize to the farmers and workers			
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">1. Factory Management with PIC Safety Officer will continuously update the OHS-related socialization.2. Improved supervision by managers, assistants, and foremen on the implementation of spraying activities to prevent repetition3. Document archiving will be arranged by a Head Adm and a plasma assistant.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 31 July 2017, The company shows the corrective evidence, such as: <ul style="list-style-type: none">- Inter-office mail on 17 Juni 2017 No.: 272/PT SIA Mill/VI/2017 on PPE use in the high-noise areaduring work- Minute of training regarding to the spraying system, MSDS, first aid and best practice for spraying as well as socialize the HIRAC document However, there is no document of HIRAC for KUD Himado.			
Verification on 3 August 2017, The Company shows evidence of improvements including:			

Results of medical examinations for employees who working in high risk areas of WSE, ESE and BAF as many as 160 people.

Verification on 28 August and 30 August 2017 (field observatio on major NC),

1. High-risk employee health examinations of WSE, ESE and BAF employees working in high-risk jobs as many as 160 people. And has included the results of the evaluation of the company doctor for the results indicated exposure. For employees indicated by exposure to noise and dust, re-examination and consultation by a company doctor, and the results indicate that there is consistent lack of results, inflammatory infections and allergies (not occupational-diseases)
2. HIRAC has been shown for cypermethrin spraying activities, described in the risk control column that all sprays are given extra-fooding (milk) before work, perform body cleansing and all PPE is stored in the facilities provided. Storage facilities for cypermethryn spray PPE equipment are available in the ESE warehouse area, and based on interviews with the foreman and warehouse officer mention that all PPE is stored at the facility after spraying is complete.

Interview with cypermethrin sprayer during major verification at ESE states that at present all PPEs should not be taken home and should be stored in the facilities provided.



3. Can be shown the report of risk identification for KUD Himado, all activities categorized into the activity of mature crop, consisting of: fertilizer, pruning, spraying, road maintenance and harvest. The items identified are: activity type, hazard, effect (ExP), risk control, PIC and residual risk. Farmer understanding will be observed during ASA-2.

Based on above explanation, the NC stated fulfilled and will be observed on next surveillance

Verified by : Sandra

NCR No.	: 2017.24	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 1 August 2017
Standard Ref. & Requirement	4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
Non-Conformance Description & Evidence observed (filled by auditor): The CH has been provide the OHS training to employees of WSE and BAF, however, both of ESE and Himado Cooperative Unit cannot able to show the evidence of OHS training to its employees.			
Root Cause Analysis (filled by organization audited): Incompleteness in document retention by Safety Officer of ESE as PIC. This is due to the Safety Officer does not run SOP Document control in good manner.			

Corrective Action *(filled by organization audited):*

1. Shows the documents of the minutes of safety townhall in the ESE followed by ESE and Plasma employees, along with the list of participants
2. Show minutes of ESE first aid training on November 2016
3. Shows the training document fire fighting and first aid for PT SIA and Plasma
6. Shows ESE and Plasma ESH program documents
2. SOP Document Control SOP of PT SIA Plasma

Preventive Action *(filled by organization audited):*

The OHS expert of ESE will be reasserted and re-trained to better manage the files. The mechanism to make sure the document has been neat is to run a Document Control SOP so that the document is well controlled and easy to find when needed.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 25 July 2017,

Has been showed the evidence of corrective action, such as:

1. Report of safety town hall 4.0 of WSE on 20 and 23 Feb 2017 on OHS socialization
2. List of attendances of fire fighting training and first aid training in BAF
3. Minute of first aid training in ESE on 25 Nov 2016, 33 participant
4. Training material of safety town hall
5. Training and drill of first aid in BAF

Verification 31 July 2017,

Has been shown the corrective action evidence, namely:

- List of attendance of safety training and safety townhall in WSE
- OHS training program for ESE and Plasma

Verification on 1 August 2017,

Has been shown the corrective action evidence, such as:

- Report of training and drill on first aid on 8 May 2017, as much as 34 participant (all foreman) and list of attendances
- SOP of document control No. AI0900

Corrective action is acceptable and will be re-observed at the next assessment (Closed with observation).

Verified by : **Sandra Purba**

NCR No.	: 2017.25	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 16 August 2017
Standard Ref. & Requirement	4.7.4 The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues		
Non-Conformance Description & Evidence observed (filled by auditor):: Himado cooperative unit cannot provide the evidence of appointment of OHS personnel in charge and the evidence of its meeting in a regular basis			
Root Cause Analysis (filled by organization audited): At the time of the audit, the KUD Himado not yet assign the OHS officer, it was due to the there is no personnel who have competence.			

Corrective Action <i>(filled by organization audited):</i> 1. Melakukan penunjukan Safety Officer yang bertanggungjawab terhadap kegiatan K3 dan menjadwalkan pertemuan berkala mengenai pembahasan K3. 2. Bukti pertemuan berkala yang masih dijadwalkan oleh pengurus KUD (sebelum penunjukan Safety Officer) 3. Set an OHS meeting schedule for KUD Himado	
Preventive Action <i>(filled by organization audited):</i> 1. Chairman of KUD ensure Safety Officer do the job well and correctly 2. Always archive periodic meetings of P2K3 meetings	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 31 July 2017, KUD Himado showed evidence of correction, namely assignment letter on behalf of Astuti S.Kep as OSH officer responsible in the case of OHS on June 28, 2017 and show evidence of meeting on March 23, 2017 Verification on 16 August 2017, KUD Himado shows the agenda of the monthly regular meeting of OHS period 2017/2018. Based on the above mismatch can be stated closed with observation.	
Verified by :	Sandra Purba

NCR No. :	2017.26	Issued by :	Sandra Purba
Date Issued :	2 June 2017	Time Limit :	17 July 2018
NC Grade :	Minor raised to Major	Date of Closing :	30 July 2018
Standard Ref. & Requirement :	4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on field observation to smallholders for example KT 1, Kavling 1, Empawek village and document verification known that the Cooperative Unit (HIMADO) cannot provide the evidence of first aid kit provision and its training. ASA-1.2 Based on field visit to the chemical weeding activity in KT-2 Amang known that no first kit available.			
Root Cause Analysis <i>(filled by organization audited):</i> HIMADO Board has been equipped field supervisor with first aid kit, but the person are not in place.			
Correction <i>(filled by organization audited):</i> Ensuring all field supervisor with first aid kit.			
Corrective Action <i>(filled by organization audited)</i> Sending the minutes of meeting of first aid kit handover from certificate holder to the field supervisor of HIMADO Cooperation. It usage will be monitored by ESH officer of HIMADO.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			

Auditor verification on 16 July 2018

Certificate holder has been showed corrective action's evidence such as:

- First aid kit handover to the field supervisor on 25 June 2018.
- First aid kit training for field supervisor on 5 July 2018, attended by 33 person.

Auditor Conclusion on 16 July 2018

Certificate holder has not explained the system to ensuring all first aid kit are in place. There was no spesific appointment to person who take responsibility on that.

So, this non conformance still open.

Auditor verification on 30 July 2018

Certificate holder added the evidence such as appoinment letter and job description of ESH officer of HIMADO.

Auditor Conclusion on 30 July 2018

Based on the evidence that has been showed, this non conformity has been closed. Efectivity of the system will be checked in the next surveillance.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2017.27	Issued by	: Sandra Pubra
Date Issued	: 2 June 2017	Time Limit	: 17 July 2018
NC Grade	: Minor raised to Major	Date of Closing	: 30 July 2018
Standard Ref. & Requirement	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT SIA has been covered its employees entirely in social insurance (health and accident), list and payment receipt can be provided for e.g. for period of April 2017. However, based on document verification known that the freelance as many as 10 workers and contract workers (2 persons) in ESE not yet registered in the insurance.			
Root Cause Analysis <i>(filled by organization audited):</i> All temporary worker still on progress to completed registration requirement during the audit.			
Correction <i>(filled by organization audited):</i> Completed the new list of temporary worker from BAF and ESE that has been registered in worker insurance.			
Corrective Action <i>(filled by organization audited)</i> Ensuring all human resources staff monitored all registration of temporary worker.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor verification on 30 July 2018 Certificate holder has showed the evidence of new list of temporary worker that has been registeren in worker insurance including the slip of payment and member card.			

Auditor Conclusion on 30 July 2018

Based on the evidence that has been showed, this non conformity has been closed. Effectivity of the system will be checked in the next surveillance.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2017.28	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 30 August 2017
Standard Ref. & Requirement	: 4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT SIA (WSE, ESE and BAF) as well as HIMADO Cooperative Unit cannot provide the training program in related to RSPO P&C aspects			
Root Cause Analysis <i>(filled by organization audited):</i> Document archiving has not been neatly arranged, This is because there is no clarity regarding the determination of PIC for training program documentation in Plasma and PT SIA.			
Corrective Action <i>(filled by organization audited):</i> The company and KUD Himado shows the document of training program for farmers, KUD employees and PT SIA employees.			
Preventive Action <i>(filled by organization audited):</i> Determination of PIC for documentation of employee training programs and archiving in accordance with Document Control SOP.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 29 August 2017, The Company shows the program and realization of Plasma training 2017-2018, among others: 1. Socialization of work and safety instructions in July 2017 - June 2018. 2. Training of harvest in July 2017. 3. Quality Training of FFB in July 2017. 4. Training of fertilizer application in september 2017 and February 2018. 5. Pesticide spray training in August 2017 and February 2018. 6. Training of beneficial plant planting in October 2017 and March 2018. 7. U-Shape frondstacking training in November 2017 and May 2018.			
Verification on 30 August 2017, The Company shows the program and realization of training for PT SIA period 2017-2018, among others: 1. Socialization of work and safety instructions in July 2017 - June 2018. 2. Training of harvest in August 2017. 3. Training of FFB Quality in July 2017. 4. Pesticide spray training in April 2018. 5. Training of beneficial plant planting November 2017 6. Training of Leaf Sampling Unit (LSU) 7. SCCS Training in July 2017.			

8. Agrochemical handling training in March 2018.
 9. Separate planting technique training September 2017.
 10. Pealtihan palm oil replanting in September 2017.
 11. U-Shape frondstacking training in January 2018.
 12. Fire and APAR simulations in November 2017 and April 2018.
 13. Townhall Training (K3, Policy Socialization, etc.) in September 2017 and February 2018.
 14. Implementation of the 5S program in May 2018.
- Based on the above explanation, then indicator 4.8.1 stated compliance.

Verified by : **Brigitta Prita**

NCR No.	2017.29	Issued by	Brigitta Prita
Date Issued	2 June 2017	Time Limit	ASA-1.2
NC Grade	Minor	Date of Closing	18 May 2018
Standard Ref. & Requirement	5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance raised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.		
Non-Conformance Description & Evidence observed (filled by auditor): Certificate holder has not been able to show the document of environmental monitoring plan reviewed at least 2 years. Based on the above explanation this indicator is Nonconformance NCR No.2017.29 with Minor category.			
Root Cause Analysis (filled by organization audited): When ASA.1 takes place this document has not been reviewed			
Correction (filled by organization audited): Conduct a review of environmental monitoring plan documents			
Corrective Action (filled by organization audited) <ul style="list-style-type: none"> Submission of environmental monitoring plan documents that have been reviewed to the auditor. Establish a bi-annual review schedule and time. 			
Assessor Evaluation and Conclusion (filled by auditor): Verification May 16 2018 <ul style="list-style-type: none"> The company shows the results of a review of the Social and Environmental monitoring plan conducted in August 2017. Based on the results of a review of the environmental monitoring plan document it is known that all environmental management plans are still appropriate and applicable. <p>Based on the evidence of improvement shown NCR No 2017.29 Closed.</p>			
Verified by	Trismadi Nurbayuto		

NCR No.	2017.30	Issued by	Brigitta Prita
Date Issued	2 Juni 2017	Time Limit	17 July 2018
NC Grade	Minor raised to Major	Date of Closing	30 July 2018

Standard Ref. & Requirement	5.2.5 Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.
Non-Conformance Description & Evidence observed <i>(filled by auditor)</i> : Certificate holder has not shown any evidence of agreement regarding the management of HCV areas in the Sengoret River West Estate that entered the village community.	
Root Cause Analysis <i>(filled by organization audited)</i> : Until ASA 1.2 there was no agreement between the management of PT SIA and the Village Community regarding the management of HCV areas in the Sengoret River.	
Correction <i>(filled by organization audited)</i> : The management of PT SIA along with representatives of KUD HIMADO on Tuesday, July 24, 2018 held a meeting with the management of the Hamlet of Musan, Amang, Tunas Lino, and Amang Kiara to hold a discussion on HCV in the Sengoret River WSE which entered the Village community area (Agreement Points attached).	
Corrective Action <i>(filled by organization audited)</i> : Based on an agreement with the Hamlet management that the Sengoret river flows through, PT SIA Management is committed to continue to maintain HCV in the Sengoret river border (Commitment based on mutual agreement and company SOP regarding HCV) so that HCV sustainability can be maintained.	
Assessor Evaluation and Conclusion <i>(filled by auditor)</i> : Auditor verification July 30, 2018 Minutes of the Agreement on Maintenance of the Sustainability of the buffer zone and the location of High Conservation Values along the Sengoret River Stream which was made on July 24, 2018 with the contents of the agreement. <ul style="list-style-type: none"> - Company and management of Musan Hamlet, Tunas Lino, AMang Kiara, traditional advisers, PT SIA and KUD Himado are committed to maintaining the sustainability of the Zone buffer and HCV locations on the banks of the Sengoret river. - Encourage the community not to conduct activities that damage the environment along the Sengoret river flow such as farming, cutting down trees, polluting chemicals. - Does not poison fish in the river area. - Maintain with the signpost signs that have been installed Based on the evidence of improvement shown NCR No 2017.30 Closed.	
Verified by	Trismadi Nurbayuto

NCR No.	: 2017.31	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: 1 Agustus 2017
NC Grade	: Major	Date of Closing	: 21 July 2017
Standard Ref. & Requirement	5.3.1 A documented identified source of all waste and pollution, shall be available.		
Non-Conformance Description & Evidence observed (<i>filled by auditor</i>):			
KUD Himado has not been able to show identification of sources of waste and documented pollution sources list. This becomes Nonconformance NCR No.2017.31 with Major category .			

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

Sources of waste and pollution KUD Himado not to identify during the audit, because there is no safety officer in KUD who handles the document.

Corrective Action *(filled by organization audited):*

Plasma Management prepares and sends waste and pollution source documents and emissions generated on Plasma activities.

Preventive Action *(filled by organization audited):*

Furthermore, Plasma's assistant as PIC will ensure that this document is available to avoid being a finding during the audit.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification, 21 July 2017.

KUD Himado has shown identification of sources of waste and pollution, among others:

Waste sources	Waste type	Explanation
Car truck	Used oil, filter and battery	Waste is delivered to temporary storage hazardous waste
Heavy equipment		
Spraying of chemicals	Pesticide packing	

Polution sources	Emission sources	Explanation
Truck	CO, CO2	Socialization of energy efficiency improvement
Heavy equipment		
Fertilization	CO2 & NO2	Reduction of urea engagement and replace it with the use of organic fertilizer (Empty fruit bunch).
Spraying of chemicals	NO2	Maximizing IPM activities, planting beneficial plants and reducing pesticides.

Based on the above explanation, the company has shown identification of sources of waste and pollution.

Verification, 30 August 2017.

The company has made additional **Root Cause Analysis** such as KUD Himado has not done identification during the audit, because there is no safety officer in KUD who handles the document.

Verified by : **Brigitta Prita**

NCR No.	:	2017.32	Issued by	:	Brigitta Prita
Date Issued	:	2 June 2017	Time Limit	:	1 August 2017

NC Grade	:	Major	Date of Closing	:	31 July 2017
Standard Ref. & Requirement	:	5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly.			
Non-Conformance Description & Evidence observed (filled by auditor):					
Based on field visits in the Workshop (East Estate) that founds: a. Hazardous waste (Used oil) is stored outside the temporary storage hazardous waste. b. There is no mechanism which govern related management or handling used oil mixed with water.					
Based on the above explanation, this indicator is become Nonconformance NCR No.2017.32 with Major category.					
Root Cause Analysis (filled by organization audited):					
Hazardouse waste (used oil) found during field observation is used new oil. Used ESE oil is delivered to Temporary storage hazardouse waste on May 12, 2017 and new used oil at ESE workshop is delivered on 06 June 2017 (documents attached).					
Corrective Action (filled by organization audited):					
Hazardouse waste management mixed with water is not placed outside the Temporary storage hazardouse waste but still collected and delivered to Temporary storage hazardouse waste. Related to used oil mixed with water there is no problem with Third Party. For manifest from third Party for new hazardouse waste can not be obtained because 3rd Party has not yet carried out transportation. Document, 29 July 2017: 1. Sends the latest minutes of meeting of hazardouse waste. 2. Documentation of former photo where hazardouse waste was found.					
Preventive Action (filled by organization audited):					
ESE management for the future will send used oil to Temporary storage hazardouse waste. Related to the mechanisms governing the management / handling of used oils that are mixed with water in ESE does not exist. For management hazardouse waste Management is only guided by SOP of Management of hazardouse waste and so far there is no problem or rejection when delivery of hazardouse waste by third party and its mechanism if any other contaminant on hazardouse waste then it is considered as hazardouse waste also. But in this case management is committed to this does not happen again.					
In order not to reoccur ESE management will commit to deliver the used oil from the workshop to the Temporary storage hazardouse waste at BAF and ensure the temporary storage of used oil in the workshop is safe from other contaminants.					
Assessor Evaluation and Conclusion (filled by auditor):					
Verification, 12 June 2017. The Company shows the minutes of transporting hazardose waste with number 040 / MKSK / BAP-B3 / V / 2017 dated May 26, 2017 to a third party (PT Mitra Karya Surya Kencana). Type and quantity of hazardouse Waste transported include: Used oil with manifest number AHK0000970 of 5,634 tons.					
Verification, 31 July 2017. The Company shall present the report on the handover of hazaroudse waste dated June 6, 2017 (East Estate) which is sent to hazardouse waste licensed Temporary storage hazardouse waste (Bukit Ajong Mill) such as 120 liters of used					

oil (Evidence photograph attached). In addition, the company shows the news of hazardous waste transport event dated May 26, 2017. Type of hazardous waste that is sent, among others: used oil as much as 5.634 (Number manifest AHK 0000970).

Based on this explanation this is compliance with **observation**.

Verified by : **Brigitta Prita**

NCR No.	: 2017.33	Issued by	: Brigitta Prita
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: July 31, 2017
Standard Ref. & Requirement	5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.		
Non-Conformance Description & Evidence observed (filled by auditor): KUD Himado has not been able to show identification of pollution sources and plan documents to reduce or minimize pollution and emissions. This becomes Nonconformance with NCR No.2017.33 with Minor Category .			
Root Cause Analysis (filled by organization audited): Indicates identification data of hazardous waste and non-hazardous waste PT SIA, Memo appeals for efficient improvement of energy use in Plantation, and document of PT SIA pollution reduction plan.			
Corrective Action (filled by organization audited): 29 July 2017. 1. PIC for Safety Officer KUD HIMADO has been established by KUD (letter of assignment attached). 2. The officer will conducted Control Document SOP.			
Preventive Action (filled by organization audited): The PIC assigned in this case has been established by the SOU chairman is the Safety Officer of each unit. 29 July 2017. 1. Sending the assignment letter of safety officer KUD Himado. 2. Submit job description Safety officer KUD Himado. 3. Supervision and coordination function with Plasma Management is further enhanced about document archiving, while also studying and implementing document control SOPs to make documents more compact and easy to find when needed.			
Assessor Evaluation and Conclusion (filled by auditor): Verification, 19 June 2017. a. The Company has showed the identification of hazardous waste & Non hazardous Waste produced by KUD Himadon for the period of May 2017. b. The Company has presented a memo indicated to the Chairman of KUD on June 5, 2017 regarding the call for increased energy use efficiency in plantation areas by maximizing cargo according to the prevailing rules to be more efficient in the use of diesel. c. The Company has developed plans to reduce sources of pollution, among others, to reduce the use of generators			

in operations, domestic waste disposed to the final shelter, and others.

Verification, July 31, 2017.

The Company has shown the assignment letter on behalf of Astuti S Kep as a member of the supervisor (Employee KUD HIMADO), who serves as Personal Incharge for monitoring activities of pollution sources and emissions on activities in Plasma (KUD Himado).

Based on the above explanation it's can be Compliance.

Verified by : **Brigitta Prita**

NCR No.	2017.34	Issued by	Brigitta Prita
Date Issued	2 June 2017	Time Limit	ASA-1.2
NC Grade	Minor	Date of Closing	17 May 2018
Standard Ref. & Requirement	5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Certificate Holder and KUD HIMADO have not been able to show the Green House Gas (GHG) calculation using Palm GHG Version 3.0.1.			
Root Cause Analysis <i>(filled by organization audited):</i> When the audit takes place the calculations are being finalized, this is due to some lack of data so that the PT SIA GHG calculation has not yet come out.			
Correction <i>(filled by organization audited):</i> 1. Improve the data system flow from the unit to the PSQM unit and the Central PSQM. 2. Submission of PT SIA GHG documents in 2016 and 2017			
Corrective Action <i>(filled by organization audited)</i> The person in charge of this matter is the PSQM unit Muhammad Saidillah whose job is to collect data and forward it to Mr. Dani Ikhsan PSQM Pusat in Jakarta to calculate his GHG.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification, June 19, 2017. The Company has shown the calculation of GHG using Palm GHG Version 3.0.1 for the 2015 calculation period but has not yet shown GHG calculations for the 2016 period. Please send back the GHG calculation for the 2016 period (last 1 year). Verification May 17 2018. The company has shown the calculation of GHG using Palm GHG Version 3.0.1 for the calculation period of 2016, besides that the company shows GHG calculations for the period of 2017, based on evidence of improvements sent by the company, as well as an analysis of the root problems and corrective actions submitted 2017.34 Non-compliance has been met .			
Verified by	Brigitta, Trismadi Nurbayuto		

NCR No.	: 2017.35	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	6.1.3 Plan for avoidance or mitigation of negative impacts and enhance positive impacts based on the results of Social Impact analysis through consultation process with affected, documented and scheduled parties including their implementation responsibilities.		
Non-Conformance Description & Evidence observed (filled by auditor): <p>The CH shows the social and environmental management plan in management review conducted on 8 May 2017. While the results of interviews with the surrounding communities (Maringin Jaya Village, Palem Jaya Village, Dosan Village, Hibun Village, Suka Gerundi Village, Rahayu Village) are identified several issues of Social:</p> <ul style="list-style-type: none"> - Hesitations of the village government to the company against responses from communication/requests for information and assistance. - Lack of company attention in the improvement of village roads and access roads in plasma estates - Inhibited the entry of power plant network of Maringin Jaya Village and Hibun due to land acquisition factor of the company's area. - Public perception related to the understanding of replanting activity must be made a new MOU or re-compensation process - Completion of an agreement regarding the issue of cash village land - Public perception that with the existence of company operations that resulted in the absence of fish in the River Sengoret - Hampered of plasma members in the arrangement of land legal certificate - Not involving the community in preparing the CSR (Community Social Responsibility) program. - information related to job vacancy to surrounding community - Concerns over plasma land replanting then people's income will decrease <p>So in this case there are still social issues of the community that have not been identified in the management plan and monitoring of social impacts that have been done by the company. The social management review also has not indicated a scheduled management plan, the executing responsibility and participatory evidence involving the affected parties. KUD Himado also has not been able to show a documented, scheduled management and monitoring plan of social impact and participatory evidence involving the parties.</p>			
Root Cause Analysis (filled by organization audited): <p>The emergence of these issues because of the lack of communication between the management of PT SIA with the village head, but in reality there are some things that are not right that also submitted by the village head.</p> <p>Related management review has committed to meet once every 3 months to the village heads (stakeholders) so that key issues can be recorded and documentation by PT SIA management.</p> <p>The previous social impact monitoring and monitoring plans for previous plasma and KUD documents have not been specially incorporated in the core plans, whereas previously the drafting for core and plasma plans is still based on the SIA reports made by the acc. Communications with stakeholders are routinely conducted but the results are not included in the SIA plan but are managed separately by the company's PSD / public relations.</p>			
Correction (filled by organization audited): <ul style="list-style-type: none"> - Submitting the documents of the meeting with the village heads around PT SIA and in this meeting produced several conclusions 			

- Submit revisions of the results of management meeting of PT SIA with the village head (explained again about not being involved in the preparation of CSR, information on job vacancies, and explanation on income decrease of plasma farmers if Plasma is done replanting).
- Attendance meetings with the village head
- Send social aspect documents in PT SIA Plasma
- Submitting review management documents and PT SIA (core and plasma) social impact plans for 2017-2018
- Submit proof of socialization of replanting documents
- NCR that has been filled in root analysis of the problem, correction and corrective action.
- Shows the recording of participatory activities in the form of questionnaires that have been filled by participants from surrounding villages and KUDs sampamped by the company, formulates the questionnaire results to the positive and negative aspects, prepares a social impact management plan for the negative aspects identified both for core and plasma

Corrective Action (filled by organization audited):

The management of PT SIA is committed to always maintain good relations with stakeholders especially in this case the village head.

Any result of communication with stake holder will be input as input in the preparation of SIA management and will be carried out questionnaire every year to see the growing issues

In SIA's core management plan has been set implementation schedule that is per month, per three months, per 6 months and once a year and responsible person is sr assistant, kasie, EM / FM, PSD.

In the planning of SIA KUD management has been set implementation schedule and responsible that is once a year for all aspects and plasma manager is responsible for all activities.

Assessor Evaluation and Conclusion (filled by auditor):

Verification 24 July 2017

Perusahaan mengadakan pertemuan kembali dengan pihak Desa pada 21 Juli 2017 yang mewakili Desa Rahayu, Maringin Jaya, Palem Jaya, Suka Gerundi, Hibun dan Dosan. Beberapa hasil dari pertemuan tersebut diantaranya terkait komunikasi dan tanggapan dari pihak perusahaan, perbaikan jalan, penumbangan pokok sawit untuk instalasi PLN, dampak replanting, tanah kas desa, analisa lab air sungai sengoret, penyelesaian penerbitan SHM.

The Company held a reunion with the Village on 21 July 2017 representing Desa Rahayu, Maringin Jaya, Palem Jaya, Suka Gerundi, Hibun and Dosan. Some of the results of the meeting are related to communication and responses from the company, road improvements, palm kernel planting for electricity installations, replanting impacts, village cash lands, laboratory analysis of the river water of sengoret, completion of land certificates issuance.

Verification 1 August 2017

The Company shows: Revision of the meeting on July 21, 2017 concerning the concerns of plasma replanting land, the people's income will decrease, the involvement of the community in the preparation of CSR through Musrembang January 20, 2016 and related job vacancy.

The company shows the management of social management review of 2017-2018 that is scheduled, the person in charge of implementation and evidence involves the community dated July 21, 2017, including: education, health, K3, human resources quality and welfare

CH shows the plan of management and monitoring of social impacts of smallholdings. In the plan, it is known that the management and monitoring of social impacts are documented, scheduled and responsible for: monitoring of percentage of local and non-local workforce, livelihoods source questionnaire, monitoring of health service center, household economic change questionnaire, local contracts recap, public perception questionnaire.

Verification 29 August 2017:

The Company has demonstrated evidence of participatory activities in the formulation of a social impacts management and monitoring plan that is a questionnaire filled by participants representing the villages surrounding the plantation.

- Maringin Jaya Village as many as 6 questionnaires collected
- Dosan Village of 12 questionnaires collected
- Palem Jaya Village as many as 4 questionnaires collected
- Hibun villages 4 questionnaires collected
- Rahayu Village 1 questionnaire collected
- Suka Geerundi 1 questionnaire collected
- Kopar Village 2 questionnaires collected
- Bansu Pusat Damai Village 1 questionnaire collected

Based on the questionnaire results, a social impact management plan has been set for the 2017/2018 period, which identifies issues identified during the SIA assessment (from the SIA report) and issues that emerge based on the questionnaire (corporate participatory activities). Based on the document management plan, there are 4 components of issues that arise based on the questionnaire, namely: land clearing activities (shrinking springs and employment opportunities), company operational activities (village access road damaged and public unrest), information demand stakeholders), replanting activities (employment opportunities and community hardship due to lower plasma revenues). The plan is completed with a schedule of execution, responsibility and specific units.

It can be shown the recording of participatory activities in the form of questionnaires for the preparation of social impact management plan KUD Himado, participants consisted of members of farmers and non members of farmers with a total of 31 people. It can be shown that the social impact management plan for KUD Himado consists of components: employment, new livelihoods, public health, home economics, new employment and community perceptions (positive and negative views on KUD operations and company operations). The plan has been accompanied by a schedule and the implementing PIC for each issue, which is responsible for the overall plasma manager.



Based on the evidences, NC are Closed

Verified by : Leo & Sandra			
Diverifikasi oleh			
NCR No.	: 2017.36	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 17 July 2018
NC Grade	: Minor raised to major	Date of Closing	: 7 July 2018
Standard Ref. & Requirement	6.1.4 The Plans shall be reviewed for at least 2 years. If necessary, the plan should be improved. There should be evidence that the review process involves the participation of all affected parties.		
Non-Conformance Description & Evidence observed (filled by auditor): The management review company conducted on May 8, 2017. However, the review management has not shown participatory evidence involving the affected parties.			
Root Cause Analysis (filled by organization audited): A review has not been carried out on this matter when ASA-1 activities take place			
Correction (filled by organization audited): 1. A meeting is held involving the community represented by the village head 2. The happiness of internal and external questionnaires 3. Submission of PT SIA social plan documents for 2017 - 2019			
Corrective Action (filled by organization audited) Furthermore, the Management of PT SIA is committed to always maintaining good relations with stakeholders, especially in this case the village head, as well as involving stakeholders in the social planning of the PT SIA company. The review mechanism that was carried out was through the method of meeting and distributing questionnaires involving the surrounding community. Then followed by an internal meeting of the company by the Management and Team of the RSPO PT. SIA. The responsible officer was the Legal and Social Team chaired by Mr. Arsenius Arsen.			
Assessor Evaluation and Conclusion (filled by auditor): Verification May 15 2018 The company shows some proof of improvement as follows:			
1. Questionnaire on social and environmental impacts to the community of Engkalau Hamlet, Rahayu Village; Baharu Binjai Hamlet, Suka Gerundi Village; Amang Hamlet, Palem Jaya Village; Gok Nala Hamlet, Dosan Village; Engkayuk Hamlet, Maringin Jaya Village; Sepaya Hamlet, Dosan Village; Dusun Emperiuk, Dosan Village; Serosat Sub Village, vHibun Village; Engkalet Village, Hibun Village; Kopar Village has 31 respondents for the core scope and 31 respondents for the plasma scope; discusses the social impact of the existence of KUD to: land depreciation, increased employment opportunities, increased family economic capacity, improvement of village / village infrastructure, increased insight into oil palm plantations, decreased quantity and quality of clean water sources. 2. Letter from the Chair of SOU 15b No. 019 / PT.SIA-BAF / INT / XII / 2016 dated 21 July 2017 to six Village Heads (Rahayu Village, Maringin Jaya Village, Palem Jaya Village, Suka Gerundi Village, Hibun Village, and Dosan Village (the attendance list was verified). There are 12 points, for example: related to CSR FY 2017-			

2018 the management of PT SIA will hold talks again with stakeholders around PT SIA which will be conducted in August 2018; PT SIA clarifies that during the 2016-2017 period there is no SKU recruitment; and at this meeting also prepared a review of the Social Plan for the 2017-2018 period.

3. PT SIA's Social Impact Management Plan for the 2017-2018 period which informs about components, impacts, management plans and actions, implementation schedules, responsible parties and units / locations. For example: Land clearing / replanting activities result in shrinking and damage to springs and employment opportunities; The company's operational activities have an impact on the damage to village access roads and public unrest.
4. Update on the Social and Environmental Impact Management Plan for the Period of 2017 - 2019 with a matrix consisting of Unit, Activity, Place and Location, Activity Plan, Responsible Agency, and Timetable. For example:
 1. Internal: related to K3, planned activities: provision of PPE and health check (core); civilizing the use of PPE and health examination program (plasma), the person in charge of the management of the plantation / plasma / factory and the company physician, arranging once every 6 months.
5. Program for handling negative environmental impacts based on SEIA reports (AKSENTA 2010) Period 2017 - 2019. Consists of phases of activities; the impacts that occur (main & derivative); mitigation; action taken. For example:
 2. Lack of involvement of community representatives in the preparation of CSR; Main Impact: (-) negative views on the company; derivative: (-) social conflict; Mitigation: involvement of CSR activities with community representatives; actions taken: musrenbang activities and meetings with village heads.
6. The Social Impact Management Plan for PT SIA's Plasma activities consists of Components, Impacts, Measures and Measures, Monitoring Forms of PICs and Schedules. For example: the form of monitoring that will be carried out is monitoring the percentage of the number of local and non-local workers, questionnaires for increasing community income, monitoring data on health care centers in the company, local SPK recapitulation, and questionnaires to increase positive perception.

Auditor's conclusion:

Not yet able to show time and responsibility for the program to deal with negative environmental impacts based on SEIA (Aksenta 2010) report for the period 2017 - 2019.

Verification July 7 2018

The company shows a program for handling negative environmental impacts based on the SEIA (Aksenta 2010) report for the period 2017 - 2019 which has been shown the time and responsibility, for example:

1. The issue of reducing the quality of clean water sources will be monitored twice a year (November and May). PIC: Hermanus, Trisno Y, Herianto C and Eko Asri.
2. Issues of depreciation in the area of agricultural land: plasma programs have been realized, CSR every year and job openings for the surrounding community. PIC: Arsenius A, Yuliana, Made, Diana.
3. The issue of public perception of replanting activities will reduce the opinion of the surrounding community: there will be socialization regarding replanting activities every 2 times a year. PIC: Iwan S, Arsenius A, Iwan Nuriyanto.

Auditor's conclusion:

Based on evidence of improvements that have been shown, this discrepancy has been fulfilled.

Verified by	: Trismadi N
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NCR No.	: 2017.37	Issued by	: Leonada
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Date Issued	: 2 Juni 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	6.2.1 Communication and consultation procedures should be documented		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> KUD HIMADO has not demonstrated its communication procedures and socialization proof to the affected parties.			
Root Cause Analysis <i>(filled by organization audited):</i> At the time of audit activities carried out SOP has not been prepared and endorsed by Chairman KUD Himado.			
Correction <i>(filled by organization audited):</i> KUD Himado has presented a Complaint Handling SOP approved on 8 February 2017. Socialization has been done by KUD On August 16, 2017 during SIA (Social Impact Assessment) survey activity.			
Corrective Action <i>(filled by organization audited):</i> KUD has implemented Safety Officer as PIC to be responsible for the implementation of the Complaint Handling SOP which has been ratified on 18 February 2017.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification, 29 August 2017. Company shows SOP Complaint handling passed on 8 February 2017 by Chairman of KUD, Vice Chairman and Secretary of KUD. The procedure explains that all letters or complaints / suggestions / aspirations submitted to the operational unit are addressed to the Chairman of KUD Himado; All complaints / suggestions / aspirations that enter the operational unit through Himado KUD secretary collect from incoming letters in the box of suggestions / letters available in every unit once a week are kept confidential and locked. Only the Chairman of KUD, Secretary and Special Officer authorized to open the contents of the box, the box is open every 7 days, the KUD party guarantees the security and confidentiality of the reporter from the parties, either from the employee / community / institution / outside agency regarding reporting general work operational , all complaints / aspirations / suggestions as well as any disputes from the parties will be studied, documented in the public aspiration book (RAM) stored in the Great Office & Division; all responses will be processed and submitted by the Secretary appointed by the Chairman of KUD Himado including holding two meetings and discussions with the reporting party if necessary; incoming complaints / aspirations are studied and answered and followed up by the operational Unit Manager; All responses / aspirations to be sent to the parties must be signed by Chairman of KUD Himado; Management KUD Himado will send an answer letter to the parties as per the content of adequate request; and if there are complaints that can not be answered by the KUD management for instance related to RSPO then the unit management will convey to the RSPO Secretariat through the website www.rspo.org. KUD Himado shows socialization of communication and handling of complaints conducted on August 16, 2017 located in the meeting room KUD Himado. Participants who attended as many as 60 participants consist of chairman of KUD, Safety officer, plasma assistant and plasma farmer. Based on the above explanation, then indicator 6.2.1 is stated fulfilled.			
Verified by	: Brigitta		

NCR No.	: 2017.38	Issued by	: Leonada
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Date Issued	: 2 June 2017	Time Limit	: 17 July 2018
NC Grade	: Minor raised to Major	Date of Closing	: 7 July 2018
Standard Ref. & Requirement	6.2.2 A Management official shall have officers responsible for communication and consultation with the parties.		
Non-Conformance Description & Evidence observed <i>(filled by auditor)</i> : KUD HIMADO has not been able to show the officer responsible for communication.			
Root Cause Analysis <i>(filled by organization audited)</i> : When ASA1 took place, there was no stipulation on the specific responsibility for this. This is because, all levels of Plasma Management and KUD are obliged as communication and consultation officers with the parties.			
Correction <i>(filled by organization audited)</i> : The appointment of special officers was made on August 29, 2017 by the smallholder Manager.			
Corrective Action <i>(filled by organization audited)</i> : Submit a letter stipulating the communication and consultation officer to the auditor. The Pic that has been set binds to the Plasma Assistant, if the person has been transferred, the PIC is automatically fixed by the new plasma assistant.			
Assessor Evaluation and Conclusion <i>(filled by auditor)</i> : Verification May 15 2018 The Company shows Determination Letter The person in charge of handling disputes and plasma consultation of PT SIA and KUD Himado is determined by Br. Gusti Darmudin (Plasma Assistant), this letter was signed by the Plasma Manager. Verification July 7 2018 There is a Letter of Determination for the handling of disputes and consultations as well as KUD Himado communication dated June 8, 2018 to Mr. YE Phosen (Secretary of KUD HIMADO).			
Auditor's conclusion: Based on evidence of improvements that have been shown, this discrepancy has been fulfilled.			
Verified by	: Trismadi N		

NCR No.	: 2017.39	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: ASA-1.2
NC Grade	: Minor	Date of Closing	: 15 May 2018
Standard Ref. & Requirement	6.2.3 A list of stakeholders and have a recording of communications, including confirmation of receipts of records of communications and such attempts made to build understanding of affected parties, and the company has a recording of responses / follow up on input from the parties.		

Non-Conformance Description & Evidence observed (filled by auditor): KUD HIMADO has not shown the list of stakeholders (stakeholders)	
Root Cause Analysis (filled by organization audited): When ASA1 took place, the preparation of stakeholder lists by KUD was not yet available.	
Correction (filled by organization audited): Has made a listing regarding stakeholders by KUD	
Corrective Action (filled by organization audited) Plasma assistants do updates in coordination with KUD administrators every semester.	
Assessor Evaluation and Conclusion (filled by auditor): Verification May 15 2018 The company shows a list of Himado KUD stakeholders consisting of 14 contractors, 21 suppliers, 26 heads of community / village heads / hamlets, 11 government parties, and 4 NGOs. For example: contractor CV Armada Niaga, Supplier: CV Mega Motor, head of Upe Village, Binjai, Palembang; Government: Sanggau Social and Manpower Office, Sanggau National Land Agency; NGO: People's Conscience NGO, Institute of Dayakologi Research and Development, Bela Banua Talino Institute.	
Conclusion: Based on the evidence of the improvements above, the non-conformity has been fulfilled.	
Diverifikasi oleh	: Trismadi N

NCR No.	: 2017.40	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 31 July 2017
Standard Ref. & Requirement	6.3.1 The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle blowers, where requested, as long as that information is supported with adequate initial evidence.		
Non-Conformance Description & Evidence observed (filled by auditor): P KUD HIMADO not yet able to shown the procedure of complain and dispute handling in an effective, timely and appropriate manner and ensuring anonymity of complainants and whistleblowers.			
Root Cause Analysis (filled by organization audited): The lack of preparation of documents in KUD HIMADO so that when the audit is done KUD management can not show the document in question.			
Corrective Action (filled by organization audited): Shows SOP for handling complaints of KUD HIMADO.			
Preventive Action (filled by organization audited): The Chairman of KUD instructed the KUD secretary to better tidy up the documents in KUD HIMADO office and learn more about Control Document SOP for Plasma. So there is no recurrence of such findings.			

Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 31 July 2017, It has been shown that corrective action in the form of SOP for handling complaints for Plasma (KUD Himado) were passed on 8 Feb 2017. It has been explained in connection with the whistleblower and complaints mechanism through the RSPO website. The NC stated closed with observation	
Verified by	: Sandra Purba

NCR No.	: 2017.41	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	: 6.3.2 There shall be records of process and outcome of dispute resolution.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> KUD HIMADO not yet able to show the records of dispute resolution process and outcome.			
Root Cause Analysis <i>(filled by organization audited):</i> At the audit of KUD HIMADO, a reconciliation document has not been found since the PIC assigned to file archiving at KUD HIMADO is not in place.			
Corrective Action <i>(filled by organization audited):</i> Shows the document of conflict reconciliation to the auditor, as well as conflict resolution documents and evidence that settlement has been agreed by the parties concerned and deliberations have been implemented			
Preventive Action <i>(filled by organization audited):</i> Establishing coordination mechanisms, and implementing such mechanisms and conducting regular meetings on matters relating to RSPO.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 25 July 2017, KUD Himado can show evidence of corrective action in the form of dispute resolution reports as many as 8 conflicts, but there is no evidence that the settlement has been agreed by the parties concerned, including evidence that the deliberations have been made. Non-compliance has not been met. Verification on 1 August 2017, Conflict resolution documents such as settlement with Jeni, Marsianus and Libertus Sudopo have been presented, with agreement and evidence of compensation to the parties affected. However, there is no evidence of a mechanism ensuring that any audit of conflict-related documents will be available when the audit includes the PIC. Non-conformity is still OPEN. Verification on 29 August 2017, The Company shows a letter stipulating the person in charge of handling the Plasma dispute on behalf of Gusti Darmudin as Plasma Assistant assigned on 29 August 2017 by Plasma Manager. The plasma assistant is responsible			

for the management, handling, completion and monitoring of disputes that occur in the plasma area (KUD Himado). Based on the above explanation, then indicator 6.3.2 otherwise compliance.

Verified by : **Sandra Purba, Brigitta**

NCR No.	: 2017.42	Issued by	: Sandra Purba
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 4 August 2017
Standard Ref. & Requirement	6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): The CH has been defined the wages for 2017 by HR No 004/HRM-i3/I/2017 referring to West Kalimantan Governor decree no 783/Disnakertrans/2016, however based on document verification known that East Estate cannot provide the evidence of wage payment of 10 freelance workers for period of April 2017			
Root Cause Analysis (filled by organization audited): The remuneration document is administered by the HR officer and when the audit is not in place			
Corrective Action (filled by organization audited): Shows documents for wage of freelance employees as many as 10 people Verification on July 29, 2017: 1. Shows payslip evidence for contract employees with specific time in ESE in January - June 2017. 2. Submit a list of ESE employees 3. Submit assignment letter to contract employees who have been appointed to permanent employees.			
Preventive Action (filled by organization audited): Personnel in charge for remuneration will submit documents to the PSQM staff, so that during the audit, the document is ready			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 4 August 2017, Has been sent evidence of improvements include: - Evidence of appointment of freelance employees to permanent employees of 7 persons, eg appointment letter on behalf of Vedrianus Miki, NIK 14215, No. 013 / PT.SIA / EE / 07/2017 dated June 1, 2017, explains the position, class, basic salary and allowances. - Freelancer slip for the period of Jan - Jun 2017 as many as 10 people, wages are paid in accordance with the applicable regulations. - Employee freelance slips that have been appointed to permanent employees' period July 2017. Improvements can be accepted and declared fulfilled.			
Verified by	: Sandra Purba		

NCR No.	: 2017.43	Issued by	: Sandra Purba
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Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 31 July 2017
Standard Ref. & Requirement	6.5.2 Collective Labour Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labour Union to the workers		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <ul style="list-style-type: none">- Based on document verification and interview with labor union of PT SIA states that the collective agreement currently uses has expired since 2009. However the CH not yet able to provide the evidence of collective agreement that still valid and recognized by the labor union.- ESE cannot able to shown the agreement of freelance workers as many as 10 workers- The payment explained in the contract workers agreement in BAF (e.g. contract no. 167/PT.SIA-BAF/II/2017) are the minimum wage per month divided by 30 days (as a daily wage), its not in accordance with governor decree which states that the daily wage is the minimum wage divided by 25 days.			
Root Cause Analysis <i>(filled by organization audited):</i> <ol style="list-style-type: none">1. Since 2009 there has been no request for CLA changes by trade unions.2. Freelance Employee contract documents for ESE during the audit are not found, due to document archiving incompetence.3. Regarding Contractual Agreement Agreement in BAF, the understanding of the labor regulation is still lacking so that there is a mistake.			
Corrective Action <i>(filled by organization audited):</i> <ol style="list-style-type: none">1. Associated with CLA employee negotiations:<ol style="list-style-type: none">a. In May 2017 the draft 1 CLA has been completed by the management of PT SIAb. Furthermore, PT SIA Management sends Draft 1 to HRM for verification.c. Then in June 2017 the draft 1 that has been verified by HRM submitted to the labor uniond. In the period from June to July 2017 unions negotiate among memberse. On 27July 2017 at Hotel Shafira Sanggau held CLA negotiations with trade unions and through discussion, draft approved by union (attached document). Further Management of PT SIA and union to the Office of Social Workers for the endorsement.2. Sending the Freelance ESE employee agreement according to the employee list list and the latest appointment letter of appointment of permanent employee as of 1 June to several freelance employees.3. Related contract employee agreement, for example agreement no 167 / PT.SIA-BAF / I / 2017 has been fixed in month of salary of June 2017 according to the prevailing regulation where wage per mandays is monthly minimum wage divided 25 day (Employee's latest salary contract in BAF June 2017).			
Preventive Action <i>(filled by organization audited):</i> <ol style="list-style-type: none">1. The management of PT SIA will coordinate with the union to negotiate the making of CLA in a timely manner.2. So that the document can be controlled and neat. Section administrators will comply with and implement Document Control SOP.3. Regarding the contract employee agreement, no 167 / PT.SIA-BAF / I / 2017, Management in making the employment agreement, further committed will be more thorough and in accordance with labor regulations.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 31 July 2017. Has been showed the corrective action evidence, namely: <ol style="list-style-type: none">1. A new copy of the CLA for the period 2017-2020 agreed between the employer and the trade union of PT SIA. The minutes of the talks and the order of which were held on July 27, 2017 at the hotel shafira sanggau were attended			

- by 8 representatives of businessmen and 7 union representatives, attendance list and photo documentation of activities.
2. A copy of the appointment decree of the harvester to permanent employees of 6 persons. A copy of the employment agreement of 20 contract employees.
 3. Employee salary slips for 4 people.

Verification, 3 August 2017.

Submitted a proof of corrective action that is the amendment of the employment agreement on behalf of Mira (contract), No. 002 / PT.SIA-BAF / VII / 2017 dated July 1, 2017 which has explained the wage system in accordance with applicable regulations. Non-compliance has been met.

Verified by : **Sandra Purba**

NCR No.	: 2017.44	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	SCCS 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.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Pe CH has not been able to show the realization of CPO and PK products during the license certificate period (18 July 2016 – 17 July 2017).			
Root Cause Analysis <i>(filled by organization audited):</i> During the audit process the data is being prepared and adjusted between RSPO certified products and Non RSPO			
Correction <i>(filled by organization audited):</i> Shows the tonnage calculations of TBS, CPO, and PK that are certified RSPO and Non RSPO			
Corrective Action <i>(filled by organization audited):</i> Production clerk officers will always monitor the tonnage of TBS, CPO, and PK which are certified RSPO and Non RSPO every 3 months.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 19 August 2017 The Company shows a quarterly stock mass balance starting July 2016 - June 2017. However, the data does not specify the production of CPO and PK specifically for the certificate period since July 18, 2016 Verification 29 August 2017 (Major verification) The Company has presented its mass balance report on a quarterly basis from July 18, 2016 to July 17, 2017. Based on the data it is known that the total TBS certified produced amounted to 133,760.66 MT, the total CSPO generated amounted to 28,762.38 MT and the total CSPK generated amounted to 7,261.56 MT The recapitulation and calculation of TBS, CSPO and CSPK generated have been based on IOM SOU Chairman 15 to all managers of BAF, WSE and ESE NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017 on the			

determination of area blocks for FFS that RSPO category and Non -RSPO.

Corrective actions have been accepted and nonconformities are met.

Verified by : Leo & Sandra

NCR No.	: 2017.45	Issued by	: Leonada																					
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017																					
NC Grade	: Major	Date of Closing	: 16 June 2017																					
Standard Ref. & Requirement	SCCS 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).																							
Non-Conformance Description & Evidence observed (filled by auditor): CH Has not been able to show record of IT Platform transactions (Palm trace) for CPO and PK during the license certification period (18 July 2016 – 17 July 2017).																								
Root Cause Analysis (filled by organization audited): When carried out the process of data audit is being requested related parties ie Marketing Party. The responsible officer in this regard is Mr. Syaifudin with the position of Marketing Manager.																								
Correction (filled by organization audited): Showing the results of the e-trace period of 18 July 2016 - 17 July 2017																								
Corrective Action (filled by organization audited): In the future, we will be requesting this data before any findings are made. The officer responsible for diunit is Mr. Syaifudin with the position of Marketing Manager.																								
Assessor Evaluation and Conclusion (filled by auditor): Verification 16 June 2017 The Company shows the IT Platform (Palm trace) transaction for CPO and PK during the license certification period (July 18, 2016 - July 17, 2017):																								
<ul style="list-style-type: none"> Certified CPO sold to each buyer <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>7/2/2017</td> <td>PT. Golden Hope Nusantara</td> <td>2,490.19</td> </tr> <tr> <td>Total</td> <td></td> <td>2,490.19</td> </tr> </tbody> </table>				Date	Buyer	Volume	7/2/2017	PT. Golden Hope Nusantara	2,490.19	Total		2,490.19												
Date	Buyer	Volume																						
7/2/2017	PT. Golden Hope Nusantara	2,490.19																						
Total		2,490.19																						
<ul style="list-style-type: none"> Certified Palm Kernel sold to each buyer <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>6/6/2017</td> <td>PT. Sari Dumai Sejati</td> <td>696.91</td> </tr> <tr> <td>30/5/2017</td> <td>PT. Sari Dumai Sejati</td> <td>603.84</td> </tr> <tr> <td>6/4/2017</td> <td>PT. Sari Dumai Sejati</td> <td>500.45</td> </tr> <tr> <td>10/2/2017</td> <td>PT. Sari Dumai Sejati</td> <td>999.97</td> </tr> <tr> <td>10/2/2017</td> <td>PT. Sari Dumai Sejati</td> <td>32.52</td> </tr> <tr> <td>11/1/2017</td> <td>PT. Sari Dumai Sejati</td> <td>867.61</td> </tr> </tbody> </table>				Date	Buyer	Volume	6/6/2017	PT. Sari Dumai Sejati	696.91	30/5/2017	PT. Sari Dumai Sejati	603.84	6/4/2017	PT. Sari Dumai Sejati	500.45	10/2/2017	PT. Sari Dumai Sejati	999.97	10/2/2017	PT. Sari Dumai Sejati	32.52	11/1/2017	PT. Sari Dumai Sejati	867.61
Date	Buyer	Volume																						
6/6/2017	PT. Sari Dumai Sejati	696.91																						
30/5/2017	PT. Sari Dumai Sejati	603.84																						
6/4/2017	PT. Sari Dumai Sejati	500.45																						
10/2/2017	PT. Sari Dumai Sejati	999.97																						
10/2/2017	PT. Sari Dumai Sejati	32.52																						
11/1/2017	PT. Sari Dumai Sejati	867.61																						

Total	3,701.30
NC Closed	
Verified by	: Leonada

NCR No.	: 2017.46	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	SCCS 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: a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the result of visit in weighbridge, it is known that there is a receipt of FFB from Sei Mawang Estate (RSPO uncertified), for example is SPB no. Series 35217 and ticket weighs no. Series 35217 dated 30 May 2017 with certified RSPO Certified stamp. From the visit in weighbridge there is also known that there is FFB acceptance from East Estate that has been certified and not yet certified. However, a mechanism for ensuring the separation of non-certified and certified TBS receipts has yet to be demonstrated			
Root Cause Analysis <i>(filled by organization audited):</i> The company has not set RSPO / Non RSPO areas and blocks in PT SIA despite SCCS training, due to the area and the partially divided blocks being certified and non certified.			
Correction <i>(filled by organization audited):</i> The Company has established RSPO and Non RSPO areas in PT SIA where if there is a block divided into two then the TBS produced from the block is categorized into FFB No Certified and shows SPB samples to auditors who have been labeled RSPO and non RSPO in accordance with the defined area. Conducting training to key personnel involved.			
Corrective Action <i>(filled by organization audited):</i> The company will regularly refresh training and socialization of SCCS every month to all key personnel in the garden and factory, especially related to the use of product sign stamp.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 29 August 2017 (Major Verification): West and East Estate have identified and segregated plant blocks included in HGU and outside HGU, including mapping in 1: 80000 (for East) block maps and 1: 110000 (West) scale. Based on maps and tables of HGU and Non HGU blocks, there are as many as 709.80 Ha ESE planting blocks in HGU			

and 2462.30 Ha WSE planting blocks within HGU.

There is an Inter-Office Mail from SOU 15 Chairman to all managers of BAF, WSE and ESE NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017 on the determination of area blocks for FFB that are RSPO and Non-RSPO categories. In the letter explained that it has been established for TBS that would be categorized as certified is TBS derived from the following blocks:

- East: block 99S901, 99S902, 99S905, total area 220.65 Ha
- West: 97A702, 97A705, 97A707, 97B701, 97B703, 97C701, 98A801, 98A804, 98B802, 98B803, total 1152 Ha
- East Plasma all blocks, total area of 1650 Ha
- Plasma West all Blocks, total area of 2621 Ha

Areal East Estate Luar HGU dan Dalam HGU

No	Block	Tahun Tanam	Ha	Luar HGU/Non RSPO (Ha)	Dalam HGU/RSPO (Ha)
1	99N901 (G. TIG)	1999	17.29	2.39	15.00
2	99N902 (G. TIG)	2003	68.84	54.84	0.00
3	99N904 (G. TIG)	2003	50.48	34.55	15.93
4	99N905 (EMPRHUK)	2003	49.49	16.58	32.91
5	99N906 (EMPRHUK)	2003	30.42	30.42	0.00
6	99N909 (EMPRHUK)	2003	556.41	100.41	0.00
7	99N910 (EMPRHUK)	2003	99.32	99.32	0.00
8	99N911 (EMPRHUK)	2003	64.66	64.66	0.00
Sub total			880.96	412.58	468.32
9	99N902 (G. NALA)	1999	81.61	81.61	0.00
10	99N901 (G. NALA)	2003	55.66	55.66	0.00
11	99N902 (G. NALA)	2003	55.71	55.71	0.00
12	99N903 (G. NALA)	2004	77.07	77.07	0.00
13	99N904 (G. NALA)	2004	75.40	75.40	0.00
14	99N905 (EMPRHUK)	2004	84.42	84.42	0.00
15	99N906 (EMPRHUK)	2004	78.58	78.58	0.00
16	99N907 (G. NALA)	2004	52.32	52.32	0.00
Sub total			540.86	540.86	0.00
17	99S901 (R. MILL)	1999	61.87	0.00	61.87
18	99S902 (R. MILL)	1999	78.46	0.00	78.46
19	99S903 (BANGU)	1999	59.04	15.27	43.81
20	99S904 (BANGU)	1999	44.36	2.70	41.66
21	99S905 (R. MILL)	1999	78.32	0.00	78.32
22	99S912 (SEDOYA)	1999	35.31	23.46	11.87
23	99S913 (BENGAYUK)	1999	133.00	12.30	120.70
24	99S901 (SPROGAT)	2004	46.96	46.96	0.00
25	99S902 (BANGU)	2004	89.25	63.53	25.72
Sub total			611.43	182.20	429.23
26	99S906 (KINGALET)	1999	118.95	8.84	110.11
27	99S907 (KINGALET)	1999	83.96	52.53	31.43
28	99S908 (KINGALET)	1999	100.18	88.19	11.99
29	99S909 (KINGALET)	1999	96.00	96.00	0.00
30	99S910 (KINGALET)	1999	110.62	110.62	0.00
31	99S911 (KINGALET)	1999	126.72	126.72	0.00
32	99S902 (BANGU)	2008	65.52	65.52	0.00
33	99S903 (BANGU)	2008	40.75	40.75	0.00
Sub total			765.36	591.23	174.13
GRAND TOTAL			2,443.29	1,711.39	731.90
Percentage			100.00	70.08	29.92

Areal West Estate Luar HGU dan Dalam HGU

No	FIELD	TAHUN TANAM	LUAS (HA)	Luar HGU/Non RSPO (Ha)	Dalam HGU/RSPO (Ha)
1	97A701	1997	157	171	36
2	97A703	1997	160	0	160
3	97A703	1997	183	49.38	133.72
4	97A704	1997	177	34.23	142.77
5	97A705	1997	141	0	141
6	97A706	1997	130	4.91	125.09
7	97A707	1997	114	0	114
8	97A708	1997	148	24.67	123.33
9	97A709	1997	70	5.38	64.62
Sub Total			1,368	235	1,133
10	97B701	1997	49	0	49
11	97B702	1997	134	63.79	70.21
12	97B703	1997	108	0	108
13	97B704	1997	78	47.78	30.22
14	97C701	1997	170	0	170
Sub Total			539	113.57	425.43
15	98A801	1998	141	0	141
16	98A802	1998	102	25.36	76.64
17	98A803	1998	177	9.35	167.65
18	98A804	1998	101	0	101
Sub Total			521	34.71	486.29
19	98B801	1998	118	6.02	111.98
20	98B802	1998	111	0	111
21	98B803	1998	50	0	50
22	98B804	1998	85	5.98	79.02
23	98B805	1998	167	1.37	165.63
24	98B806	1998	119	119	0
Sub Total			650	132.35	517.65
TT 1997			1,803	346	1,457
TT 1998			1,171	147	1,024
TOTAL			2,974	493	2,481
Persentase (%)			100	17.3	82.7

Plant blocks consisting of HGU and Non-HGU areas, the overall TBS produced will be categorized as non-certified to facilitate separation since the TPH, separate mill transport (SPB) and separation of registration in PKS (weighing and recapitulation ticket reception).

It has been shown the recording of socialization to key personnel related to the implementation of the IOM, followed by 13 people, including harvest cranes, harvesting foremen, mill security, scales operators, mill cassettes, PSQM assistants.

Interviews with the scales operator mentioned that the distribution of the blocks was understood, the list of certified and non certified blocks available in the scales.

The stamp of receipt documents of TBS (SPB and weighing ticket) is divided into 2 ie TBS certified stamped with "RSPO Certified" and non-certified TBS can and / does not use "Non-RSPO Certified" seal, for example SPB can be shown, ticket ticket and report quality inspection for FFB from Sei Mawang dated July 3, 2017 does not use stamp

because it comes from non certified area. Corrective action is acceptable and declared fulfilled

Verified by : Sandra

NCR No.	: 2017.47	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	SCCS E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.		
Non-Conformance Description & Evidence observed (filled by auditor): CH has not been able to show the document of the volume of TBS certified and Non certificate received during the license certificate period (18 July 2016 – 17 July 2017).			
Root Cause Analysis (filled by organization audited): During the audit process the data is being prepared and adjusted between RSPO certified products and Non RSPO			
Correction (filled by organization audited): Shows the tonnage calculations of TBS, CPO, and PK that are certified RSPO and Non RSPO			
Corrective Action (filled by organization audited): Production clerk officers will always monitor the tonnage of TBS, CPO, and PK which are certified RSPO and Non RSPO every 3 months.			
Assessor Evaluation and Conclusion (filled by auditor): Verification 19 August 2017 The company shows a quarterly stock mass balance starting July 2016 - June 2017. However, the data does not specify the production of CPO and PK specifically for the certificate period since July 18, 2016. Verification 29 August 2017 (Major Verification): West and East Estate have identified and segregated plant blocks included in HGU and outside HGU, including mapping in 1: 80000 (for East) block maps and 1: 110000 (West) scale. Based on maps and tables of HGU and Non HGU blocks, there are as many as 709.80 Ha ESE planting blocks in HGU and 2462.30 Ha WSE planting blocks within HGU. There is an Inter-Office Mail from SOU 15 Chairman to all managers of BAF, WSE and ESE NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017 on the determination of area blocks for FFB that are RSPO and Non-RSPO categories. In the letter explained that it has been established for TBS that would be categorized as certified is TBS derived from the following blocks: <ul style="list-style-type: none"> - East: block 99S901, 99S902, 99S905, total area 220.65 Ha - West: 97A702, 97A705, 97A707, 97B701, 97B703, 97C701, 98A801, 98A804, 98B802, 98B803, total 1152 Ha - East Plasma all blocks, total area of 1650 Ha - Plasma West all Blocks, total area of 2621 Ha 			

Plant blocks consisting of HGU and Non-HGU areas, the overall TBS produced will be categorized as non-certified to facilitate separation since the TPH, separate mill transport (SPB) and separation of registration in PKS (weighing and recapitulation ticket reception).

Interviews with the scales operator mentioned that the distribution of the blocks was understood, the list of certified and non certified blocks available in the scales.

It has been shown data of TBS receipts that have been verified and separated between certified and non certified, as follows:

Month	FFB Received (Kg)		
	RSPO	NON RSPO	TOTAL
18 - 31 July 2016	7,873,092.90	1,948,397.10	9,821,490.00
August 2016	15,120,103.23	3,842,429.77	18,962,533.00
September 2016	16,512,312.91	4,650,851.09	21,163,164.00
Total	39,505,509.04	10,441,677.96	49,947,187.00
October 2016	16,915,548.33	4,780,245.67	21,695,794.00
November 2016	14,977,210.60	4,142,633.40	19,119,844.00
December 2016	13,851,637.86	3,331,734.14	17,183,372.00
Total	45,744,396.79	12,254,613.21	57,999,010.00
January 2017	16,422,793.50	4,501,049.50	20,923,843.00
February 2017	15,094,570.57	4,032,202.43	19,126,773.00
March 2017	14,606,386.06	3,997,897.94	18,604,284.00
Total	46,123,750.13	12,531,149.87	58,654,900.00
April 2017	12,824,426.01	3,496,216.99	16,320,643.00
May 2017	11,914,449.47	3,150,057.53	15,064,507.00
June 2017	11,548,067.35	3,212,465.65	14,760,533.00
Total	36,286,942.83	9,858,740.17	46,145,683.00
1 - 17 July 2017	5,605,570.90	1,449,813.10	7,055,384.00
Total	5,605,570.90	1,449,813.10	7,055,384.00
Grand total	133,760,660.66	36,094,316.34	169,854,977.00

* recording and verification have been based on IOM SOU15 No NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017

Corrective action has been accepted, nonconformity are closed

Verified by : **Leo & Sandra**

NCR No.	: 2017.48	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 29 August 2017
Standard Ref. & Requirement	SCCS E.5.1 a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)		

Non-Conformance Description & Evidence observed (filled by auditor):

CH has not been able to display mass balance records of all RSPO certified FFB receipts and CPO, PKO and PK shipments for a quarterly basis during the license certificate period (18 July 2016 – 17 July 2017) To ensure mass balance sales from positive stock.

Root Cause Analysis (filled by organization audited):

During the audit process the data is being prepared and adjusted between RSPO certified products and Non RSPO

Correction (filled by organization audited):

Shows the tonnage calculations of TBS, CPO, and PK that are certified RSPO and Non RSPO

Corrective Action (filled by organization audited):

Production clerk officers will always monitor the tonnage of TBS, CPO, and PK which are certified RSPO and Non RSPO every 3 months.

Assessor Evaluation and Conclusion (filled by auditor):
Verification 19 August 2017

The company shows a quarterly stock mass balance starting July 2016 - June 2017. However, the data does not specify the production of CPO and PK specifically for the certificate period since July 18, 2016.

Verification 29 August 2017 (Major Verification):

West and East Estate have identified and segregated plant blocks included in HGU and outside HGU, including mapping in 1: 80000 (for East) block maps and 1: 110000 (West) scale.

Based on maps and tables of HGU and Non HGU blocks, there are as many as 709.80 Ha ESE planting blocks in HGU and 2462.30 Ha WSE planting blocks within HGU.

There is an Inter-Office Mail from SOU 15 Chairman to all managers of BAF, WSE and ESE NO letter 041 / PTSIA-BAF / VIII / 2017 dated 28 August 2017 on the determination of area blocks for FFB that are RSPO and Non-RSPO categories. In the letter explained that it has been established for TBS that would be categorized as certified is TBS derived from the following blocks:

- East: block 99S901, 99S902, 99S905, total area 220.65 Ha
- West: 97A702, 97A705, 97A707, 97B701, 97B703, 97C701, 98A801, 98A804, 98B802, 98B803, total 1152 Ha
- East Plasma all blocks, total area of 1650 Ha
- Plasma West all Blocks, total area of 2621 Ha

Plant blocks consisting of HGU and Non-HGU areas, the overall TBS produced will be categorized as non-certified to facilitate separation since the TPH, separate mill transport (SPB) and separation of registration in PKS (weighing and recapitulation ticket reception).

Interviews with the scales operator mentioned that the distribution of the blocks was understood, the list of certified and non certified blocks available in the scales.

It can be shown mass balance data in accordance with the certificate period that is dated July 18, 2017 s.d July 17, 2017, the recording and verification has been based on IOM SOU15 No NO letter 041 / PTSIA-BAF / VIII / 2017 dated August 28, 2017, in the following table:

CSPO

Month	Processed (Kg)	CPO Prod (Kg)	
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	RSPO	NON RSPO	TOTAL	RSPO	NON RSPO	TOTAL CPO Prod	CPO Selling (Kg)
18 - 31 July 2016	6,208,082.16	1,536,347.84	7,744,430.00	1,345,019.67	332,859.33	1,677,879.00	-
August 2016	15,670,362.40	3,982,265.60	19,652,628.00	3,358,272.54	853,428.46	4,211,701.00	2,490,190.00
September 2016	16,104,446.42	4,535,971.58	20,640,418.00	3,535,725.15	995,870.85	4,531,596.00	-
Total	37,982,890.97	10,054,585.03	48,037,476.00	8,239,017.36	2,182,158.64	10,421,176.00	-
Oct 2016	17,313,733.32	4,892,770.68	22,206,504.00	3,599,251.19	1,017,129.60	4,808,270.00	-
Nov 2016	15,383,591.39	4,255,036.61	19,638,628.00	3,236,571.98	895,222.18	4,082,560.00	-
Dec 2016	12,411,519.50	2,985,342.50	15,396,862.00	2,588,163.47	622,530.90	3,239,364.00	-
Total	45,108,844.21	12,133,149.79	57,241,994.00	9,423,986.63	2,534,882.68	12,130,194.00	-
Jan 2017	17,738,941.46	4,861,770.54	22,600,712.00	3,859,544.99	1,057,798.30	4,712,907.00	-
Feb 2017	14,773,813.26	3,946,518.74	18,720,332.00	3,267,516.52	872,849.48	4,138,108.00	-
Mar 2017	14,843,372.70	4,062,763.30	18,906,136.00	3,142,233.57	860,057.31	4,113,497.00	-
Total	47,356,127.42	12,871,052.58	60,227,180.00	10,269,295.07	2,790,705.09	12,964,512.00	-
April 2017	12,863,681.19	3,506,918.81	16,370,600.00	2,845,053.61	775,623.39	3,620,677.00	-
May 2017	12,293,580.22	3,250,295.78	15,543,876.00	2,602,461.13	688,063.87	3,290,525.00	-
Jun 2017	11,538,131.36	3,209,701.64	14,747,833.00	2,444,183.03	679,927.97	3,124,111.00	-
Total	36,695,392.78	9,966,916.22	46,662,309.00	7,891,697.76	2,143,615.24	10,035,313.00	-
1 - 17 Jul 2017	5,617,602.96	1,452,925.04	7,070,528.00	1,177,398.99	304,520.01	1,481,919.00	-
Total	5,617,602.96	1,452,925.04	7,070,528.00	1,177,398.99	304,520.01	1,481,919.00	-
Grand total	134,777,967.36	36,424,043.64	171,202,011.00	28,762,378.47	7,773,723.01	36,611,938.00	-

CSPK

Month	Processed (Kg)			PK Prod (Kg)			PK Selling (Kg)
	RSPO	NON RSPO	TOTAL	RSPO	NON RSPO	TOTAL PK Prod	
18 - 31 July 2016	6,208,082.16	1,536,347.84	7,744,430.00	328,097.04	81,195.96	409,293.00	-
August 2016	15,670,362.40	3,982,265.60	19,652,628.00	856,411.52	217,637.48	1,074,049.00	-
September 2016	16,104,446.42	4,535,971.58	20,640,418.00	919,607.69	259,016.31	1,178,624.00	-
Total	37,982,890.97	10,054,585.03	48,037,476.00	2,104,116.25	557,849.75	2,661,966.00	-
Oct 2016	17,313,733.32	4,892,770.68	22,206,504.00	905,530.74	255,898.26	1,161,429.00	-
Nov 2016	15,383,591.39	4,255,036.61	19,638,628.00	865,183.02	239,305.98	1,104,489.00	-
Dec 2016	12,411,519.50	2,985,342.50	15,396,862.00	778,194.82	187,179.18	965,374.00	867,610.00
Total	45,108,844.21	12,133,149.79	57,241,994.00	2,548,908.58	682,383.42	3,231,292.00	-
Jan 2017	17,738,941.46	4,861,770.54	22,600,712.00	925,553.49	253,669.51	1,179,223.00	-
Feb 2017	14,773,813.26	3,946,518.74	18,720,332.00	802,307.22	214,319.78	1,016,627.00	1,032,490.00
Mar 2017	14,843,372.70	4,062,763.30	18,906,136.00	862,602.12	236,101.88	1,098,704.00	500,450.00
Total	47,356,127.42	12,871,052.58	60,227,180.00	2,590,462.82	704,091.18	3,294,554.00	-
April 2017	12,863,681.19	3,506,918.81	16,370,600.00	665,951.23	181,552.77	847,504.00	603,840.00
May 2017	12,293,580.22	3,250,295.78	15,543,876.00	641,665.31	169,649.69	811,315.00	-
Jun 2017	11,538,131.36	3,209,701.64	14,747,833.00	570,558.76	158,719.24	729,278.00	-
Total	36,695,392.78	9,966,916.22	46,662,309.00	1,878,175.31	509,921.69	2,388,097.00	-
1 - 17 Jul 2017	5,617,602.96	1,452,925.04	7,070,528.00	244,012.20	63,110.80	307,123.00	-
Total	5,617,602.96	1,452,925.04	7,070,528.00	244,012.20	63,110.80	307,123.00	-
Grand total	134,777,967.36	36,424,043.64	171,202,011.00	7,261,558.90	1,959,507.10	9,221,066.00	-

Corrective action has been accepted, nonconformity are closed

Verified by : **Leo & Sandra**

NCR No. : **2017.49** **Issued by** : **Leonada**

Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 28 September 2017
Standard Ref. & Requirement	: RSPO Certification system 2011 clausul 4.2.4 Time Bound Plan		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> It is known that the East Estate area still has an area that has not been certified \pm 1,652 Ha. However, the company has not been able to show the time bound plan for that management area.			
Root Cause Analysis <i>(filled by organization audited):</i> When the audit is conducted the document is not available diunit and is being requested from the Center PSQM.			
Correction <i>(filled by organization audited):</i> Showing Time Bound Plan Minamas Plantation document and this is the most updated Time Bound plan.			
Corrective Action <i>(filled by organization audited):</i> The constraint of the implementation of the Time boundary Plan is due to the HGU management certification which is still in the process stage, so it can not be certified and this is the latest time bound plan.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification 11 June 2017. The company shows the time bond plan signed by PSQM Head on June 16, 2016. In time bond plan shows that PT. Sime Indo Agro - Bukit Ajong Factory with supply base from East Estate and West Estate certification plan of 2016. Sei Mawang planned 2017 and KKPA in 2010. Verification 14 September 2017 The company shows the time bond plan signed by PSQM Head on 31 August 2017. In the time bond plan shows that PT. Sime Indo Agro - Bukit Ajong Factory was certified in 2010. For East plasma and west plasma supply base was certified in 2010. Meanwhile, West Estate, East Estate and Sei Mawang Estate will be certified in 2019 with the justification of legally dealing with land legality. Verification 28 September 2017 The company showed a timebond revision plan for Sime Darby Indonesia which endorsed the head of PSQM dated September 27, 2017. In the timebond plan showed that PT. Sime Indo Agro to supply Base East Estate and West Estate (7223 Ha), East plasma and West Plasma have been certified in 2010. Then there are East Estate 1652 Ha and Sei Mawang Estate unit which will be certified in 2019 because it is still in the process of legality. Based on the above matters then the discrepancy can be declared fulfilled.			
Verified by	: Leonada		

NCR No.	: 2017.50	Issued by	: Leonada
Date Issued	: 2 June 2017	Time Limit	: 1 August 2017
NC Grade	: Major	Date of Closing	: 14 September 2017

Standard Ref. & Requirement	8.1.1 A monitoring action plan based on consideration of environmental and social impact assessments, and regular evaluations for plantation and palm oil plant activities is available. This minimum must include, but is not limited to: <ul style="list-style-type: none"> • Reduction in the use of certain chemicals (Criterion 4.6). • Environmental impact (Criterion 4.3, 5.1 and 5.2). • Waste reduction (Criterion 5.3). • Pollution and GHG emissions (Criterion 5.6 and 7.8). • Social impact (criterion 6.1). • FFB harvest optimization (Criterion 4.2)
	Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of the audit since ST.2 up to the Resertification and compared with the audit results of ASA 1.1 there is an increasing number of non-conformities that arise. For example, during resetification there were 15 NC on nucleus company and and 24 NC on smallholders scheme. Then at ASA 1.1 there were 50 NC. In this regard, the company can not show evidence of consistent, monitored and evaluated implementation of RSPO systems and standards.
	Analisa Akar Masalah <i>(dilengkapi oleh organisasi yang diaudit):</i> At the time of the audit process ST.2 up to the Resertification for the KUD HIMADO as the certification group has not received the audit criteria as stated in the RSPO Management System Requirements and Guidance for Group Certification of FFB Certification in 2016. But by the time ASA 1.1 has already begun to be implemented so that there is a discrepancy more. This is because also when the audit of KUD HIMADO does not know the audit criteria as stated in the RSPO Management System Requirements and Guidance for Group Certification of FFB Certification in 2016. The absence of document retention by Safety Officer of each garden and plasma unit, since the PIC for this matter is Safety Officer (garden core), Plasma Assistant (plasma plantation), and KUD secretary (KUD). This is because the designated PIC does not execute the SOP of the control document poorly.
	Koreksi <i>(dilengkapi oleh organisasi yang diaudit):</i> The Company has provided assistance and training to KUD HIMADO related to the RSPO Management System Requirements and Guidance for Group Certification of FFB Certification in 2016 on July 20, 2017 In addition, the company and KUD HIMADO have shown evidence of improvements to 43 Major Non-Conformities that have been verified recently by auditor on 30 August 2017. The PIC storage document of each unit has understood the SOP of Document Control so that the documents required to close the nonconformity can be shown.
	Tindakan Korekif <i>(dilengkapi oleh organisasi yang diaudit):</i> The Company and KUD HIMADO will routinely conduct training related to RSPO principles and criteria and conduct internal audit of RSPO. The Company has demonstrated training programs in which there are also training related to RSPO scheduled to be routinely performed before the external audit is in April. For internal audit activities are also conducted in April after the training. Evaluation and follow-up of management will be archived and prepared according to the control documents by the PIC of each unit
	Evaluasi Penilai dan Kesimpulan <i>(dilengkapi oleh auditor):</i> Verification 14 September 2017 <ul style="list-style-type: none"> - The company shows training programs related to RSPO understanding for the period 2017/2018. - Company showing record of coordination meeting of PT. SIA with KUD Himado on July 20, 2017. The meeting was filled with the socialization of the RSPO Management System Requirements and Guidance for Group Certification of FFB Certification in 2016 and Coordination of ASA 1.1 Nonconform Settlement.

Based on the root problem analysis, preventive and corrective actions in the form of training plan and internal audit conducted routinely then this discrepancy can be stated fulfilled and will be observed again at the next audit activity.
(Closed with observation)


Diverifikasi oleh : Leonada

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1.2

NCR No.	:	2018.01	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	18 May 2018	Time Limit	:	ASA-1.3
NC Grade	:	Minor	Date of Closing	:	17 July 2018
Standard Ref. &	:	3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor): Based on the distribution data of the planting year, it is known that the distribution of the planting year both in the area of the nucleus and plasma estates was 1997-2004. However, it cannot yet show a plan to replanting the group farmer plantation or justification if the group farmer plantation will not carry out replanting activities.					
Root Cause Analysis (filled by organization audited): Group farmer replanting has not yet been carried out because KUD HIMADO and PT SIA are still in the initial negotiation stage regarding the initial negotiation plan of group farmer replanting.					
Correction (filled by organization audited): Sending Minutes of monitoring and evaluation meeting of group farmer replanting plans implemented by PT SIA with KUD HIMADO					
Corrective Action (filled by organization audited): Submit a schedule of negotiation plans between KUD HIMADO and PT SIA and related stakeholders.					
Assessor Evaluation and Conclusion (filled by auditor): Verification July 17 2018 The company shows the PT SIA 2017 - 2018 Group farmer Replanting Discussion Plan Schedule which is held every month from June 2017 to December 2018. During that period five meetings were held between the management of PT SIA and KUD Himado. In one of the minutes dated June 4, 2018, one of the obstacles to replanting is that it is unclear about the financing of replanting whether it is assisted by the company. In addition, many farmers' certificates are used as collateral for loans to financial institutions. In principle, both KUD and management of PT SIA have agreed for the 1997 and 1998 planting years (which has been more than 20 years) should have been planned for replanting. Still looking for a joint agreement between Himado KUD and PT SIA Management Based on the analysis of the root of the problem, corrections, and corrective actions Non-conformity are stated to have been fulfilled. Status Closed					
Verified by	:	Andi Pratama Pasaribu			
Diverifikasi oleh					

NCR No.	:	2018.02	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	18 May 2018	Time Limit	:	ASA-1.3

NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.1.3 Records of monitoring and any follow-up actions shall be available.			
Non-Conformance Description & Evidence observed (filled by auditor): smallholder cannot show records of the results of operational monitoring activities and evidence of follow-up on the results of the monitoring.					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

NCR No.	:	2018.03	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	18 May 2018	Time Limit	:	17 July 2018
NC Grade	:	Major	Date of Closing	:	30 July 2018
Standard Ref. & Requirement	:	4.6.1 Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species			
Non-Conformance Description & Evidence observed (filled by auditor): Smallholder cannot show documentary evidence that the use of pesticides in accordance with the target species and the recommended dose and have a minimum impact on species outside the target. For example: <ul style="list-style-type: none"> Based on field observation at Group Farmer 2 Dusun Amang, there is still circle path spraying which is carried out with a blanket system without regard to the target species. 					
					
<ul style="list-style-type: none"> Based on the field visits and interviews with the farmer group 2 Dusun Amang at the time of the circle and path spraying were known dosage use is 150 ml / knapsack and for blanket spray is 200ml / knapsack. This is not in accordance with the 					

recommended pesticides in the smallholder area of 2017 - 2018. The permissible glyphosate dose is 120 ml / 16 liters of water.

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

The socialization of PT SIA's pesticide recommendations conducted in 2017 by the management of PT SIA was not until / not yet known by the Farmer 2 group of Dusun Amang so that blanket sprayer activities took place without regard to the target species and dosage recommendations from PT SIA smallholder.

Correction *(filled by organization audited):*

Special re-socialization has been carried out on farmers in Dusun Amang by PT SIA Management.

Corrective Action *(filled by organization audited):*

Ensuring that the next socialization scheduled for FY 2018-2019 can be attended by all representatives of the farmer groups.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on July 17, 2018

The company has shown proof of improvement in the form of plasma and RSPO work training on July 5, 2018 discussing:

- Technical work on smallholder plantation
- Basic introduction to RSPO
- Occupational Health and Safety

Material providers are assistants from PT SIA assisted by the Group Farmer team and PT SIA security. Participants are administrators of the Amang and Amang Kiara. From the meeting minutes, it was known that all participating farmer groups were 21 groups. Important points conveyed include:

- Upkeep in smallholder plantation : The recommended type of herbicide is Round Up / Ken Up with a dose of 120 ml / pump (16 liters) mixed with 3gr / pump dose (16 liters) Ally. In spraying must use PPE such as hats, glasses, masks, aprons, long sleeves, rubber gloves and boots.
- Manuring on smallholder plantation: Type of fertilizer recommended: Urea: 1.5 kg / principal; KCL / MOP: 1.50 Kg / palm tree; RP / SP-36 (1.50 Kg / palm tree), Kieserite / Dolomite (1.75 kg / palm tree), Borate (0.10 kg / palm tree).
- Harvesting : Using PPE, the criteria of FFB follow the mature standard of PT SIA

Based on the root cause analysis, corrections, and corrective actions that have been sent, nonconformities are declared not fulfilled. Need additional information on the corrective action section.

Verification on July 17, 2018

To ensure the smallholder work standard is the same as the working standard of the owned plantation PT SIA implements internal supervision both daily and annually. Daily supervision is carried out by smallholder foremen and smallholder assistants. While annual auditing is carried out by the internal auditor team. Attached the results of internal audit checks carried out on June 4 - 6, 2018

Based on the analysis of the root causes, corrections, and corrective actions the nonconformity are stated to have been fulfilled

Verified by	:	Andi Pratama Pasaribu
Diverifikasi oleh		

NCR No.	: 2018.04	Issued by	: Andi Pratama Pasaribu
Date Issued	: 18 May 2018	Time Limit	: 17 July 2018
NC Grade	: Major	Date of Closing	: 13 September 2018
Standard Ref. & Requirement	4.6.6 Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).		
Non-Conformance Description & Evidence observed (filled by auditor): The pesticide storage room for plasma plantations has not implemented established best practices. For example: <ul style="list-style-type: none"> • There are no hazardous and toxic sign boards, MSDS for all products, First Aid Boxes, hand, face, eye and body wash places (body shower and eyewash). • Not yet equipped with a special washing place that is intended to wash the former packaging, or intended for mixing doses before taking the field. • There is no washing room and dosing mixture that is equipped with a drainage channel for used washing water that is accommodated into a special tub. This is not yet in accordance with PT Sime Indo Agro's Pesticide Storage SOP with document No. 18 / PTSIA / 2012.			
Root Cause Analysis (filled by organization audited): Pesticide storage places for smallholder plantations that are stored are temporary storage places before they are distributed to farmers and when the audit is still unable to be made a storage place according to SOP			
Correction (filled by organization audited): An agreement was made between PT SIA, smallholder, and Cooperative HIMADO regarding pesticide storage. The results of the meeting agreed that the plasma garden pesticide storage room has now been transferred to the WSE and ESE estate Send proof of fulfillment : <ol style="list-style-type: none"> 1. Proof of Handover of cooperative pesticide stock MSDS. 2. Photographs of hazard and toxic sign, first aid kit, eyewash and bodyshower washers 3. Photograph of washing place and mixing of former packaging and watertrap washing of used pesticide packaging. 			
Corrective Action (filled by organization audited): Smallholder safety officers and owned plantation will routinely check the pesticide storage area so that it is always in accordance with the SOP.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on July 13, 2018 The company shows some proof of improvement as follows: <ol style="list-style-type: none"> 1. Minutes of handover of MSDS with documentation for 12 types of chemicals dated July 13, 2018 from the company to Himado Cooperative. 			

2. Documentation of pesticide storage conditions at Himado Cooperative has been equipped with several items such as: eye wash, body washer, mixing place for pesticides, used packaging washing facilities, appeals and poison hazards, first aid boxes and installation of MSDS on the warehouse wall.

Auditor Conclusion :

1. There is no agreement between Himado Cooperative and PT SIA regarding the storage of chemicals on WSE and ESE.
2. Not yet able to show records of chemical storage belonging to Himado Cooperative on WSE and ESE, including: bincard, documentation of warehouse conditions on WSE and ESE.

Verification on August 21, 2018

The company shows some proof of improvement as follows:

1. Minutes of Agreement between the company and KUD Himado dated 1 August 2018, among others: KUD Himado pesticide storage place will be placed in the core warehouse (WSE & ESE) in accordance with the SOP; the person responsible for carrying out KUD pesticides and pesticide stock is warehouse officer PT SIA with direct supervision by a KUD assistant; this agreement is valid until the KUD Himado pesticide warehouse is in accordance with SOP No. 18 / PTSIA / 2012.
2. A KUD Himado pesticide warehouse card in the ESE warehouse; have entered chemicals including: 800 grams of Ally, 120 liters of rose up, 120 liters of supremo on August 2, 2018 and 200 grams of Ally on August 13, 2018.
3. KUD pesticide warehouse card in the WSE warehouse; have entered chemicals including: Rose Up 120 liters, supremo 120 liters and Ally 200 grams on 2 August 2018; Ally 160 grams on 14 August 2018 and supremo 4 liters on 16 August 2018.

Verification on September 13, 2018

The company has shown evidence and documentation of chemical (own estate and KUD Himado) separation in the West Estate and East Estate warehouses

Auditor's conclusion:

Based on the analysis of the root causes, corrections, and corrective actions Nonconformity have been closed.

Verified by	: Trismadi N
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NCR No.	:	2018.05	Issued by	:	Andi Pratama Pasaribu
Date Issued	:	18 May 2018	Time Limit	:	ASA-1.3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	4.6.7 Application of pesticides shall be by proven methods that minimize risk and negative impacts.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The use of pesticides by Group Farmer has not referred to methods that can minimize risks and negative impacts such as:					

- Based on field observations in Group farmer 2 Dusun Amang, it was known that the pesticides carried were still in pure form and had not been mixed before being taken to the field
- Based on field observations in Group farmer 2, Dusun Amang, it was known that mixing doses of pesticides was carried out near the ditch
- Based on the results of field observations at Group farmer 2 Dusun Amang, it was found that mixing agents and pesticide applicators did not use complete personal protective equipment (long shirts, caps and face protectors)



This is not in accordance with the Pesticide Storage SOP and Pesticide Management SOP, which among others states:

- Use of Pesticides: Officers must wear special protective clothing with long sleeves and legs, gloves, caps and face protection
- The pesticide storage room is equipped with a special washing place that is intended to wash the former packaging or intended for mixing doses before being taken to the field

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

Correction *(filled by organization audited):*

Corrective Action *(filled by organization audited):*

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

Verified by :

NCR No.	: 2018.06	Issued by	: Andi Pratama Pasaribu
Date Issued	: 18 May 2018	Time Limit	: 17 July 2018
NC Grade	: Major	Date of Closing	: 16 September 2018

Standard Ref. & Requirement	4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available
Non-Conformance Description & Evidence observed (filled by auditor): Based on the results of the medical test in 2017, identified several employees whose medical test results are not good i.e 4 BAF employees have decreased hearing quality, 1 ESE employees suspect <i>normocytic normochromic anemia</i> and 2 farmers from KUD Himado are prohibited to apply the chemicals again. On the report of the test, the doctor recommends to conduct follow up test and 2 plasma farmers no longer work with chemicals. However, until the audit finished, there is no record / follow-up report and doctor's advice on the results of the follow-up test.	
Root Cause Analysis (filled by organization audited): 1. Re-interview has been held on June 2017 by company's doctor to the BAF and ESE worker that indicated as abnormal based on medical examination. 2. The result of medical examination of HIMADO smallholder has been socialized on November 2017. But the evidence of non chemical handling cannot showed to the auditor.	
Correction (filled by organization audited): 1. All worker that got an abnormal result has been conducted the following medical examination. 2. HIMADO Board has appointed the two person suspected to be non chemical handling person.	
Corrective Action (filled by organization audited): OHS Committee set the plan to ensuring all suspected in medical examination to conducted following medical examination in coordination with company's doctor.	
Assessor Evaluation and Conclusion (filled by auditor): Auditor Verification on 16 July 2018 The company has showed the corrective evidence as follows: <ul style="list-style-type: none"> Recap of following test of BAF, ESE and HIMADO smallholders. Minutes of meeting doctor's socialization regarding to medical examination on 3 November 2017. Appointment letter of HIMADO Board on 28 November 2017 to the two suspected to not working with chemical. Auditor conclusion on 16 July 2018 The company cannot showed the result of following medical examination for the BAF and ESE workers that suspected as abnormal. Beside that, still not informing that appointment letter of HIMADO Board on 28 November 2017 has been communicated to the suspected person.	
Verification September 15, 2018 The company has shown proof of improvement in the form of: <ul style="list-style-type: none"> 4 patient referral letters from the company doctor on 10 September 2018 to the ENT specialist hospital Sanggau Hospital. Receipt of a recommendation letter from the Chairperson of the KUD Himado dated November 28, 2017 to 2 KUD Himado employees not to work applying the chemicals again considering the MCU results are heavy chemical exposure. In the e-mail proof of repairs sent, it was explained that the ENT specialist doctor at Sanggau Hospital could only serve patients on September 19, 2018. 	
Auditors' conclusions September 15, 2018 Based on the proof of repairs that have been sent, documentation evidence that 2 farmers KUD Himado in question have indeed received and understood the recommendation letter from the head of the KUD.	

The results of the examination by the ENT Specialist Hospital Sanggau Hospital cannot be shown in relation to the results of the examination of the employee. Includes follow-up examination of ESE employees who suspect normochrome normocytic anemia.

Based on these facts, this discrepancy is declared open.

Verification September 16, 2018

The company has shown additional proof of improvement in the form of:

- The results of a doctor's examination on September 19, 2018 stating that the four BAF employees were "no problem".
- ESE employee mutation letter on behalf of Kodriah and BAF employees on behalf of Acon, Bachtiar, Executive Eka Hendra and Temo issued by the manager on September 17 and 13 2018, respectively.
- Photo explanation to plasma farmers related to the disease.

Auditor conclusions September 16 2018

- Based on the evidence of improvement shown, this discrepancy is stated to be fulfilled and the effectiveness of the implementation will be observed in the next assessment activity.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2018.07	Issued by	: Trismadi N
		Diterbitkan oleh	
Date Issued	: 18 May 2018	Time Limit	: ASA-1.3
		Batas Waktu	
NC Grade	: Minor	Date of Closing	:
		Tanggal Terpenuhi	
Standard Ref. & Requirement	: 5.2.4 Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none">• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;• Outcomes of monitoring shall be fed back into the management plan.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The company has not been able to show documentation and HCV monitoring reports continuously on the status of RTE species and HCVs affected by the operations of plantations and palm oil mills and the results of its monitoring are used for follow-up improvements to the management plan, including: <ul style="list-style-type: none">• Periodic monitoring of HCV areas for the 2016/2017 period.• Periodic monitoring results of the HCV area for the July-December 2017 period.			
Root Cause Analysis <i>(filled by organization audited):</i>			
Correction <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			

Verified by	:

NCR No.	:	2018.08	Issued by	:	Trismadi Nurbayuto
Date Issued	:	18 May 2018	Time Limit	:	17 July 2018
NC Grade	:	Major	Date of Closing	:	30 July 2018
Standard Ref. & Requirement	:	5.3.2. All chemicals and their containers shall be disposed of responsibly.			
Non-Conformance Description & Evidence observed (filled by auditor): Not enough evidence can be shown that all chemical waste and its container are disposed of responsibly, this is indicated by several evidences such as: a. Used cans Chemicals (Nalco & Soda Ash) used for trash cans in BAF housing, each house gets one gene. b. Used paint cans behind the Bukit Ajong Factory workshop are used for water storage. c. Tiner cans and paint cans at Bukit Ajong Factory sterilizer station. d. Used chemical jerry cans (Basta & Ken Up) are used as oil reservoirs in the WSE oil store.					
Root Cause Analysis (filled by organization audited): 1. Used chemicals container from Nalco, BAF Management does not know that the jerry cans are used by Nalco so that they are distributed to housing trash bins. BAF management argued that NALCO chemicals are not Hazardous waste because they are used for water purification (Food Grade). 2. Paint cans used caused by ignorance of the person / employee regarding Hazardous waste SOP Storage. 3. Tiner cans and paint cans found were paint cans / tiner cans that had just been used and had not been given to the hazardous waste storage. 4. Used chemical jerrycans (Basta and ken up) which are used as oil reservoirs caused by ignorance of warehouse staff regarding the prohibition of using hazardous waste as a container.					
Correction (filled by organization audited): a. The former NALCO chemical cans, paint cans, and tiner cans were handed back to BAF hazardous waste storage and re-socialized to employees regarding hazardous waste identification and SOP hazardous waste management and Storage. b. For chemical cans (Basta and Ken up) which are used as oil reservoirs, container replacement has been made and submitted to BAF Hazardous waste temporary storage, and safety officer inspections are conducted at the WSE Environment to ensure that there is no more use of Hazardous waste packaging.					
Corrective Action (filled by organization audited): a. Carry out a re-dissemination of the results of identification of hazardous waste in the Estate and Mill to all employees. c. Conduct socialization on SOP hazardous waste management and storage. b. Conduct periodic inspections by the PSQM and Safety Officer regarding hazardous waste					
Assessor Evaluation and Conclusion (filled by auditor): Auditor Verification July 10 2018 • Hazardous waste packaging collection and collection, dated May 17, 2018 at Bukit Ajong Factory, namely the					

transportation of used pesticides, used cans of Cat, Nalco packaging and tiner cans which were entered into hazardous waste storage made by SO-BAF known by PJS Senior Manager (photo attached)

- Minutes of Improvement of RSPO findings on the use of Used Poison Jerigen for oil reservoirs in the West Estate returned to Hazardous waste storage with a total of 52 Pcs that were first perforated, dated July 7, 2018 (photo attached)

Auditor's conclusion July 10 2018

Identification of the root cause and proof of improvement is correct, but additional evidence is still needed, please submit the auditor's question and attach additional evidence. Based on the evidence Non-conformity is Closed

Verification July 30 2018

- News Hazardous waste-SOP Management and Storage Socialization with BAF Hazardous waste Identification held on June 18, 2018 which was attended by 50 participants. Attached list of attendees and activity photos.
- Hazardous waste SOP management and storage socialization event and West Estate Hazardous waste Identification held on Wednesday, July 18 attended by 330 employees attached to the attendance list and photos of socialization activities.
- Identification of non Hazardous waste waste sources produced by Smallholder PT SIA.

Auditor's conclusion July 30 2018

Based on proof of improvement and management explanation, non-conformities have been met.

Verified by : Trismadi Nurbayuto

NCR No.	: 2018.09	Issued by	: Trismadi N
Date Issued	: 18 May 2018	Time Limit	: 17 July 2018
NC Grade	: Major	Date of Closing	: 21 Agustus 2018
Standard Ref. & Requirement	<p>General Chain of Custody 5.7.2. The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none">• 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.• 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.• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.		
<p>Non-Conformance Description & Evidence observed (filled by auditor): Not all sales transactions of Certified RSPO Products are registered by the certificate holders.</p>			

Based on document verification, sighted that all CPO volume quota (40,377 MT) is included in credited allocations, the CSPO was sold with volume 35,377 MT. Therefore on February 2018, there were physical sales of CSPO with volume 2,250 MT to PT Golden Hope Nusantara under contract No. 0262 / SIA / KTR-MKS / LOK / II / 2018. In addition, there is a physical sale of CSPK with volume 200 MT to PT Binasawit Abadipratama pursuant to contract No. 00159 / SIA / KTR-IKS / LOK / II / 2018. However, the physical sales of CSPO and CSPK have not been registered / announced in RSPO Palm Trace.

Root Cause Analysis (filled by organization audited):

Lack of understanding is related to the request for the latest standard General Chain of Custody SCCS.

Correction (filled by organization audited):

Our unit does not have to register or declare that the sale of CPO and PK referred to is RSPO-certified sales because the sale is a physical sale and not recognized as a certified product

Corrective Action (filled by organization audited):

The PIC that monitors the sale of certified CPO and PK is the marketing division (Mr. Wawan Kusmawanto).

Assessor Evaluation and Conclusion (filled by auditor):
Verification August 20 2018

The company shows some proof of improvement, as follows:

1. Mass balance for the period of July 18, 2017 s.d. August 6, 2018

Period	FFB production (kg)		CPO production (kg)		PK production (kg)	
	RSPO	Non	RSPO	Non	RSPO	Non
18 July - 30 September 2017	32,670,979.37	6,764,666.63	7,318,768.85	1,512,244.15	1,858,197.41	380,001.59
October - December 2017	41,680,278.64	9,197,358.36	9,188,542.90	2,023,252.10	2,423,381.09	534,703.91
January - March 2018	41,748,047.60	11,027,434.40	9,087,950.63	2,392,667.37	2,490,139.06	656,084.94
April - June 2018	39,417,556.88	8,391,097.12	8,292,897.95	1,870,941.05	2,011,173.59	448,046.41
1 July - 6 August 2018	6,721,922.73	13,052,168.27	1,552,264.68	2,664,437.32	320,805.57	557,819.43
Total	162,238,785.22	48,432,724.78	35,440,425.01	10,463,541.99	9,103,696.72	2,576,656.28

Based on the above, it is known that BAF has produced CSPO 35,440.43 Non RSPO MT & CPO: 10,463.54 MT (Total CPO: 45,903.97); CSPK: 9,103.70 Non RSPO MT & PK: 2,576.66 MT (Total PK: 11,680.35 MT).

2. Data on CPO and PK sales for the period of July 18, 2017 s.d. August 6, 2018

Total sales of CPO: 45,955.56 MT; total sales of PK: 11,571.55 MT; with the following details: Claim CSPO: 4,733.23 MT; CSPOs entered into Credit Allocations: 35,377 MT. While PK sales are entirely non-RSPO. CSPK sold as conventional which must be removed in palm trace is: 8,994.89 MT

3. CSPO Records are submitted to Credit Allocations as follows:

All of reporting requirements was announced at RSPO Palm Trace, the information of CSPO & CSPK sales on below table:

Product	Program	Certified Volume	Volume sold/removed	Volume allocated as credits	Remaining volumes	Trading activity	Stock activity
CSPO	Mass	40,377	0	40,377	0	-	Allocate

	Balance						back to physical
CSPK	Mass Balance	10,094	0	0	10,094	Shipping Announcement	-

Credit type	Program	Credit allocated from physical volume	Credit allocated back to physical	Credit Offered/Sold	Available/Remaining Credits
CSPO Credit	Mass Balance	40,377	0	35,377	5,000

Auditor's conclusion:
Based on evidence of improvements that have been shown, this discrepancy has been fulfilled.
Note: please request CSPO Sold as Conventional as 8,994.89 MT removed when the palm trace account is active again.

Verified by : Trismadi N

NCR No.	: 2018.10	Issued by	: Trismadi N
Date Issued	: 18 May 2018	Time Limit	: 17 July 2018
NC Grade	: Major	Date of Closing	: 6 August 2018
Standard Ref. & Requirement	General Chain of Custody 5.13.1. The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.		
Non-Conformance Description & Evidence observed (filled by auditor): There are no evidence that annual management review result.			
Root Cause Analysis (filled by organization audited): Lack of knowledge about new requirement of management review.			
Correction (filled by organization audited): Management review has been conducted on 20 July 2019.			
Corrective Action (filled by organization audited): The next management review will be conducted before RSPO audit conduct, it will be conducted on April 2019.			
Verification on 6 August 2018 The company was shown several evidences, such as: <div><div>1.</div><div>SCCS Internal audit result dated 6-7 July 2018, there are 4 non conformances. All NCR's has been closed on 20 July 2018.</div></div> <div><div>2.</div><div>SCCS Management Review has been conducted on 20 July 2018, discussed of internal audit result and BAF processing performance and the recommendations for improvements.</div></div> <div><div>3.</div><div>SCCS training record dated 18 July 2018 to 14 BAF workers.</div></div> <div><div>4.</div><div>Management review and internal audit program will be conducted on April 2019.</div></div>			
Auditor Conclusions: Based on above explanation, this NC has been closed.			

Verified by	:	Trismadi Nurbayuto
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NCR No.	: 2018.11	Issued by	: Trismadi N
Date Issued	: 18 May 2018	Time Limit	: 17 July 2018
NC Grade	: Major	Date of Closing	: 6 August 2018
Standard Ref. & Requirement	5.13.2 The input to management review shall include information on: <ul style="list-style-type: none">• Results of internal audits covering RSPO Supply Chain Certification Standard.• Customer feedback.• Status of preventive and corrective actions.• Follow-up actions from management reviews.• Changes that could affect the management system.• Recommendations for improvement.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> There are no evidence that annual management review result include information on: <ul style="list-style-type: none">• Results of internal audits covering RSPO Supply Chain Certification Standard.• Customer feedback.• Status of preventive and corrective actions.• Follow-up actions from management reviews.• Changes that could affect the management system.• Recommendations for improvement.			
Root Cause Analysis <i>(filled by organization audited):</i> Lack of knowledge about new requirement of management review.			
Correction <i>(filled by organization audited):</i> Management review has been conducted on 20 July 2019.			
Corrective Action <i>(filled by organization audited):</i> The next management review will be conducted before RSPO audit conduct, it will be conducted on April 2019.			
Verification on 6 August 2018 The company was shown several evidences, such as: <ol style="list-style-type: none">1. SCCS Internal audit result dated 6-7 July 2018, there are 4 non conformances. All NCR's has been closed on 20 July 2018.2. SCCS Management Review has been conducted on 20 July 2018, discussed of internal audit result and BAF processing performance and the recommendations for improvements.3. SCCS training record dated 18 July 2018 to 14 BAF workers.4. Management review and internal audit program will be conducted on April 2019.			
Auditor Conclusions: Based on above explanation, this NC has been closed.			
Verified by	: Trismadi N		

NCR No.	:	2018.12	Issued by	:	Trismadi N
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Date Issued	: 18 May 2018	Time Limit	: 17 July 2018
NC Grade	: Major	Date of Closing	: 6 August 2018
Standard Ref. & Requirement	5.13.3 The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Certificate Holder has not been able to show the results of the annual management review including the effectiveness of continuous improvement of the SCCS system.			
Root Cause Analysis <i>(filled by organization audited):</i> Lack of knowledge about new requirement of management review.			
Correction <i>(filled by organization audited):</i> Management review has been conducted on 20 July 2019.			
Corrective Action <i>(filled by organization audited):</i> The next management review will be conducted before RSPO audit conduct, it will be conducted on April 2019.			
Verification on 6 August 2018 The company was shown several evidences, such as: <ol style="list-style-type: none"> 1. SCCS Internal audit result dated 6-7 July 2018, there are 4 non conformances. All NCR's has been closed on 20 July 2018. 2. SCCS Management Review has been conducted on 20 July 2018, discussed of internal audit result and BAF processing performance and the recommendations for improvements. 3. SCCS training record dated 18 July 2018 to 14 BAF workers. 4. Management review and internal audit program will be conducted on April 2019. 			
Auditor Conclusions: Based on above explanation, this NC has been closed.			
Verified by	: Trismadi N		

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	2.2.1.	Based on interview with PSD staff sighted that land title of plasma submission is still on process, it cause there are new administrative requirement from Headquarters of National Land Agency. While the progress of land use title submission is still in the process of re-overlay by PSD and it will be reported to the National Land Agency of Sanggau District, after all the process is complete. The company to be consider to follow up the plasma land titles and land use titles (East and West Estates) progress. (observation)

1.5.4 Noteworthy Positive Components

No	Descriptions
1	Certificate holder commitment to implemented sustainable principle in palm oil management.
2	Built smallholder engagement with surrounding villagers.
3	Awarded in PROPER BIRU period 2016 - 2017
4	Awarded Indonesian Sustainable Palm Oil (ISPO) since 6 December 2016.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Plantation Agency of Sanggau District Tuesday, 16 May 2018 <ul style="list-style-type: none"> The company has had a plantation permit that covered their area. There is no new request of permit. The company has an engagement with smallholder and has been well implemented. There is no land right issues so far. 	<p>Its accordance to criteria 2.1</p>
Labor agency of Sanggau District Tuesday, 16 May 2018 <ul style="list-style-type: none"> The company has had a good commitment regarding to labor issues. They had a bipartite committee, labor union and collective labor agreement. They also implementing minimum wage requirement according the local regulation so. There is no labor dispute so far. 	<p>Its accordance to criteria 2.1</p>
Environmental agency of Sanggau District Tuesday, 16 May 2018 <ul style="list-style-type: none"> The company has had a good commitment regarding to environmental issues. There is no environmental regulation that has been violated by the company so far. There is no environmental issues so far. 	<p>Its accordance to criteria 2.1 & 5.1</p>
Surrounding Village Wednesday, 17 May 2018 <ul style="list-style-type: none"> Suka Gerundi Village Palem Jaya Village <p>There is no land issues so far, all land compensation process has been finalized. The company has showed their good contribution to the villager through the delivering job opportunity, helping good infrastructure (road and bridges) and the other social activity thorough the donation.</p> <p>The villager had a customary committee and had a good communication with the company regarding the social issues.</p>	<p>It has been verified during the audit, has been explained in C6.10.</p>
Local contractor <ul style="list-style-type: none"> EFB Transporter (PT Bangun Melawi Persada (CPO & PK transport) CV. Bumi Indah/EFB transport) 	

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> - The relationship and communication was good, has been partnered since 2013 - All project was based on agreement which is valid in one year period, in the agreement has describes rights and obligation of each parties including OHS aspect, payment mechanism and validity and signature. The copies are available for each. - There is a complaint in regard of agreement which is issued from Jakarta Office, mentioned that the job has been ordered to be done. - Preparation of agreement has been based on deliberation, before drafting the agreement, the form (for fulfilled) has given to the contractor - Payment was conducted every dated 20 per month. <p>All contractor are based on tender, the company was priority the local contractor, there is annual assessment for contractor</p>	<p>It has been verified during the audit, has been explained in C6.10.</p>
<p>Gender Committee of PT SIA</p> <ul style="list-style-type: none"> - Has been socialized regularly to the employees during morning muster involving the gender committee. - The company has been facilitated the gender committee such as transport, room and others. <p>Mechanism of specific grievance has been provide, until now there is no case reported.</p>	<p>It has been verified during the audit, has been explained in C6.9.</p>
<p>Labor Union of PT SIA</p> <ul style="list-style-type: none"> - Labor union is not functioning properly, until this year there is no more activity in labor union. - Collective Labor Agreement has been renewed period of 2018 – 2020, it has been signed by third parties (company, worker union and government). - Wages have been adjusted to regional minimum wages for 2018 per January 2018. <p>Currently there are no issued related to employment and there is no found any complaint reported/submitted from employee.</p>	<p>Has been verified, related to the Collective Labor Agreement has been raised as NC in the report. The explanation are on C6.7.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Sime Indo Agro Management Representative</p>  <p><u>Mohammad Pirabaharan</u> 17 September 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> 17 September 2018</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency of Sanggau District	Sanggau District		Interview	16 May 2018	√	
2	Labor Agency of Sanggau District	Sanggau District		Interview	16 May 2018	√	
3	Environmental Agency of Sanggau District	Sanggau District		Interview	16 May 2018	√	
4	Suka Gerundi Village	Suka Gerundi Village		Interview	17 May 2018	√	
5	Palem Jaya Village	Palem Jaya Village		Interview	17 May 2018	√	
6	Gender Committee of PT SIA	Sanggau District		Interview	17 May 2018	√	
7	Labor Union of PT SIA	Sanggau District		Interview	17 May 2018	√	
8	Local Contractor	Sanggau District		Interview	17 May 2018	√	
10	West Estate 5 Spraying worker Block B801 4 manuring worker Block A803 2 Harvesting worker Block A801 1 BSS worker Bukit Ajong POM 2 Mekanik in Workshop 1 Operator in WTP 1 Cemical Storage Operator 2 operator in Sterilizer 2 operator in Boiler n Engine room Smallholder 1 operator in Chemical Store 1 Operator in Fertilizer Store 4 Harvesting worker Group 2 Amang	PT Sime Indo Agro		Interview	16-17 May 2018	√	
9	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	questionnaire	08 May 2018		√
10	WWF	Jakarta, Indonesia	informasi@walhi.or.id	questionnaire	08 May 2018		√
11	WALHI	Jakarta, Indonesia	info@walhi.or.id	questionnaire	08 May 2018		√

Appendix 2. Assessment Program

DATE	15 – 19 May 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Tuesday, 15 May 2018		
05.40 – 07.00	JAKARTA → PONTIANAK Garuda Indonesia (GA 500)	• TNB/ MRD/ BYG/ APP
07.30 – 14.30	PONTIANAK → SITE	• TNB/ MRD/ BYG/ APP
15.00 – 16.00	OPENING MEETING	• TNB/ MRD/ BYG/ APP
16.00 – 17.00	Verification of the previous visit non-conformance, evaluation of re-occurrence NC during ASA-1.1 and, basic information, TBP and partial certification and preparation of stakeholder consultation.	• TNB/ MRD/ BYG/ APP
Wednesday, 16 May 2018		
08.00 – 12.00	<ul style="list-style-type: none"> • Stakeholders consultation to Related Government Institution (Sanggau District Government and local NGO) Field Observation West Estate: <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, IPM, OHS and Worker Welfare (payments, complaint mechanism). • HCV area, legal boundaries and dispute area (if any) • Interview with Labour union (SPSI), Gender Committee and local contractor 	<ul style="list-style-type: none"> • TNB • MRD /APP • BYG/TNB • APP
12.00 – 14.00	BREAK	• TNB/APP/MRD/BYG
14.00 – 17.00	Field Observation Bukit Ajong POM: <ul style="list-style-type: none"> • Supply Chain • WWTP, WTP, Hazardous storage, waste management and Workshop, FFB receive and process, OHS and Worker Welfare (payments, complaint mechanism). 	<ul style="list-style-type: none"> • TNB • MRD/ APP
14.00 – 17.00	<ul style="list-style-type: none"> • Hazardous Waste Storage (LB3), Hazardous storage, OHS, Workshop, Worker Welfare (payments, complaint mechanism) and Land Fire facilities, Emplasment and Worker Welfare (payments, complaint mechanism). 	• BYG TNB
Thursday, 17 May 2018		
08.00 – 12.00	Field Observation to Smallholder Scheme (Plasma) – sample (KUD, farmers group and farmers) will be determined on site: <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, IPM, Hazardous waste management, Worker Welfare (payments, complaint mechanism). • Hazardous Waste Management, Hazardous Material (B3) management and Land Fire facilities. • Interview with Surrounding Communities. 	<ul style="list-style-type: none"> • MRD/APP • BYG/TNB • APP
12.00 – 14.00	BREAK	• TNB/ MRD/ BYG/ APP
14.00 – 17.00	<ul style="list-style-type: none"> • Continuing the field observation • Clarification of Public Consultation and field observation • Document verification and updating 	• TNB/ MRD/ BYG/ APP
Friday, 18 May 2018		

DATE	15 – 19 May 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00	<ul style="list-style-type: none">Continuing the field observationClarification of Public Consultation and field observationDocument verification and updating	<ul style="list-style-type: none">TNB/ MRD/ BYG / APP
12.00 – 14.00	BREAK	<ul style="list-style-type: none">TNB/ MRD/ BYG/ APP
13.00 – 15.00	Closing preparation (internal discussion)	<ul style="list-style-type: none">TNB/ MRD /BYG /APP
15.00 – 17.00	CLOSING MEETING	
17.00 – 22.00	SITE → PONTIANAK	
Saturday, 19 May 2018		
10.50 – 11.50	PONTIANAK → JAKARTA Garuda Indonesia (GA 505)	<ul style="list-style-type: none">TNB/MRD/BYG/APP