

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

**[ ✓ ] Surveillance 1.1**

Name of Management : Rantau Panjang Factory, PT Guthrie Pecconina Indonesia subsidiary of Organisation Sime Darby Plantation Bhd  
 Plantation Name : Rantau Panjang Estate; Bumiayu Estate; Napal Estate; Karang Ringin Estate; Mangun Jaya Estate  
 Location : Rantau Panjang Village, Lawang Wetan Sub-District, Musi Banyuasin District, Sumatera Selatan Province, Indonesia  
 Certificate Code : **MUTU-RSPO/017**  
 Date of Certificate Issue : 20 November 2017 Date of License Issue : 20 November 2018  
 Date of Certificate Expiry : 19 November 2022 Date of License Expiry : 19 November 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA 1.1	03 to 06 September 2018	Sandra Purba (Lead Auditor); Yudhi Yuniarto Tallutondok; Arif Faisal Simatupang; Brigitta Prita	Octo H.P.N. Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA 1.1	14 November 2018

**TABLE OF CONTENT**

**FIGURE**

Figure 1. Location Map of PT Guthrie Pecconina Indonesia	1
Figure 2. Operational Map of PT Guthrie Pecconina Indonesia	2

Abbreviations Used	3
--------------------	---

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used	5
1.2 Organisation Information	5
1.3 Type of Assessment	5
1.4 Location of Mill and Plantations	5
1.5 Description of Area Statement	5
1.6 Planting Year and Cycles	7
1.7 Description of Mill and Supply Base	7
1.8 Estimate Tonnage of Certified Product	8
1.9 Other Certifications	9
1.10 Time-Bound Plan	9

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team	18
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	18
2.3 Stakeholder Consultation and Stakeholders Contacted	21
2.4 Determining Next Assessment	21

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	22
3.2 Summary of Assessment Report of Supply Chain Requirement	47
3.3 Conformity Checklist of Certificate and Logo Use	64
3.4 Summary of RSPO Partial Certification	65
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	68
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	94

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

4.1 Formal Signing of Assessment Findings	96
---	----

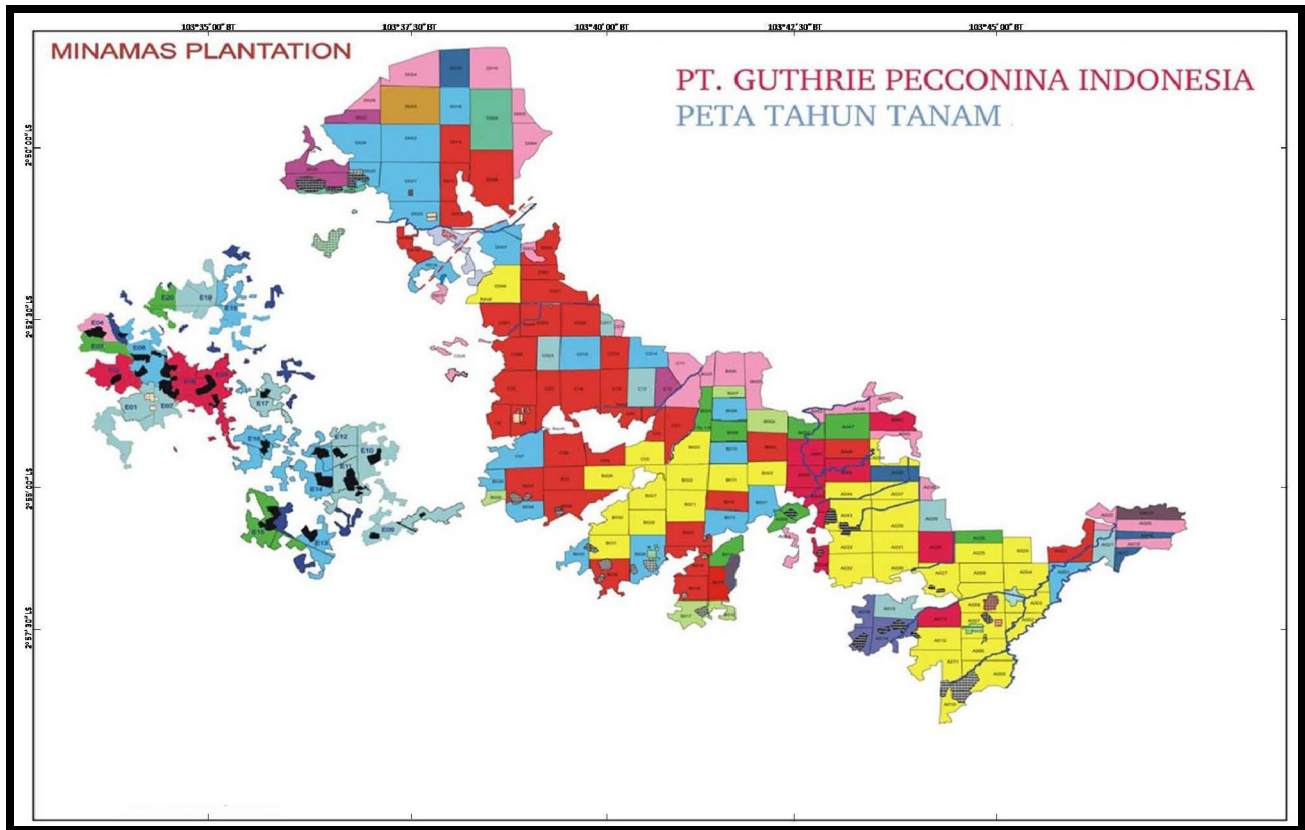
**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process	97
2. Assessment Program	98

Figure 1. Location Map of PT Guthrie Pecconina Indonesia.



Figure 2. Operational Map of PT Guthrie Pecconina Indonesia.



**Abbreviations Used**

ASA	:	Annual Surveillance Assessment
BPJS	:	Badan Penyelenggara Jaminan Sosial / National Social Security Administration Body for Employment
BMP	:	Best Management Practice
BOD	:	Biological Oxygen Demand
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
BSS	:	Block Spraying System
BYE	:	Bumi Ayu Estate
CB	:	Certificate Body
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
DO	:	Delivery order
EFB	:	Empty Fruit Bunch
EHS	:	Environment Safety and Health
EIA	:	Environmental Impact Assessment
EWS	:	Early Warning System
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
GM	:	General Manager
GPP	:	Guthrie Pecconina Plasma
GPI	:	Guthrie Pecconina Indonesia
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIPERKES	:	Higiene Perusahaan dan Kesehatan / Occupational Health and Safety Program
HIRAC	:	Hazard Identification and Risk Assesment and Control
HPO	:	Head Platation Operations
HPUI	:	<i>Head Plantation Upstream Indonesia</i>
HRM	:	Human Resource Management
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
KER	:	Kernel Extarction Rate
KRE	:	Karang Ringin Estate
LC	:	Land Clearing
LCC	:	Land Cover Crop
LLRP	:	Long Range Replanting Programme
LTA	:	Lost Time Accident
MJE	:	Mangun Jaya Estate
MOP	:	Muriate of Potash
MRC	:	Minamas Research Centre
MSDS	:	Material Safety Data Sheet
NAE	:	Napal Estate
NGO	:	Non Government Organization
OER	:	Oil Extarction Rate
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health and Safety
PIC	:	Person in Charge
PK	:	Palm Kernel
POM	:	Palm Oil Mill

POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protection Equipment
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
RJE	:	Rantau Panjang Estate
RJF	:	Rantau Panjang Factory
RSPO	:	Roundtable on Sustainable Palm Oil
SGM	:	<i>Senior General Manager</i>
SIA	:	Social Impact Assessment
SJE	:	Sungai Jernih Estate
SOP	:	Standart Operating System
SOU	:	Strategic Operation Unit
SR	:	Severity Rate
TPH	:	Tempat Pemungutan Hasil (collection point)
WHO	:	World Health Organization
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<ul style="list-style-type: none"> <li>• Indonesian National Interpretation of RSPO P&amp;C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 30th September 2016.</li> <li>• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill).</li> <li>• RSPO Certification System for Principles and Criteria, 14 June 2017.</li> </ul>	
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Guthrie Pecconina Indonesia subsidiary of Sime Darby Plantation Bhd.	
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, 36 <sup>th</sup> Floor JL. MH Thamrin Kav. 28-30, Jakarta 10350.	
1.2.4	Telephone	(+62-21)-29926000	
1.2.5	Fax	(+62-21)-29922686	
1.2.6	E-mail	<a href="mailto:mohamad.pirabaharan@simedarbyplantation.com">mohamad.pirabaharan@simedarbyplantation.com</a>	
1.2.7	Web page address	<a href="http://www.simedarbyplantation.com">www.simedarbyplantation.com</a>	
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	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	One Palm Oil Mill and seven supply bases: Rantau Panjang Factory (RJF), Rantau Panjang Estate (RJE), Bumiayu Estate (BYE), Karang Ringin Estae (KRE), Napal Estae (NAE), Mangun Jaya Estate (MJE).	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Rantau Panjang Factory	Village of Rantau Panjang, Sub District of Lawang Wetan, District of	S 02° 54' 59"      E 103° 44' 52"

		Musi Banyuasin, Province of Sumatera Selatan, Indonesia		
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Rantau Panjang Estate	Village of Rantau Panjang, Village of Karang Anyar, Village of Talang Piase; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of Sumatera Selatan, Indonesia	S 02° 55' 20"	E 103° 44' 43"
	Bumi Ayu Estate	Village of Bumi Ayu; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of Sumatera Selatan, Indonesia	S 02° 53' 49"	E 103° 40' 37"
	Napal Estate	Village of Napal; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of Sumatera Selatan, Indonesia	S 02° 51' 35"	E 103° 38' 49"
	Karang Ringin Estate	Village of Karang Ringin and Village of Ulak Teberau; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of Sumatera Selatan, Indonesia	S 02° 48' 39"	E 103° 37' 45"
	Mangun Jaya Estate	Village of Rantau Kasih and Village of Pangkalan Jaya; Sub District of Lawang Wetan; District of Musi Banyuasin; Province of Sumatera Selatan, Indonesia	S 02° 51' 11"	E 103° 34' 16"
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State		10,139.91	Ha
	• Community		-	Ha
1.5.2	<b>Area Statement</b>			
	• Total area		10,139.91	Ha
	• Mature area		5,714.79	Ha
	• Immature area		1,811.76	Ha
	• Mill		12.88	Ha
	• Emplishment		34.79	Ha
	• Infrastructure		327.25	Ha
	• Nursery		28.21	Ha
	• Occupation		1,914.63	Ha
	• Others area (Public facilities)		225.52	Ha
	• HCV		55.38	Ha
	• Conservation		14.70	Ha
<b>1.6</b>	<b>Planting Year and Cycles</b>			



1.6.1 Age profile of planting year

Planting Year	Hectarage (Ha)					Total
	Rantau Panjang Estate	Bumi Ayu Estate	Napal Estate	Karang Ringin Estate	Mangun Jaya Estate	
1998	963.94	757.18	61.84	-	-	1,782.96
1999	224.77	551.10	851.83	122.50	139.45	1,889.65
2000	127.53	400.37	106.78	541.32	-	1,176
2001	47.44	-	5.64	-	-	53.08
2002	-	100.72	-	-	-	100.72
2003	-	-	-	131.90	-	131.9
2004	-	-	-	132.11	-	132.11
2005	-	-	-	67.57	-	67.57
2007	-	-	-	153.41	-	153.41
2008	-	93.89	-	-	-	93.89
2015	133.50	-	-	-	-	133.5
<b>Total Mature Area</b>	<b>1497.18</b>	<b>1903.26</b>	<b>1026.09</b>	<b>1148.81</b>	<b>139.45</b>	<b>5,714.79</b>
2016	314.54	-	-	-	-	314.54
2017	341.50	249.41	-	426.23	-	1,017.14
2018	41.28	180.93	-	257.87	-	480.08
<b>Total Immature Area</b>	<b>697.32</b>	<b>430.34</b>	<b>0</b>	<b>684.1</b>	<b>0</b>	<b>1,811.76</b>
<b>TOTAL</b>	<b>2,194.50</b>	<b>2,333.60</b>	<b>1,026.09</b>	<b>1,832.91</b>	<b>139.45</b>	<b>7,526.55</b>

1.6.2 New Planting area after January 2010 - Ha

1.6.3 Planting Cycle 1<sup>st</sup> Cycle

**1.7 Description of Mill and Supply Base**

1.7.1 Description of Mill

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
			Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
Rantau Panjang Factory	60	198,737.81	43,101.82	21.73	11,568.74	5.83

\*Production data source from September 2017 until August 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)	%
Rantau Panjang Estate	2,679.74	2,194.50	26,618.74	17.78	26,618.74	100
Bumi Ayu Estate	2,960.98	2,333.60	44,846.23	23.56	44,846.23	100

	Napal Estate	1,597.46	1,026.09	14,160.186	13.80	14,160.186	100
	Karang Ringin Estate	2,762.28	1,832.91	20,602.68	17.93	20,602.68	100
	Mangun Jaya Estate	139.45	139.45	1,845.43	13.23	1,845.43	100
	<b>TOTAL</b>	<b>10,139.91</b>	<b>7,526.55</b>	<b>108,073.27</b>	<b>17.26</b>	<b>108,073.27</b>	<b>100</b>
	<i>*Production data source from September 2017 until August 2018</i>						
1.7.3	FFB description from other source						
	<b>Name of sources/Organisation</b> (RSPO certified / non-certified)	<b>Type of Organisation</b>	<b>Number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>		
					<b>FFB</b> (tonnes/year)		
	Rantau Panjang Estate (Associated non certified area)	PT GPI (Land use title on progress).	-	855.05	24,076.60		
	Napal Estate (Associated non certified area)	PT GPI (Land use title on progress).	-	988.65	18,055.02		
	Mangun Jaya Estate (Associated non certified area)	PT GPI (Land use title on progress).	-	1,418.02	25,067.44		
	Sungai Jernih Estate (Associated non certified area)	PT GPI (Land use title on progress).	-	1,002.90	12,268.87		
	Guthrie Pecconina Plasma	Smallholders	Cooperative of Mudah Rasan Jaya 622 farmers  Cooperative of Sinar Delima 524 farmers	2,379	11,196.61		
	<b>TOTAL</b>					<b>90,664.54</b>	
	<i>*Source Production Data on from September 2017 until August 2018.</i>						
1.7.4	Product categories	FFB, CPO, PK					
1.8	<b>Tonnage of Product</b>						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)	Actual certified product September 2017 to August 2018 (tonnes/year)			
	• FFB Production		131,523	108,073			
	• CPO Production		27,620	23,447			
	• Palm Kernel (PK) Production		6,576	6,297			
1.8.2	Product selling			Period of actual selling product (September 2017 to August 2018)			
	Tonnage of selling product						
	• CSPO sold as RSPO certified product			0			
	• CSPK sold as RSPO certified product			2,696.53			
	• CSPO sold under other scheme			0			

	<ul style="list-style-type: none"> <li>• CSPK sold under other scheme</li> </ul>	0																																																														
	<ul style="list-style-type: none"> <li>• CSPO sold as conventional</li> </ul>	17,866.35																																																														
	<ul style="list-style-type: none"> <li>• CSPK sold as conventional</li> </ul>	3,692.81																																																														
1.8.3	Estimate of Certified FFB Claim																																																															
	<table border="1"> <thead> <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> </thead> <tbody> <tr> <td>Rantau Panjang Estate</td> <td>2,679.74</td> <td>2,194.50</td> <td>27,950</td> <td>18.67</td> </tr> <tr> <td>Bumi Ayu Estate</td> <td>2,960.98</td> <td>2,333.60</td> <td>47,089</td> <td>24.74</td> </tr> <tr> <td>Napal Estate</td> <td>1,597.46</td> <td>1,026.09</td> <td>14,868</td> <td>14.49</td> </tr> <tr> <td>Karang Ringin Estate</td> <td>2,762.28</td> <td>1,832.91</td> <td>21,633</td> <td>18.83</td> </tr> <tr> <td>Mangun Jaya Estate</td> <td>139.45</td> <td>139.45</td> <td>1,938</td> <td>13.89</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>10,139.91</b></td> <td><b>7,526.55</b></td> <td><b>113,478</b></td> <td><b>18.12</b></td> </tr> </tbody> </table>	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Rantau Panjang Estate	2,679.74	2,194.50	27,950	18.67	Bumi Ayu Estate	2,960.98	2,333.60	47,089	24.74	Napal Estate	1,597.46	1,026.09	14,868	14.49	Karang Ringin Estate	2,762.28	1,832.91	21,633	18.83	Mangun Jaya Estate	139.45	139.45	1,938	13.89	<b>TOTAL</b>	<b>10,139.91</b>	<b>7,526.55</b>	<b>113,478</b>	<b>18.12</b>																												
Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)																																																												
Rantau Panjang Estate	2,679.74	2,194.50	27,950	18.67																																																												
Bumi Ayu Estate	2,960.98	2,333.60	47,089	24.74																																																												
Napal Estate	1,597.46	1,026.09	14,868	14.49																																																												
Karang Ringin Estate	2,762.28	1,832.91	21,633	18.83																																																												
Mangun Jaya Estate	139.45	139.45	1,938	13.89																																																												
<b>TOTAL</b>	<b>10,139.91</b>	<b>7,526.55</b>	<b>113,478</b>	<b>18.12</b>																																																												
	*Projected FFB production for 12 months of certificate (20 November 2018 to 19 November 2019)																																																															
1.8.4	Estimate of Certified Palm Product Claim																																																															
	<table border="1"> <thead> <tr> <th rowspan="2">Name of Mill</th> <th rowspan="2">Capacity (tonnes/ hour)</th> <th rowspan="2">FFB Processed (tonnes/year)</th> <th colspan="2">CPO</th> <th colspan="2">Palm Kernel</th> <th rowspan="2">Supply Chain Module</th> </tr> <tr> <th>Out put (tonnes)</th> <th>Extraction (%)</th> <th>Out put (tonnes)</th> <th>Extraction (%)</th> </tr> </thead> <tbody> <tr> <td>Rantau Panjang Factory</td> <td>60</td> <td>113,478</td> <td>26,100</td> <td>23</td> <td>6,809</td> <td>6</td> <td>MB</td> </tr> </tbody> </table>	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module	Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	Rantau Panjang Factory	60	113,478	26,100	23	6,809	6	MB																																											
Name of Mill	Capacity (tonnes/ hour)				FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module																																																						
		Out put (tonnes)	Extraction (%)	Out put (tonnes)		Extraction (%)																																																										
Rantau Panjang Factory	60	113,478	26,100	23	6,809	6	MB																																																									
	*Projected CSPO and CSPK production for 12 months of certificate (20 November 2018 to 19 November 2019)																																																															
1.9	Other Certifications																																																															
	ISPO	ISPO Certificate of PT GPI from Mutuagung Lestari MUTU-ISPO/039 valid from 30 April 2015 to 29 April 2020																																																														
1.10	Time Bound Plan																																																															
1.10.1	Time Bound Plan for Other Management Units																																																															
	<table border="1"> <thead> <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> </thead> <tbody> <tr> <td align="center" 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></td> <td></td> <td rowspan="2">Seruyan and West Kotawaringin District – Central Kalimantan</td> <td>Certified</td> </tr> <tr> <td>Seruyan</td> <td>2010</td> <td></td> <td></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></td> <td></td> <td rowspan="3">Rokan Hilir District – Riau</td> <td>Certified</td> </tr> <tr> <td>Manggala 2</td> <td>2010</td> <td></td> <td></td> <td>Certified</td> </tr> <tr> <td>Manggala 3</td> <td>2010</td> <td></td> <td></td> <td>Certified</td> </tr> <tr> <td rowspan="2">Bukit Ajong PT. Sime Indo</td> <td rowspan="2">2010</td> <td>West</td> <td>2010</td> <td rowspan="2">1,652</td> <td rowspan="2">2019</td> <td rowspan="2">Sanggau District –West</td> <td>Certified</td> </tr> <tr> <td>East</td> <td>2010</td> <td>Certified</td> </tr> </tbody> </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	2010	West	2010	1,652	2019	Sanggau District –West	Certified	East	2010	Certified	
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	2010	West	2010	1,652	2019	Sanggau District –West	Certified																																																									
		East	2010				Certified																																																									

Agro		Sei Mawang	2018			Kalimantan	-
		East Plasma	2010				Certified
		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 District – 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 Sejahtea Sakti	2011	Gunung Aru	2011	765	2020	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasan	2011				Certified
		Laut Timur	2011				Certified
		Pantai Timur	2011				Certified
		KKPA BSS	2020				-
Bebunga. PT. Langgeng	2011	Sungai Cengal	2011	1,162	2020	Kotabaru District – South	Certified
		Bebunga	2011				Certified

Muaramakmur		KKPA Sungai Cengal	2014			Kalimantan	Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011			Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Sapiri	2011				Certified
		Barasdanum	2011				Certified
		Kuala Kuayan	2011				Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	1,120	2020	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012				Certified
		Rampa	2012				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	2018				- (Not yet)
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	2014	Lembiru	2014			Ketapang District – West	Certified
		Awatan	2014				Certified

Nata Palma		Karya Palma	2018		Kalimantan	-
		KKPA SNP	2020			-
		Pelanjau (PT BAL)	2018			-
		Sungai Putih (PT BAL)	2018			-
		Baturus (PT BAL)	2018			-
		KKPA BAL	2020			-
<b>MALAYSIA</b>						
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
		Kalumpang	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	2010	East	2010		Carey Island,	Certified

SOU 8		Dusun Durian	2010		Selangor	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 SOU 13	2011	Labu	2011		Nilai, Negeri Sembilan	Certified
		New Labu	2011			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 Sebaling	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	2010	Gunung Mas	2010		Kluang, Johor	Certified
		Kempas Klebang	2010			Certified

SOU 21		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	Tingkayu	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	2011	Chartquest	2011			Bintulu, Serawak	Certified



SOU 34		Dulang	2011			Certified
		Peroh	2011			Certified
		Pekaka	2011			Certified
		Ruai	2011			Certified
<b>LIBERIA</b>						
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		Bomi, Liberia	NPP May 2011
		Lofa (2,254 Ha)	2017			NPP May 2011
<b>P &amp; G (New Britain Palm Oil)</b>						
Poliamba	2012	Kara	2012		Keviang, 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	2013		Certified			

			(smallholders)				
			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 •Kumbango •Kapiura •Namumdo •Waraston	2008	Bebere	2008		West New Britain	Certified
			Kumbango	2008			Certified
			Togulo	2008			Certified
			Dami	2008			Certified
			Waisisi	2008			Certified
			Kautu	2008			Certified
			Karaisu	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 /	2008			Certified

		Natupi / Goruru			
		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 / KDC ME (21 large smallholders)	2008		Certified
		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 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 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	<b>Progress of Associated Smallholders and Outrowers for Certifiable Standard</b>				
	<p>Smallholders scheme and associated grower (SJE) under PT GPI are excluded from the scope certification and planned to be certified in 2018.</p> <p>The smallholders scheme and associated grower (SJE) under PT GPI has been certified until ASA-4 (cycle 1), however, due to RSPO statement on HGU the smallholder and SJE excluded from the scope since RC, the progress of it certification will be observed on ASA 1.2. <b>OFI</b></p>				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-1.1</b>	<ol style="list-style-type: none"> <li><b>Sandra Purba (Lead Auditor).</b> Indonesia Citizen, Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG verification and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she verify legality, HCV, GHG and environmental.</li> <li><b>Arif Faisal Simatupang (Auditor).</b> Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV) and RSPO lead auditor training course. He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify Transparency, OSH and workers welfare.</li> <li><b>Brigitta Prita (Auditor).</b> Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System; Training Lead Auditor RSPO by Daemeter &amp; Proforest; Lead Auditor SCCS by BM Trada; and SA 80001 Social and Worker Welfare. She has been audit experience ISPO &amp; RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. During this audit, she supply chain Certification Standard and social.</li> <li><b>Yudhi Yuniarto Tallutondok (Auditor Trainee).</b> Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO) P&amp;C, Lead Auditor of ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, Social Accountbility 8000, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for ISPO and RSPO scheme since 2017 for agronomy, OHS, labor and social aspects. In this audit activity he supprot to assess BMP and long term plan.</li> </ol>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1.1</b>	<p>Number of auditors : 3 auditor and 1 trainee auditor.</p> <p>Number of days for ASA 1.1 at site : 4 days.</p> <p>Number of working days for ASAs 1.1 at site : 12 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1.1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Guthrie Pecconina Indonesia subsidiary of Sime Darby Plantation Sdn Bhd to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016); RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June</p>

2017 (Module E for CPO Mill) and RSP0 Certification System for Principles and Criteria, 14 June 2017.

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) *interview*, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results **ASA-1.1** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase **ASA-1.2**.

Improvement of findings from main assesment findings were observed by auditors at this **ASA-1.1** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1.1**.

The assessment program please find Appendix 2

**2.2.3 Locations of Assessment**

**ASA-1.1** Number of units in this certification activity is 5 estates, which supply the raw material (FFB) to Rantau Panjang Factory. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Rantau Panjang Factory (RJF) and 2 Estates (Rantau Panjang Estate and Bumi Ayu Estate)

The locations visited are presented in the following:

**Mangun Jaya Estate :**

1. **Block E014.** Observation related to erotion poles.
2. **Block E05.** Observation and interview with Harvesting Supervisor and workers related to harvesting procedure accordance to SOP, PPE implementation, OHS implementation, socialization HCV area, and payment system.
3. **Block E010.** Observation pest control for rat with owl, location and monitoring Barn Owl Box (BOB).
4. **Blok E011.** Observation related to road maintenance.
5. **Block E011.** Observation and interview with manuring supervisor and workers related to manuring knowledge according to SOP, PPE implementation, OHS implementation, socialization HCV area, first aid training, first aid kit and MSDS of materials.
6. **Block of E05 Division 1.** Observation of boundary between certified and un-certified area.
7. **Block of E05 Division 1.** Observation to riparian area of Bang river.
8. **Block of E016 Division 2.** Observation to riparian of spring.
9. **Chemical store.** Observation and interview regarding management of chemical.
10. **Fertilizer store.** Observation and interview regarding management of fertilizer.
11. **Workshop.** Observation and interview regarding activities and OHS in workshop.
12. **Fuel tank.** Observation regarding management of fuel.
13. **Fuel store.** Observation regarding management of fuel.
14. **Block Spraying System.** Observation and interview regarding management of spraying system.
15. **Housing MGE.** Observation and interview regarding condition of housing, sanitation, and others.
16. **Daycare.** Observation and interview related facilities daycare and others.
17. **Landfill Block E08 Division 1.** Observation related management of domestic waste.
18. **Schedule waste store.** Observation and interview related management of hazardous waste.
19. **Policlinic.** Observation and interview related facilities of policlinic.

**Karang Ringin Estate :**

20. **Block D012.** Observation and interview with manuring supervisor and workers related to manuring knowledge according to SOP, PPE implementation, OHS implementation, socialization HCV area, first aid training, first aid kit and MSDS of materials.
21. **Water Gate. Blok O055.** Observations related to water level monitoring and water pumps used when river water levels are high to prevent flooding.
22. **Subsidence Pole and Piezometer, Block R057.** Observation of peat instrument to monitoryzed and analyzed peat subsidence.
23. **Path and Circle Spraying, Block D018.** Observation and interview on procedure implementation, safety

- dan worker welfare aspect.
24. **Boundary Poles Inspection.** Boundary poles sampling check consist of pole number 90, 144 and 215, all of boundary area was separate by trenches. The poles were installed in good condition and the poles numbers can be read clearly.
  25. **Kindergarten.** Observation and interview regarding management of kindergarten.
  26. **Daycare.** Observation and interview related facilities daycare and others.
  27. **Policlinic.** Observation and interview regarding facilities of policlinic
  28. **Block Spraying System.** Field observations on the condition and management of chemicals.
  29. **Fertilizer store.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure.
  30. **Chemical store.** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
  31. **Oil store.** Observation and interview related management of oil.
  32. **Chemical mixing place.** Observation and interview related management of chemical mixing.
  33. **Schedule waste store.** Observation and interview related management of hazardous waste.
  34. **Generator house.** Observation related management of generator house.
  35. **HCV No.4 Senarau river Block 020/R49 Division 4.** Observation related management of HCV area.
  36. **HCV No.6 Grave Block D020/R51 Division 4.** Observation related management of HCV area.
  37. **KRE Housing.** Observation related management of facilities in housing area.
  38. **Landfill Block R52 Division 4.** Observation related management of domestic waste.
  39. **Areal application EFB Block R 52.** Observation related management of EFB.

**Napal Estate :**

40. **Path and Circle Spraying, Block C023.** Observation and interview on procedure implementation, safety dan worker welfare aspect.
41. **Manuring, Block C007.** Observation and interview on procedure implementation, safety dan worker welfare aspect.
42. **Housing.** Observation related to workers facilities and housing condition.
43. **Block C009.** Observation to HGU pole no.: BPN GPI 30, the poles no.: GPI 105, GPI 106 and GPI 108 not observed in place (raised as NC in 2.2.2)
44. **Block C010/012 HCV Area.** Observation related to HCV and riparian area management – riparian of Pajering river
45. **Chemical store.** Observation related to chemical handling, OHS and waste management, interview to store keeper related to worker welfare
46. **Hazardous waste transit storage.** Observation related to hazardous waste management.

**Rantau Panjang Estate.**

47. **Block of F7 Division A.** Observation to Land Application and wells-monitor, observation of waste-water management, interview with operator related to OSH and worker welfare.

**Rantau Panjang Factory :**

48. **Sterilizer Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
49. **Boiler Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
50. **Engine Room Station.** Observation related to employment aspects, OHS implementation (medical check up, PPE), and workers' knowledge about work procedure.
51. **Security Post.** Interview with 2 security personel related to FFB received mechanism and security procedure in the transportation of FFB, CPO and Kernel.
52. **Loading Ramp.** Observation and interview with 3 sortation personnel related to personnel understanding about sortation procedure, worker welfare.
53. **Water Treatment Plant (WTP) station.** Observation related to water consumption and implementation of OHS, and understanding of safe working
54. **Security station.** Observation and interview regarding to SCCS implementation and worker welfare

- 55. **Weigh-bridge station.** Observation and interview related to SCCS implementation
- 56. **WWTP.** Observation of waste-water management, interview with operator related to OSH and worker welfare
- 57. **Water intake.** Observation related to water source management for processing in mill.
- 58. **Chemical Store.** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
- 59. **Oil Store.** Observation and interview related management of oil.
- 60. **Schedule waste store.** Observation and interview related management of hazardous waste.
- 61. **Workshop.** Observation and interview regarding activities and OHS in workshop.
- 62. **EFB Area.** Observation related management of EFB.

Stakeholder visit :

- 63. Labor Agency of Musi Banyuasin Regency
- 64. Environment Agency of Musi Banyuasin Regency
- 65. National Land Agency of Musi Banyuasin Regency
- 66. Plantation Agency of Musi Banyuasin Regency
- 67. Talang Piase Village.
- 68. Gender committee (during field observation)
- 69. Labor union (during field observation)
- 70. Local contractor

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1.1</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT. Guthrie Pecconina Indonesia was held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement at web <a href="http://www.mutucertification.com">www.mutucertification.com</a> on 25 August 2018.</li> <li>2. Consultation meeting and interview with government agencies in Musi Banyuasin District on 4 September 2018.</li> <li>3. Consultation meeting and interview with Surrounding Village (Talang Piase Village) on 4 September 2018.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (Committee gender, labour union and local contractor) on 5 September 2018 during field observation.</li> <li>5. Consultation by email with NGO (Sawit Watch, WWF, WALHI) 31 August 2018.</li> </ol>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b>Please find appendix 1.</b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-1.2</b> ) will be determined nine (9) up to ten (12) month after this <b>ASA-1.1 (August to November 2019)</b>

**3.0. ASSESSMENT FINDINGS**

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

MUTUAGUNG LESTARI has conducted an assessment of Rantau Panjang Factory – PT. Guthrie Pecconina Indonesia subsidiary of Sime Darby Plantation Sdn Bhd operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were zero (0) Nonconformities were assigned against Major Compliance Indicators; three (3) nonconformities were assigned against Minor Compliance Indicators; and four (4) nonconformance against supply chain requirement for CPO mill and seven (6) opportunities for improvement were identified.

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

MUTUAGUNG LESTARI found that Rantau Panjang Factory – PT. Guthrie Pecconina Indonesia subsidiary of Sime Darby Plantation Sdn Bhd complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> 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 14 June 2017 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>		
<p><b>1.1.1.</b> The certificate holder has list of stakeholders that consist of local government, central government, NGO, village, local communities, hospital, supplier, school, assurance, bank and contractors. Management also has personnel in charge which is appointed to reform the list of stakeholders and communicate with stakeholders. PIC which is appointed to provide and update information is unit manager and designated assistant.</p> <p>Based on interviews with the Musi Banyuasin District Government Agency and the village community, They have been socialized regarding the types of information which can be accessed by relevant stakeholders.</p> <p><b>1.1.2.</b> The company already has procedure with number of document SOP-001 / GPI / 2012 regarding information request approved by estate managers, namely RJE, BYE, NAE, KRE, MJE on December 1<sup>st</sup>, 2012 and communication and consultation with local community number of document RSPO/6.2/KKM. All the communication include information request from the public is kept in data base administration of sustainability department and recorded in a log book stakeholder / community. The time period to respond information request is 10 working days. Based on verification document and interview with exsternal stakeholders, management always responds the information request no longer than 10 working days. Example: Letter from the Sekayu State Vocational School 3 Education and Culture Agency with letter number 421.5 / 028 / SMKN3SKY / 2018 dated February 14<sup>th</sup>, 2018 regarding the application to implement Industrial Field Practices at PT GPI. The company approved the existence of field practices that will be carried out on July 17<sup>th</sup>, 2018 - October 17<sup>th</sup> 2018 for 3 months.</p>		



	<b>Status: Comply</b>	
<b>1.2</b>		
<b>Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</b>		
<b>1.2.1.</b>		
<p>The Certificate Holder (CH) has a list of information that can be accessed by stakeholders in the SOP of Right to Access Information which has been revised on February 20, 2016. The documents that can be accessed by the public including: Land Use Title; Trade Business Permit / Plantation Business Permit / Business Location Permit; Licensing, HCV Area; SIA; EIA; Documents of Occupational Health and Safety; Employee data which is not related to the wages; Production Data; Waste Data; Human Rights Policies, RSPO reports.</p> <p>Based on interviews with stakeholders (Musi Banyuasin District Government and Village Communities) they have been know the types of information that can be accessed and personal in charge of receiving information and providing responses.</p>		
	<b>Status: Comply</b>	
<b>1.3</b>		
<b>Growers and millers commit to ethical conduct in all business operations and transactions.</b>		
<b>1.3.1.</b>		
<p>The management unit showed a Business Ethics Policy approved by GM, SGM, and Head Plantation Office (HPO) on May 24<sup>th</sup>, 2007. Besides the business ethics, the management unit also makes the work ethic that governs the individuals basic attitudes and the individuals behavior inside and outside the company, besides including the prohibition of corruption, bribery and fraud also arranged on the code of conducts. That document which is available in bahasa, explains fair conduct of business, and provide information in accordance with applicable laws.</p> <p>Based on interviews with harvesters, pesticide applicators, fertilizer applicators, Mill workers, and local contractors it was known that there had been socialization of the code of ethics policy. In addition, in each area of the Estate and Mill Office on the information board a code of ethics policy has been installed.</p>		
	<b>Status: Comply</b>	
<b>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>		
<b>2.1</b>		
<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>		
<b>2.1.1.</b>		
<p>The certificate holder shows evidence of compliance with relevant laws and regulations related to Best Management Practices, including :</p> <ul style="list-style-type: none"> <li>- The certificate holder has plant machinery permits, such as Boiler License (Steam Boiler), Steam Turbine, Electrical Installation and Compressor from Musi Banyuasin Manpower Office.</li> <li>- The certificate holder does not open the land by burning according to Law No. 18 of 2004.</li> <li>- Controlling the reduction of peat soil surface by setting the water level according to Government Regulation No. 150 of 2000 on the control of soil damage for biomass production.</li> <li>- Based on field observation in chemical storage and sparying activities and document review, it is known that the certificate holder has used the pesticide which registered in "Komisi Pesticida". This is in accordance with Plantation Act 39/2015.</li> </ul> <p>Compliance for Manpower and OHS regulations.</p> <ul style="list-style-type: none"> <li>- Apply Regency of Musi Banyuasin minimum wage of 2018 based on Decree No. 724 of 2017</li> <li>- Have enroll all workers became participants of the labor insurance.</li> <li>- Has reported a temporary worker to the Manpower Agency.</li> <li>- Has submitted an Annual Employment Report to Manpower Agency.</li> </ul>		

- Has submitted OHS Committee Reports and Work Accidents Report to Manpower Agency.
- Have Doctor and Paramedic with "HIPERKES" certificate
- Have licensed operators such as Boiler's Operator, welder and electrical technician according to regulations

**2.1.2.**

Plantation Support Department (PSD) and ESH Manager is responsible for identifying, making summaries, updating, evaluating the fulfillment of all legal requirements, and communicate with all unit, in accordance with SOP of Regulation Requirements (SOP-003/GPI/2012).

**2.1.3 and 2.1.4.**

Mechanisms to ensure legal compliance and identify legal changes are carried out through internal audit of compliance by PSD Staff. The last audit conducted and has been stated in the report dated 31 August 2018. The report shown list of regulations related to the field of employment, environment, HCV, OHS, and legality of land, plantation permits, etc. Those list were include of regional, national, and ratified international regulations. The latest regulation has been identified, such as Governor Decree on minimum wages, Minister of Environment Regulation No. 20 of 2018 concerning protected species of plants and animals, Minister of Agriculture Regulation No. 5 of 2018 concerning land clearing without burning, etc.

**Status: Comply**

**2.2**

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

**2.2.1.**

The CH has had land use title for the total certification scope of **10,139.91 Ha**, it was through decree of BPN No.: No 11/HGU/BPN/2003 issued on 31 January 2003 on granted of HGU on area which located in Musi Banyuasin Regent, Province of Sumatera Selatan. The land title is on behalf of PT GPI covering 5 estates (Rantau Panjang, Bumi Ayu, Mangun Jaya, Napal and Karang Ringin). Observed the IUP document issued by BKPM through decree no.: 336/T/Pertanian/Industri/2004 on 27 October 2004 for the area covering of **10,139.91 Ha** and mill with capacity of 270,000 MT/year.

Based on area statement, there is area management that exceeds of HGU, currently in the process of HGU issuance (cadastral measurement in 2017), and the area was excluded from the scope of this certification.

**2.2.2.**

Mechanism and procedure for legal boundaries maintenance and monitoring is written in EM memorandum issued on 25 Oct 2016 which described that monitoring are done regularly (per semester), the record of monitoring and maintenance are observed in sampled unit. Can be shown the maps which indicating the HGU poles location and number, however during field observations to the HGU boundary in Napal Estate block of C07 / C08 (field P31), observed that the HGU poles could not be found in the field, for example poles number GPI105, GPI106, and GPI108. Besides, the CH not able to show the entire list of BPN poles and its coordinate points, whether it's available in the field or not. **NCR No. 2018.01 with Minor Category.**

**2.2.3; 2.2.4; and 2.2.5.**

There were no significant or an open land disputes, within the plantation area there was an occupied area (community area within the HGU) that had existed since the plantation was overtaken by PT GPI, during field observations it was seen that the area was managed by the community, no interfere with each other. The company has communicated with the BPN related to the area and according to BPN the area was a category of abandoned areas. Observed the map which indicate the location and hectarage of the area. The company has develop the procedure to handling land conflict namely SOP-004/GPI/2012 issued on 1 December 2012. The company are committed to not use the para-military in maintaining the security and order in its operation area, it was confirmed during field observation and interview to community related. Interviews with representatives of landowners stated that compensation had been made by the previous management company, mentioned that the compensation are made in fairly and accepted through FPIC process, the area managed by PT GPI was a take over between the two companies.

**Minor 2.2.2 Status: Non conformance No.2018.01 with Minor category**

**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; and 2.3.4.**

There are no customary rights within HGU of PT GPI, this is in accordance with the HCV Identification report and the company's Social Impact Study conducted by Pollito in January 2010.

The land compensation process has been carried out by the previous company during the opening of the plantation. The examples of recording evidence are showed to auditor, including: negotiation of compensation / compensation agreement, minutes of compensation, evidence of payment / receipt.

Observed the land acquisition and compensation procedure (No. 343 / PSD-OKUP / 10) which is describes that the compensation are done through the stages of negotiation between the company and the party claiming the land, compensation calculation and explains regarding to the parties which involves in the agreement. Sighted the maps scale of 1:80,000 which informs the location of area which currently managed by the community (not willing to compensated).

**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 and 3.1.2.**

The CH has a work plan for the next 5 years in the 2016-2021 Budget document & Projection which are made per unit of management include for Guthrie Pecconina Plasma. In the document has explained that the operational area plan has not changed, the production of TBS, CPO and PK, yield / ha, the projected extraction of CPO & PK, the cost for ESH, social and environmental management and operations.

In addition, the CH has Data of PT. GPI Business Plan period 2016/2017 - 2020/2021 which describes the number of seeds, FFB production, OER, Production Cost, price of CPO, Revenue, replanting and CPO Production. The CH has conducted an evaluation of the estimated budget which is conducted every month. Evaluation is recorded in Performance Monitoring documents -Simplified EVP-M3. In the document explaining that the difference between realization activities and budget as well as to explain the evaluation of these differences.

The CH replanting program has not changed from the previous assessment listed in the Long Range Replanting Program for the years 2014-2030. Replanting progress listed in the replanting realization document and areal statement, for example, there is a realization in KRE for the year 2017/2018 covering 175.13 Ha; year 2018/2019 covering 157.11 Ha and year 2019/2020 covering 218.93 Ha.

**Status: Comply**

**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.**

The certificate holder has documents related to procedures for oil palm cultivation and palm oil processing listed in Standard Operating Procedure (SOP) of Agronomy Reference of Oil Palm Plantation, document number 110 / EST-ARM / 13, dated September 1, 2013 (starting from planting up to transportation and processing of FFB and ). The certificate holder also has a procedure for the process of receiving fresh fruit bunches to dispatch the CPO and kernels listed in the technical guidelines of the palm oil mills Part I and II, Minamas Plantation dated April 30, 2007. Operational procedures in general have been socialized to all employees in accordance with their respective fields of work. The results of interviews with the management known that each operational staff has 1 bundle of procedures as a reference in conducting work. Procedures are also available in each estate / mill office.

Field observation results and interviews with employees at Rantau Panjang POM at grading station known that workers

can explain their duties and responsibilities, employees can also explain the criteria of ripe fruit and provide good grading example. Employees are also known to have received socialization related to the Code of conduct and have understood the purpose and objectives.

Based on a field visit and interviews with the harvesters in the Block E05 Division 1 Mangun Jaya Estate, the harvesting process has complied with procedures that issued by the company. The harvesters can explain well on harvesting correct procedures. Particularly relevant to the criteria for ripeness. Harvesters and pickers also explained about payments mechanism and obligation to use personal protective equipment (PPE) according to the HIRAC. Besides that, all workers have attended socialization of company policies, list of animal protected by the laws and conservation area.

**4.1.2 and 4.1.3.**

The certificate holder has an Internal Audit Procedures (724 / TQEM-SPM / 09 CHAPTER III point 3.1) which conducted every year by the Plantation Advisor (PA) Departments related to the operation of a management unit (estates and mill). At the time of audit activity takes place the certificate holder shows documents related to the results of the internal operational audit period of first semester of 2018 as stated in the document namely the Working Paper of Conclusion Inspection (LK3P) as follows:

- Internal audit on Napal Estate held on January 23-30 2018. The results of internal audit are as follows: achievement (Ha) some mature upkeep jobs are under budget (Rp / Ha) but the cost is over budget, mechanical fertilizer work allocation is not appropriate, and the quality of FFB sent to PKS is still below standard.
- Internal audit on Rantau Panjang POM held on on February 20-21, 2018. The results of the internal audit are as follows: the results of checking 6 trucks at random on February 20, 2018 note that under riper FFB is 1.01%, over ripe FFB is 10.29% and FFB attacked by pest is 20.33%.

The results of interviews with the management known that up to the audit activities carried out the management has made improvements to the findings of internal audit.

**4.1.4.**

Rantau Panjang Factory only receives FFB from its own Estate (scope and out-scope of certification and smallholder under PT GPI). The CH has been ensure that all the FFB source are accordance with applicable national regulation.

**Status: Comply**

**4.2**

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

**4.2.1 and 4.2.2.**

The CH known to have a procedure related to the management of planting fertility listed in the procedure number 110/EST-ARM/13 on Fertilization. This procedure discusses the procedure of fertilizing application in breeding, fertilizing of nuts, inorganic fertilization in IU, fertilization of bare length, taking of LSU and SSU, control of fertilizer quality, compost fertilization, ash, land application in MU, and quality control. At the time of the audit activity the certificate holder shows documents related to the fertilization program of 2018 for each management unit. The document describes fertilizer progress and fertilizer use per ton of FFB. The result of interview with the management is known that the certificate holder has implemented the fertilization program in 2018 well according to the recommendation by Minamas Research Centre Laboratory Services based on the analysis of leaf and soil, in this case the company shows fertilization monitoring in semester 1 of 2018 for example Napal Estate has applied 13.13 tons of Borate, Mangun Jaya Estate has applied 600.89 tons of CCM 44 and Karang Ringin Estate have applied 12.96 tons of MOP Fertilizer.

Based on of interviews with the management known that each day, division report the realization of work on the previous day including activities of fertilization to Estate Offices, while for the summary will be made by each division admin every month to be used as a monthly evaluation by the Estate Manager.

Based on field observations at Mangun Jaya Estate Blok E011 Division 2 and Karang Ringin Estate Blok D12 Division 4, known that fertilization is based on a set of recommendations that are related to doses per principal, tonnage requirements per block and number of staples per block.

**4.2.3.**

The certificate holder has procedures for leaf analysis which are carried out annually and soil analysis conducted every 5 years. Leaf and soil sampling is conducted by Minamas Research Center (MRC) Laboratory Services. At the time of the audit activity, the certificate holder can show the procedures to the auditor and can explain it well.

The sampling of soil for KRE, MJE and NAE was conducted in 2015. The sampling of leaves for KRE, MJE and NAE was conducted on June, 2017 until November, 2017. Leaf sampling based on representation of cropping years and soil type in 1 division. Leaf sampling is only done 10% of the 1 block sample area. Parameters analyzed on soil sampling are moisture content, texture, pH, base saturation, organic C, N-total, C/N ratio, available P, cation exchange capacity (CEC), Ca, Mg, K and Na. All parameters analyzed later on to be used as a base of annual fertilizer recommendation calculation by the Minamas Research Center (MRC) Agronomist.

The results of interviews with research staff known that soil and leaf analysis results were used as the basis for determining fertilizer recommendations. In this case the certificate holder may show a sample of fertilizer recommendations for each estate.

**4.2.4.**

The certificate holder recycles the nutrients by applying the palm oil mill effluent, empty fruit bunch and the replanting residue. Based on the results of field visits on replanting activities at Karang Ringin Estate and Napal Estate, known that chipping of palm stems is left to rot which is also useful as a soil nutrient addition. Based on field observation on 2017 planting area in Block D15, Division 2 Karang Ringin Estate, known that the empty fruit bunch was applied to immature plant area with dosage of 180 - 200 kg / palm and applied on circle of palm evenly. Based on interviews with the management revealed that the company utilizes palm oil mill effluent to maintain soil fertility. The application of palm oil mill effluent to the field by leaving the last 2 beds as a container in case of rain. Application of palm oil mill effluent is found in Rantau Panjang Estate.

The certificate holder has documented the activities of palm oil mill effluent and empty fruit bunch period of 2017-2018 for example, at Karang Ringin Estate has applied 4,687 ton empty fruit bunch and application of palm oil mill effluent in Rantau Panjang Estate in July 2017 to June 2018, has been applied as much as 40,580 m<sup>3</sup>.

**Status: Comply**

**4.3**

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

**4.3.1**

Based on the document verification, known that the certificate holder has a semi-detailed soil survey document by Param Agricultural Soil Surveys in 2008 which has a marginal land map of 1:100,000 scale. From the map, it was identified about 31 types of soil (Malaysian land nomenclature). Of the types of soils are grouped into four groups of "management soil" ie groups A, B, C, and E in each estate, for example in Rantau Panjang Estate has four land groups (A, B, C, E).

Based on field observations, known in Rantau Panjang Estate, Bumi Ayu Estate and Karang Ringin Estate that there are areas with peat soil, such as those found in Block R57 Karang Ringin Estate.

**4.3.2.**

The certificate holder has a slope protection policy and a river buffer zone, document number SOP 724 / TQEM-SPMS / 09 dated August 27, 2010 authorized by the CEO. Procedures explain slope criteria, slope policy and erosion prevention. Based on the results of the document review, it is known that there is a sloping area on Mangun Jaya Estate in Block E009 with an area of 98.76 Ha, the company made a 23,200 meter (29 Ha) terrace, while to monitor the erosion rate the company also erected three points of erosion pole (above, middle and bottom). Observations and records are carried out every month.

**4.3.3.**

The certificate holder represents a 2018 Budget document that one of the points in it describes in relation to a road improvement plan that includes re-road hardening, insertion of road hardening and mechanical / manual road repairs.

The result of interview with the management known that in 2017 the certificate holder does not do the road hardening. This is with consideration of road conditions are still conducive so it only requires mechanical and manual road service. The results of a field observation on Main Road E010/E011 Mangun Jaya Estate known that the road hardening is being done to spot damaged roads.

**4.3.4.**

Procedures for regulating peatland degradation are regulated in procedure number 110 / EST-ARM / 13 last revision on September 1, 2013. The company monitors the surface degradation of peat soil every 6 months using subsidence pole. The results of the document review revealed that the company installed 4 subsidence poles in Karang Ringin Estate. The result of field visit in Block R57 of Division 5 of Karang Ringin Estate known that the peat land decline reaches 14 cm, Block 110 of Division 2 of Sei Deras Estate reaches 3 cm.

The company monitors surface water level by using water level sticks on each block channel and is carried out every day or as needed. The company shows monitoring documents for the 2017-2018 period, from the results of monitoring known that the company can maintain the surface water level at 45 - 65 cm for example on June 2, 2018 in Block R59 with a surface water level of 53 cm; on July 9, 2018 in Block S54 with surface water height of 57 cm and August 13, 2018 in Block P57 with a surface water height of 62 cm.

The company monitors the groundwater level using a piezometer. There are 39 piezometers at Karang Ringin Estate. Measurements are carried out twice a month. The company shows monitoring documents for the 2017-2018 period, from the results of monitoring known that the company can maintain groundwater levels at 45-65 cm for example on June 6, 2018 in Block Q55 with a ground water height of 57 cm; July 18, 2018 in Block P55 with a ground water level of 54 cm and on August 10, 2018 in Block P61 with a ground water level of 55 cm.

**4.3.5.**

Based on document verification of *Work Schedule Replanting* known as Karang Ringin Estate to carry out replanting activities on the peat area with the following details:

- 2016 - 2017 period : 105.52 Ha
- Period 2017 – 2018 : 65.25 Ha
- 2018 : 157.11 Ha

Based on the above, the company has not been able to show an assessment document of Drainability Study on peatlands before replanting is carried out. **NCR 2018.02 with Minor Category.**

**4.3.6.**

The fragile soil and critical land owned by certificate holders in the form of peatlands. The certificate holder own and demonstrates the strategy for managing fragile soils and other critical lands, as stated in the SOP document Reference Manual on Agronomy of Oil Palm Planting. Policy: 110 / EST-ARM / 13 last revision on September 1, 2013 in section 10 on Management of Water On Coastal Areas and Planting on Peatlands. The document describes water management, water table monitoring and peat subsidency.

Based on the results of the document review, it is known that the certificate holder has a record of inspection and implementation in accordance with the procedures for managing the peat area, such as having monitoring of peat soil degradation 1 year 2 times the measurement and monitoring the level of water level conducted every day.

Based on field observations in R57 Division 5 Karang Ringin Estate, known that the area is a peat and is equipped with subsidence and pizeometer pole.

<b>Minor 4.3.5</b>	<b>Status: Non conformance No.2018.02 with Minor Category.</b>
--------------------	--

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

**4.4.1 and 4.4.2.**

The management plan for the riparian area of rivers and springs is determined in the HCV management plan, these programs have also been implemented by each estate. There is a map which indicating the water flows and wetlands in

the HCV area map, the water flow that crosses the plantation area consists of the Musi river watershed, the Piasi river watershed, Langgaran river and Medak river.

Based on document review and field observations in the sampled unit it was seen that the company had protected the river and wetland areas, sighted:

- ✓ Installation and maintenance of HCV planks and posters during field observations to the HCV areas in the MJE (riparian area of Blang river), NAE (riparian of Panjeri river) and Karang Ringin Estate (riparian of Senarau river), there is also a signboard that explains sanctions if there are persons who interfere with the HCV / RTE area (sanctions in accordance with the applicable law).
- ✓ Provide a specific place for mixing chemicals and washing sprayer-tools to prevent washing and mixing in the river area, as per observed in the estate sampled showed that the facility was available and there was no indication of mixing and washing in the riparian.
- ✓ Marking and rehabilitating riverbanks, such as sighted in the riparian of Blang river(MJE), Panjeri river (NAE) and Senarau river (KAE), observed that the spraying border marking has been done by painting yellow on the stem-palm (5 stems from the river body)
- ✓ Testing of surface-water quality, the company has tested the river water quality every semester.

**4.4.3.**

Waste-water treatment is carried out by treatment in waste-water treatment ponds (series pond), consist of 6 ponds (cooling pond, mixing pond, 2 ponds of anaerobic pond and 2 ponds of aerobic pond, discharge to land application are done from aerobic pond no.: 6. Retention time for all ponds are 30 days. The company has land application licensed by District Government (Decision Letter No. 346 / 2016, date June 03, 2016 valid for 3 years). Based on field observations to block of F7 Division A, RJE (area of land application and monitoring wells), observed that the company has carried out applications in accordance with the permits owned.

**4.4.4.**

In accordance with the permit owned which issued by Ministry of *Pekerjaan Umum dan Perumahan Rakyat*, decree no.: 370 / KPTS / M / 2016 dated 10 June 2016, the company has installed water pumps and pipes in accordance with the requirements, seen during field observations to the reservoir (water intake).

The company shows record of water use per ton of FFB for processing activities in 2018, the budget set for monthly usage is 1.1 M3 / ton, and the average actual use is 1.1 M3 / ton. This does not exceed the specified budget.

**Status: Comply**

**4.5**

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

**4.5.1.**

The certificate holder has an integrated pest monitoring and control program listed in the budget of 2018. The budget is in accordance with the procedures listed in the integrated pest control procedures for the once month leaf eater caterpillar census, rhinoceros beetle every two weeks, the rat pest is done once a month and monitoring the barn owl box once a month.

Based on interviews with research staff, part of the other IPM plan is not spraying soft ferns, as soft ferns are a habitat for leaf eater caterpillar predators, in addition to saving pesticide use. The application of biological control agents such as *Tyto alba* and beneficial plants is also part of reducing pesticide use. Based on the rat census document and leaf eater caterpillar census document review at KRE, MJE and NAE period of February, May and June 2018, no pest attacks were found that crossed the economic threshold. Based on field visits and observations of FFB in harvesting activities Block E05 Division 1 MJE, it was found that there were no symptoms of new attacks on rat pests and caterpillar leaf eater. So there is no use of pesticides for the control of pests and diseases of oil palm.

Based on field observation in Blok E010 of Division 1 MJE note that the condition of BOB (Barn Owl Box) in active state, there is *Tyto alba* in BOB, the former vomit and feathers that fall out.

**4.5.2.**

The certificate holder shows some documents related to employee training records for example Pest and Disease Training which was held on June 20, 2018 in meeting room of Napal Estate office. The training was attended by 6 employees. Training materials, documentation and attendance lists are available at the time of the audit activity.

Based on interview with foreman and pesticide applicators of KRE known that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with redcross on palm trunks or yellow-red poles.

**Status: Comply**

**4.6**

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

**4.6.1 and 4.6.2.**

The certificate holder has guidance on the use of pesticides listed in the following documents:

- MSDS (Material Safety Data Sheet) for each type of agrochemical material (Pesticide) which describes material storage and handling instructions, handling in case of accident (first aid effort), Hazards identification, action on spills and leaks, PPE, physical properties and chemistry, reactivity and stability, toxicological information, ecological information, waste disposal and transport.
- Agricultural Reference Manual (ARM) (110 / EST-ARM / 13) on plant protection from pests and diseases and weed control in general, such as the spray width on the circle is 2 meters. In addition, the procedure also explains general weed controls that pesticides are used selectively for specific targets, described dosage per ha, and dilution dosage.

At the time of the audit activity, the certificate holder may show documents relating to the pesticide toxicity record (LD50) for each management unit. In the document documented product name used, active ingredient, LD50, percentage of active ingredient, total application, total active ingredient, production FFB and pesticide unit / kg, hectare application and pesticide unit / Hectares. The document also inform the rotation/number of application.

The results of interviews with research staff found that the company attempted to replace the pesticides used periodically to avoid the emergence of resistance. The company is also known to use pesticides that have been registered.

Based on interview with foreman and pesticide applicators of KRE, known that the interviewee were able to explained and demonstrate several technical skills such as PPE used, spraying techniques and prohibited application areas such as HCV and riparian areas which marked with redcross on palm trunks or yellow-red poles. The pesticides applicator also understand and can explain the specific target of pesticide and the appropriate dosage.

**4.6.3.**

Based on document verification of Census Recap of the Pest period of January 2018 revealed that there were no attacks for any significant pests. The results of interviews with the management known that within 1 year there is no use of pesticides for pest control so it can be concluded there is no use of pesticides prophylactic.

The certificate holder operates an integrated pest control system by collaborating on biological and chemical controls. The use of chemical techniques is not done in a preventive manner, however based on the results of early warning systems of detection and census. Biological pest control is done by applying the development of natural enemies of owls to control the pest population of rats. The development of useful plants such as *Turnera subulata* and *Antigonon leptopus* is also used as a biological control technique as a living place for predator caterpillars. Based on the results of field visit in block E010, Division 1, Mangun Jaya Estate, found the installation of an owl cage with active conditions. Based on field visits at Mangun Jaya Estate, Karang Ringin Estate and Napal Estate on operational activities, it was found beneficial plant development of *Turnera subulata* and *Antigonon leptopus* at the visit site.

**4.6.4.**

The certificate holder present the documents relating to the policy of reducing the use of herbicide with the active ingredients of paraquat such as :

- SOP Sustainable Plantations Management Manual No. Policy 724/TQEM-SPMS/09 was issued August 27, 2010.



- Policy of not using Paraquat contained in the memorandum document of Head Plantations Operation (number: POD-UM-127/X/2008 dated November 4, 2008) regarding the Substitute Recommendation for the Application of Paraquat-Gramoxone Active Ingredients in Minamas environment.

At the time of the audit activity, the certificate holder can show documents related to the use of paraquat period of 2013 to 2015, from the document known that the company no longer uses pesticides with the active ingredients of paraquat since 2013.

Based on field observations in the MJE, KRE and NAE chemical warehouse, available pesticide stocks are in accordance with those in the document. There are no pesticides with the active ingredients of paraquat or other pesticides included in WHO 1A and 1B.

#### 4.6.5.

Based on field observations and interview of spraying activities, it is known that the workers can demonstrate the work of spraying weeds in accordance with existing procedure of Hazardous Material Handling (SOP-024/GPI/2012 dated on 1 December 2012). Pesticides have been used according to the recommended dosage in the packaging. Personal protective equipment has been used in accordance with MSDS and HIRAC, such as shoes, safety goggles, apron, shirts and trousers, masks and gloves made from rubber. The workers have understood the risks of and emergency response measures in the event of an emergency. The pesticide mixing is conduct in the special place and after work, all of equipment and PPE was washed and stored in a special place that is in the spesific warehouse.

#### 4.6.6.

The company has pesticide management procedure date 05.01/2015. In addition, there is also hazardous waste management procedure with document no: SOP/025/GPI/2012 dated 01/11/2012. The procedure explained that the pesticide containers are stored at hazardous waste temporary located in estate and then recorded on hazardous waste logbook.

The company also has hazardous waste collection assigned by Chairman of SOU23 Rantau Panjang dated 20/02/2016. The procedure explained that the pesticide containers should be sent to hazardous waste licensed located in RJF, after that recorded on hazardous waste logbook by RJF officer and then periodically submitted to registered contractor. In addition, there is also waste source identification and management document period 2016-2017 assigned by Chairman of SOU23 Rantau Panjang. The procedure explained that the pesticide containers are stored at hazardous waste licensed.

Based on field observation to chemical storage and interview, known that the waste pesticide containers and packagings has been stored in licensed Hazardous Storage and handed over to the licensed Hazardous Waste collector. Based on field observation to housing employees, not found pesticides container used for clean water container, garbage container or other purposes.

#### 4.6.7.

The application of pesticides in the field has been through proven methods to minimize the risks and negative impacts as safe guidance in selecting pesticides, storing pesticides, and using pesticides for example: the selected pesticide formula must be in accordance with the intruder's remains because a pesticide formula will only be effective against one particular type of pest.

At the time of the audit activity, the certificate holder may present documents related to the realization and program of employee training in 2018 which includes a program on the use and handling of pesticides while working.

Based on interview with foreman and pesticide applicators of KRE known that pesticide applicator have been given training of safe use of pesticide, pesticide applicator can explain the action when poisoning, pesticide applicator also explained that routine health checks are conducted every 6 months and pesticide applicators have been trained in the use of good and proper PPE so they have realized the importance of maintaining health in their work.

Results of field observation at KRE known that certificate holders have a special place for mixing pesticides, PPE

storage, work tools and bathing after spraying. The same thing is expressed when the auditor conducted an interview with pesticide applicators in the field. Employees can explain well the procedure before spraying up to go home.

Each pesticide applicators bring lunch from home. In this case the company has a strategy to minimize the risks and negative impacts for example, providing clean water in large quantities to rinse and store food far from the spray location.

**4.6.8.**

Results of interviews with management and community leaders around, known that the certificate holder does not do the application of pesticides by air.

**4.6.9.**

Unit management has conducted pesticide handling trainings such as chemical weeding training (including MSDS, first aid training and pesticide mixing) on March 3<sup>rd</sup>, 2018 located in meeting room of Napal Estate. This training attended by 7 pesticide applicator and supervisor. Based on interview with pesticide applicators is known, there is pesticide handling trainings such as chemical technique, MSDS, pesticide mxing to foreman and others.

**4.6.10.**

Handling of spent containers of chemical is explained in the procedure of SOP/025/GPI/2012, issued November 1, 2012), explained that ex-containers are managed by registration, placement in licensed storage, dispatch, records and destruction/disposal, the entire process of handling is in accordance with applicable regulations.

All ex-containers generated are managed by washing in specific facility (BSS) in each estate, then punctured and store in a temporary storage warehouse (transit) with a maximum of 30 days. Based on interviews with store keeper in MJE, NAE and KAE, it was stated that every 15th day was delivered to be stored in a licensed storage in RJF, this was also in accordance with the results of the document review. Can be shown record of latest delivery was on May 24, 2018, manifest no: 0001854 (ex-containers 0.478 tons).

**4.6.11.**

The Certificate Holder shows regulary medical check up, by blood chemistry examination for all pesticide operators conducted twice a year. The last check up conducted on July 2018 with the result that all workers are still in normal condition and fit to work. Based on interviews with spraying workers, known that so far there is no symptom of work-related illness.

**4.6.12.**

The Certificate Holder has had a policy on prohibition of pregnant and breast-feeding women to handle pesticides. Based on document review, interviews with Company Doctors and workers, a monthly pregnancy check has been conducted to ensure that no pregnant woman works on pesticides. Based on experience, if it is known that there are pregnant women, it will be transferred to lighter and non-pesticide jobs.

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

**4.7**

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

**4.7.1.**

The Certificate Holder has had OHS Policy approved by the Head Plantation Upstream Indonesia. In the policy Certificate Holder is committed to providing and maintaining a safe and healthy work environment by implementing effective management to prevent accidents and an unhealthy environment to the workers, ontractors, and visitors.

OHS Policy is socialized through Safety Townhall activities conducted every year. Based on observation and interviews with workers as well as local contractor in Mill and Estates, they already known and can demonstrated the policy, for example related to the use of PPE and safe working practices.

Meanwhile at the time of the audit, it was found that a worker riding on the tractor, the Certificate Holder had shown improvements in the root cause, correction and corrective analysis. A written warning letter was given to him, HIRAC evaluation, and socialization to operators and employees not to ride on the tractor. This became oppurtunity for

improvement related to monitoring the implementation of OHS systems on tractor operations. **OFI**

Certificate Holder has an OHS Work Program for each unit management. The OHS plan includes meeting activities, OHS training, emergency response tool checks, OHS report preparation, periodic health checks, etc.

**4.7.2.**

The Certificate Holder has had a Document of Risk Assessment for the identification and analysis of potential hazards (HIRAC) updated for year of 2018 in all areas of work of Estates and Mill. The Certificate Holder has demonstrated the implementation of the HIRAC evaluation, for example on work accidents on 2 August 2017 at the loading ramp. The corrective and preventive actions were carried out by adding OHS signs, evaluating HIRAC in the loading ramp area, revising the loading ramp work instructions, and re-socializing the HIRAC documents.

When the audit found several rotating devices in the Mill that were not equipped with a safety cover. Certificate Holder has demonstrated root cause, correction and corrective analysis, and has installed a safety cover. However, this became opportunity for improvement related to evaluating HIRAC, such as entering the 'installation of safety cover' as a risk control for rotating machines. **OFI**

**4.7.3.**

Based on document review and field observation in Mill and Estates, it is known that the workers has given OHS training and can demonstrate safe working practices. The workers also provided with appropriate PPE in accordance with the HIRAC an/or MSDS, as well as the exchange if it broken.

**4.7.4.**

The person in charge for the implementation of OHS is listed in OHS Committee Structure. The structure is formed for each unit management. The entire structure has been approved by the Labor Agency. The structure, including OHS Experts has been accordance with Labor Minister Decree No. 04 of 1987. The OHS Committee has also made OHS Routine Reports, and submitted to Manpower Agency.

**4.7.5.**

The Certificate Holder has an emergency response procedure consisting SOP of Preparedness and Response as well as recovery of conditions, SOP for Fire Prevention and Control, SOP of Evacuation, SOP of Earthquake, SOP of Flood Prevention and Response. Whereas accident-related procedures owned include SOP of Accident Records Data, SOP of Accident Management of Surviving Employees, SOP of Employee Fatality Accident Handling in Direct Locations.

The Certificate Holder has provided first aid and emergency response training for all Supervisors, carried out simultaneously on 12 February 2018. The results of field observations at Mill and Estates, the Supervisors have been equipped with first aid boxes and can demonstrate the handling of emergency response in each work unit.

However, there are still several work locations found in first aid boxes whose contents are incomplete and not monitored, and there are fire extinguishers with less pressure. Regarding first aid, the Certificate Holder has shown corective & preventive action, identification in all activities, purchase of first aid kit for all supervisors, submission of completeness for all supervisors, and conduct training on first aid monitoring. Regarding fire extinguisher, there is already a corective & preventive action, an inventory of all fire extinguisher in the Mill, by replacing all low-pressure fire extinguisher, and conduct training on fire extinguisher monitoring. This is an opportunity for improvement related to the effectiveness of monitoring first aid boxes and fire extinguisher in all units. **OFI**

**4.7.6.**

Certificate Holder has provided the employees with insurance to cover occupational accident and medical insurance in accordance with the national social insurance for manpower that set by the government, which is routinely paid every month. For medical care, the Certificate Holder has a Clinic that equipped with the Company Doctor and Paramedic. The contractor workers have also been protected by insurance. Based on interviews with FFB transport contractors and their workers (truck drivers), it is known that workers have been included in national social insurance for manpower.

**4.7.7.**

Certificate Holder has been consistently conducting the Occupational Accident Monitoring that could provide a

comprehensive information on the month the accident occurred, the number of cases, the accident location, the types of accident, the effects, the work hours lost, the causes, the follow-up, and the results. Such monitoring is performed every month. An evaluation of the accident is also conducted every month and the outcome is discussed during the monthly meeting of OHS Committee.

For example, for the accident data at the Mill on August 2017, there were 1 fatality accident with the number of days lost as much as 6000 working days (the calculation was in accordance with the regulations). Certificate holder shows documentation in the form of work accident investigation containing accident data, victim identity, victim condition, chronology, investigation of causes and recommendations. In addition, there has been evidence of improvements in the form of SOP and HIRAC evaluations, OHS training and HIRAC for loading ramp stations.

**Status: OFI.**

**4.8**

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

**4.8.1**

The Certificate Holder shows the training program 2018, that has covered all aspects of RSPO for workers and contractors, among others matters of OSH Regulations, HSE policy, company policy, chemical hazard potential and control, HIRAC, reporting incident accidents, harvest procedures, spraying and fertilization procedures, first aid and simulations, safe driving techniques, pesticide handling, emergency response, MSDS, use of fire extinguishers, health and hygiene, spray treatment and calibration, PPE training, vehicle maintenance, TBS transport procedures, pressurized gas cylinder procedures, log out tag out, electrical work safety, and maintenance tool Mill.

**4.8.2**

Certificate Holder shown the reports of realization in the form of minute of training along with materials, attendance list and photos. Training records for all employees and contractors are recorded that have been implemented and attended by employees; records of the training have been stored and maintained.

**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.**

The company has an EIA document that has been approved by the relevant agencies, namely:

- ✓ ANDAL document approved by the Head of Department of Agribusiness-Agriculture Agency No. 01 / ANDAL / RKL-RPL / BA / II / 1999 dated February 8, 1999, covering a plantation area of 87,000 Ha and mill of 9 units with each capacity of 60 Tons of FFB / hour, on behalf of oil palm plantations and processing mills of PPA-trans KKPA PT GPI, and UKL/UPL documents of oil palm plantation and processing were published in 1998, approved by the Ministry of Agriculture on 8 February 1999.
- ✓ Additional document of RKL and RPL for PT GPI plantation and processing activities, endorsed by the Environmental Agency of Musi Banyuasin Regency with No. 1198 of 2010 dated 05 November 2010. The study area covers plantation area of 15,425.32 ha and mill with a capacity of 80 tons / hour and production of FFB 60 tons / hour.

The document has been covers all operational activities of the plantation and factory including replanting activities.

**5.1.2 and 5.1.3.**

Environmental management and monitoring plans are listed in the company's UKL / UPL matrix, consisting of management and monitoring of air quality and noise, surface water and soil quality, quality of wastewater/solid/hazardous waste, potential of fires, disruption of flora and fauna, public unrest, soil quality and soil erosion rate. As well as in the matrix of additional RKL/RPL document, namely: the management of impact of flood, impact of runoff water, a decrease in surface of water-level, and disruption of animal migration. The matrix has explained related to the monitoring method and frequency. Review to the plans are made every semester during the report

preparation.

Implementation of the plans are done according to the matrix mentioned above, sighted the report of implementation for example report of semester II 2017 and semester I 2018, delivered to related agencies on 16 Juli 2018 to DLH of Musi Banyuasin Regency and on 15 July 2018 to DLH of Province and ministry (KLHK). However, in the report there is no evidence of implementation of monitoring related to public unrest, flora and fauna monitoring, potential of fires as well as not yet coverage the record of implementation of monitoring and management of the floods and runoff impacts of Medak river (as requires in additional RKL / RPL matrix). **NCR No.2018.03 with Minor Category.**

**Minor  
5.1.3**

**Status: Non conformance No.2018.03 with Minor category.**

**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.**

The company has conducted HCV assessments covering all operational areas (10,139.91 Ha), which was carried out by the RSPO Approve Assessor on 4-13 November 2009. In the document the HCV area is set of 109.11 Ha (actual 54.40 Ha and potential 54.71 Ha). The Company defined an HCV area within the HGU covering an area of 55.38 Ha. HCV assessment has been involves the affected parties during public consultation such as local community, smallholders and related agencies, on July 23, 2011 and July 27, 2011, it was evidenced by the photograph of the activity and attendance list. It was including identification of RTE species based conservation status according to IUCN, CITES and Regulation No. 7 of 1999, flora such as: *Koompasia malaccensis*, *Koompasia excelsa*, *Baccaurea macrocatpa*, *Lagerstomia speciosa*, *Fragrae fragrans*. Identified fauna such as: *Macaca fascicularis*, *Felis bangalensis*, *Alceda atthis* and *Varanus nebulosus*.

**5.2.1; 5.2.3 and 5.2.4.**

The company has developed a management plan for HCV areas and RTE species (including the protected species based on PP No 7 of 1999), review of programs done in yearly basis, implementation of the program verified through document review and field observations, among others:

- ✓ Installation and maintenance of HCV planks and posters during field observations to the HCV areas in the MJE (riparian area of Blang river), NAE (riparian of Panjeri river) and Karang Ringin Estate (riparian of Senarau river), there is also a signboard that explains sanctions if there are persons who interfere with the HCV / RTE area (sanctions in accordance with the applicable law).
- ✓ Provide a specific place for mixing chemicals and washing sprayer-tools to prevent washing and mixing in the river area, as per observed in theestate sampled showed that the facility was available and there was no indication of mixing and washing in the riparian.
- ✓ Marking and rehabilitating riverbanks, such as sighted in the riparian of Blang river(MJE), Panjeri river (NAE) and Senarau river (KAE), observed that the spraying border marking has been done by painting yellow on the stem-palm (5 stems from the river body)
- ✓ HCV and RTE species were socialized to employees, training records sighted for example at MJE conducted on 29 August 2018, on 19 Feb 2018 for NAE workers and 18 Oct 2017 to KRE workers.
- ✓ Periodic monitoring of flora and fauna, for example reports of monitoring for the 2017/2018 in NAE, MJE and KRE. There are no additions of RTE species compared to HCV assessment results.
- ✓ Coordinate with relevant agencies in HCV monitoring through reporting the observations of RTE species to BKSDA every year, for example for 2018 reported on 3 Sept 2018.

During field observation to workers line-site and interviews to employees, known that they had aware regarding to the policies and sanctions, there were no employees who captured the RTE species.

**5.2.5.**

There is no HCV set aside in PT GPI.

**Status: Comply**

**5.3**

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

**5.3.1.**

The company has identified all types of waste and its sources which generated from the operations activity, informing the type of waste, source, and method management. The type of waste produced consists of hazardous waste such as: used oil, used filter, contaminated material, pesticide spent container, used light bulbs, water contaminated with chemicals and used batteries; domestic waste; infectious waste; and solid/waterwaste: EFB, POME, scrap iron, shell, fiber and ash boilers.

**5.3.2 and 5.3.3.**

The plans and program of waste management are detailed in the respective SOP, as below:

1. Handling of spent containers of chemical is explained in the procedure of SOP/025/GPI/2012, issued November 1, 2012), explained that ex-containers are managed by registration, placement in licensed storage, dispatch, records and destruction/disposal, the entire process of handling is in accordance with applicable regulations.
2. SOP for handling domestic waste (solid / liquid) is explained in SOP number GPI-RJF / K3L / 009, domestic managed by providing trash cans in workers line-site and disposed to landfills every 3 days (minimum distance of 500 M from housing).
3. SOP for emission management, liquid waste, solid waste no.: 001 / Ast. Process / GPI-RJF / XI / 2016 dated 10 October 2016 which explains that emissions and liquid waste are tested in semester, liquid waste is managed in WWTP and applied to land application, empty bunch are managed with applications to the land, shells and fiber are managed by reusing as boiler fuel.

All hazardous waste including chemical ex-containers generated are managed by stored in licensed scheduled wastestorage and disposed by delivered to licensed collector. The company already has licensed scheduled waste storage in accordance with the Musi Banyuasin Regent Decree No.: 0376 year of 2014 located in RJF. Issued on March 13, 2014 is valid for 5 years, the waste stored has been accordance with the licensed owned. Observed the documents of agreement with licensed collector and transporter, such as:

- Agreement between PT GPI and PT Bumi Khatulistiwa Bersama (transporter) as well as with PT Horas Miduk (collectors), No.: T.041 / GPI.BKB.HM / SPKP-LB3 / IV / 2016 dated 18 April 2016 (PT BKB' transportation permit was issued no.: SK.00373 / AJ.309 / 1 / DJPD / 2018 dated August 10, 2018 valid until August 10, 2023; collection permit on behalf of PT Horas Miduk was issued by the Minister of Environment decree No. : 06.4.06 of 2014 dated June 13, 2014).
- Agreement for infectious waste management no.: 173: TJS / BSC / GPB / X / 2018 dated 1 August 2018 between PT Tenang Jaya Sejahtera (licensed based on Minister of Environment Decree No. 30 of 2013 regarding incinerator operating license), PT Gema Putra Buana (transport permit decree no.: SK.3768 / AJ.309 / DJPD / 2017) and PT BSC (producer representing PT GPI).

Based on field observation and interviews with store keeper in MJE, NAE and KAE, it was stated that all hazardous waste was delivered to be stored in a licensed storage in RJF, this was also in accordance with the results of the document review. All the the hazardous are recorded in a balance sheet, the latest delivery is on May 24, 2018, sighted the shipping manifest consisting of: manifest no.: 0001853 (used filter 0.251 tons), 0001854 (used container 0.478 tons B3), 0001855 (used batteries 0.155 tons), 0001852 (0.924 tons used oil). The company considered to monitored more related to re-use of lubricant ex-container. Observation to the line-site in MJE, KE and NAE it was sighted that the domestic waste has been managed by collected in landfill and its considered to monitored more the effectiveness of domestic waste management. **OFl**.

**Status: Comply**

**5.4**

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

**5.4.1.**

In efficiency of fossil fuel, the company are utilize shell and fibre to substitute the fossil fuel, observed the records of fibre and shell usage and fossil fuel usage during Jan-Aug 2018 per ton of CPO, average of the fibre usage : 0.26 ton/ton CPO, shell : 0.60 ton/ton CPO and diesel : 8.19 l/tonCPO. Based on fossil fuel usage record from 2016 to 2018, it was seen that there is a reduced from year to year.

Status: Comply

**5.5**

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

**5.5.1 and 5.5.2.**

The Certificate Holder has develop a mechanism related to zero burning in the SOP of Land Clearing. The procedure explains that the land clearing/replanting conducted by mechanical process. Based on field observation in planting year 2016 and 2017 (replanting) in Karang Ringin Estate, there was no evidence or sign of land burning.

Status: Comply

**5.6**

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

**5.6.1 and 5.6.2.**

The company has identified the sources of pollution and greenhouse gases, consisting of:

- ✓ Emissions is produced from boiler and generator (CO<sub>2</sub>, CO, SO<sub>2</sub>), motorized vehicles (CO<sub>2</sub>), POME (NH<sub>4</sub>), fertilization (NH<sub>4</sub>) and chemical spraying. Control is carried out such as installing the sieving on boiler and generator chimneys, emissions test 2 times a year, maintenance of boilers and generators, using SNI standard vehicle exhausts, applying fertilization and spraying according to established dosages and recommendations. Control of Nitrogen evaporation from plantation land is done by planting Mucuna barcteata in replanting and lowland areas
- ✓ Noise generated from the operating machinery is managed by noise level checking in the factory area every 6 months, maintenance of machines, audiometry inspection and the use of ear plug / ear muff by employees. Can be shown the results of noise testing for each process station for example in the boiler station of 70.2 dBA, power house: 93.7 dBA, kernel: 69.6 dBA and press: 70.1 dBA. The company has monitored and ensured that noise exposure to employees (operators) did not exceed 8 hours per day. There are signs at high noise areas located in engine room and power house.
- ✓ Air and soil pollution generated from waste from POME is managed by planting trees along the pond' dike as well as preventing erosion and conducting wastewater quality testing. There is a prohibition on burning actions in all plantation and factory activities, management of domestic waste by providing landfill, replanting with mechanical systems and chipping.

**5.6.3.**

The company has been calculate the GHG emissions using the latest RSPO PalmGHG calculator (v3.0.1), all the data inputted are accurate. The calculation are including LUC emissions, the summary of calculation are reported as below:

Mill production

Description	Unit	Value
Crude Palm Oil (CPO) Production	t	39687.83
Palm Kernel (PK) Production	t	10413.53

Mill extraction rate

Description	Unit	Value
Oil Extraction Rate, OER	%	21.49
Kernel Extraction Rate, KER	%	5.64

POME Treatment

Emissions	%
Divert to compost	0
Divert to anaerobic digestion	100

Summary of emission

Product	tCO2e/t Product
CPO	2.44
PK	2.44
PKO	0
PKE	0

Description	Unit	Value
Total Planted Area	Ha	12313.86
Total Planted Area on Peat	Ha	1002.219
Conservation Area	Ha	93.59
OER	%	21.49
KER	%	5.64

Mill emission and credit

Description	tCO2	tCO2e/t FFB
Emissions Sources		
POME	33041.41	0.18
Fuel Consumption	1317.58	0.01
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Housing & Grid	0	0
Sale Of PKS	0	0
Sale Of EFB	0	0
Total	34358.99	0.19

Summary of field emission and Sinks

Description	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB
Emission Source									
Land Conversion	78532.73	6.38	0.43	0	0	0	0	0	0
CO2 Emissions from Fertiliser	49666.54	4.03	0.27	0	0	0	0	0	0
N2O Emissions	18258.58	1.48	0.1	0	0	0	0	0	0
Fuel Consumption	3034.23	0.25	0.02	0	0	0	0	0	0
Peat Oxidation	54720.66	4.44	0.3	0	0	0	0	0	0
Sinks									
Crop Sequestration	-115279.09	-9.36	-0.62	0s	0	0	0	0	0
Sequestration in Conservation Area	-858.22	-0.07	0	0	0	0	0	0	0
Total	88075.43	7.15	0.48	0	0	0	0	0	0

Net GHG emissions produce by the mill is : 2.44 tCO2e/tCPO.

**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.**

The certificate holder has had document of Social Impact Assessment for scope of plantations & palm oil mill. The assessment process carried out in January 2010 by AKSENTA consultant. The document describes the social impact management of estate and mill, among others: employment, health and safety, facilities and benefits of workers, consultancy and communication, stability of employment, business opportunities, revenues, income household, institutional, perception at the company, socio-cultural changes, health workers and the public, and tenure. The process of data collection is done through discussions with the parties, the employee and community. The results of these discussions are described in the form of minutes of the results of the discussion. Evidence in the form of recordings participant list discussions at the time of collection of information. The parties that are involved, consist of employees and the communities of villages surrounding. The documentation of meeting was attached in the report. There was also available document of Social Impact Assessment for smallholder's plantation of Guthrie Pecconina Plasma (GPP). The study and report finalized conducted by AKSENTA consultant on 22 - 28 July 2011.

At October 2015 was conducted Study of Social and Environment Impact of Replanting of PT Guthrie Pecconina Indonesia Period of 2015 – 2018 in Karang Ringing and Rantau Panjang Estate. Through in August 2016 also was conduct of Study of Social and Environment Impact of Replanting of PT Guthrie Pecconina Indonesia Period of 2016 – 2019 in Bumi Ayu and Naval Estate. These study was carried out by Aksenta consultant, The report describes the stages of replanting, and indication of any impact replanting which can affect to the environmental and social conditions, both in the around of replanting area and area surround of plantation area. The study is aim to identify the environmental and social impacts, activities that become the source of the impact, components and or the parties potentially affected, options to mitigate environmental and social impacts.

Based on interviews with Head Of Talang Piase Village, known that there are no social problems that have not been listed in the SIA document. He further explained that the process of collecting data was based on interviews and discussions with the surrounding community.

**6.1.2.**

The Social Impact Assessment has been done with involve of related party, consist of community surround, head of village and informal leader (customary leader). There was showed documentation of assessment process, for instance the Attendant List of data gathering in village surround of PT Guthrie Pecconina Indonesia on 5 Januari 2010 and also in surround area of Sungai Jernih Estate and smallholder program (Guthrie Pecconina Plasma) on 23 July 2011.

**6.1.3.**

It has been shown the document of Local Community Program at PT Guthrie Pecconina Indonesia which describes about the impact aspect of plantation management from factory operation that is in the form of Community Unrest (Based on Matrix of RKL / RPL 1st Semester of 2018, ie January - June 2018). The impact management plan is conducted by collecting information from surrounding villagers.

**6.1.4.**

The Certificate Holder was shown the document of Identification Plan and Social Impact Program with community surround. The document is in the form of a questionnaire in the implementation of monitoring and evaluation of Social impacts management and monitoring plan covering the aspects of Community Fidgetiness and Replanting Impacts covered in the RKL / RPL document of Period 1 (January - June 2018).

**6.1.5.**

Has been shown the document of Smallholder Partnership Social Impact Study of PT Guthrie Pecconina Indonesia (Guthrie Pecconina Plasma/GPP) in Musi Banyuasin District, South Sumatera Province, conducted by AKSENTA

consultant on 22 - 28 July 2011. It has been shown evidence of recording meeting / discussion with the parties on the 23 July 2011 (Attendance s List and Photo).

**Status: Comply**

**6.2**

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

**6.2.1.**

Certificate holder has the mechanism for communication which is written SOP Communications/Consultation with Communities (RSPO/6.2/KKM). The aim of this procedure is to make sure all request and delivery of information for public is responded according to the available information source and also to explain technical implementation of communication and consultation with external stakeholder. Based on consultation with related stakeholder, they already know the mechanism for communication and consultation with the company.

**6.2.2.**

The certificate holder has assigned personnel responsible for communication and consultation, ie public relations. Public relation is divided into each aspect, such as public speaker for worker and company policies aspect, CSR, EHS, and so on. Based on interview with related stakeholder, they known the PIC for communication and consultation.

**6.2.3.**

Certificate holder has the newest list of stakeholder, consist of statutory bodies, leader community, smallholders, contractors, worker organizations, and NGOs. The communication is documented and kept by the company. Based on interview with stakeholders, known that they already know about the mechanism of communication and consultation. Company documented incoming letter from stakeholder in a log book. Moreover, company responds to all incoming letter quickly or not later than one month after the letter was received.

**Status: Comply**

**6.3**

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

**6.3.1.**

The Certificate Holder has system for dealing the dispute and complaint. These system was refer to several procedures, consist of; Public Complaints Handling Procedure (SOP-05/GPI/2012, valid since 1 December 2012); Employee Complaints Procedure (SOP-006/GPI/2012, valid since 1 December 2012); Communications/Community Consultations Procedure (SOP-007/GPI/2012, valid since 1 December 2012), the procedures also equipped with a Flow Chart. This procedure was explained that the company will protect the whistleblower and there are no sanctions for them. When the cases did not handled enough in estate unit, the cases will continue to next level of management, including to jurisdiction level or another way (including RSPO system) based on the agreement each parties. This procedure was completed with flow chart of Form of Complaint Handling Data.

Based on interviews with Head Of Talang Piase Village, known that there were no complaints from the village regarding Plasma. The company has a partnership agreement for the development of oil palm plantations in a partnership pattern, for example with the Mudah Rasan Cooperative and Sinar Delima Cooperative

**6.3.2.**

Based on verification of complaint document and information by management unit representative that known in period of one year from Re-Certification till ASA 1.1, there was no grievances from another parties. Stakeholder consultation with external stakeholders consist of related agency in Musi Banyuasin District, Head of Village and community representation adjacent the plantation area (Talang Piase, Talang Latas and Gajah Mati), Local Contractor, and also *focus group discussion* (FGD) with internal stakeholder (Gender Committee and Workers Union), there was no significant complaint from related parties.

**Status: Comply**

**6.4**

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

**6.4.1; 6.4.2 and 6.4.3.**

There are no customary rights within HGU of PT GPI, this is in accordance with the HCV Identification report and the company's Social Impact Study conducted by Pollito in January 2010.

The land compensation process has been carried out by the previous company during the opening of the plantation. The examples of recording evidence are showed to auditor, including: negotiation of compensation / compensation agreement, minutes of compensation, evidence of payment / receipt.

Observed the land acquisition and compensation procedure (No. 343 / PSD-OKUP / 10) which is describes that the compensation are done through the stages of negotiation between the company and the party claiming the land, compensation calculation and explains regarding to the parties which involves in the agreement. Sighted the maps scale of 1:80,000 which informs the location of area which currently managed by the community (not willing to compensated).

**Status: Comply**

**6.5**

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

**6.5.1.**

The Certificate Holder has provisions on minimum wage of Musi Banyuasin Regency year of 2018, based on South Sumatra Governor Decree No.724 of 2017. Based on payment documents review and interview with Mill and Estates permanent and temporary workers, known that they were already paid in accordance with 2018 of Musi Banyuasin Regency Minimum payment., including for the provision of payment of overtime wages have been paid in accordance with the law. For example for harvesters, within 7 hours of working harvesters have gotten a daily target. The harvesters can get more results with allowances whose value is greater than the value of overtime.

**6.5.2.**

There was Collective Labor Agreement in Bahasa, as agreed between Minamas Plantation with Bipartite Cooperation Institute and Chairman of Workers Union of Plantation Company from each Company for the period of 2015 to 2017, that has been registered on Labor Agency. Based on interviews with Management and Labor Union, for Collective Labor Agreement the next period is under discussion. Based on consultation with the Labor Agency, the Collective Labor Agreement has been prepared based on, and does not conflict with, labor-related regulations.

**6.5.3.**

The certificate holder provides facility and infrastructure for personnel welfare, such as housing, polyclinic, clean water, education facilities as well as school buses, worship venue, and access to electricity. Field observation and interview at housing complex known that the facilities and infrastructures are available and adequate. The Certificate Holder will make repairs to damaged housing facilities.

**6.5.4.**

Certificate Holder facilitates workers to access adequate food supply by establishing market during the payment day. Moreover, there are some markets in surrounding villages, with a distance of less than an hour. Personnel have an issue to access good food with reasonable price. There are no complaints from workers regarding access to get foods.

**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.**

In the Certificate Holder's Social Policy signed described that company respected the rights of every staff / employees to form and join the labor union of their choice and to negotiate collectively. Based on interview with Labor Union, and the workers known that the Certificate Holder has facilitating the formation and running of the Labor Union, there is no coercion and intervention related to membership and the course of the organization.

**6.6.2.**

Records of meetings between company management and Labor Union have been documented. For example the meeting on 23 April 2018, discussed the replacement of employee PPE.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1.**

The Certificate Holder has had a Social Policy which stated prohibition to use minors labor (children). In addition, in documents of Collective Labor Agreement also stated that the general requirements that must be met in the recruitment of workers, among others, at least 18 years old. Based on review of employee lists, interviews and field observations, there were no underage workers.

**Status: Comply**

**6.8**

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

**6.8.1.**

The Certificate Holder has had a social policy which stated that every staff / employees should be handled fairly in everything relating to the recruitment, promotions, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin color (defects / imperfect), a membership organization, and political views, religious and / or age.

**6.8.2 and 6.8.3.**

Based on employee list revealed that the hired employees have diverse educational, gender, ethnic and religious backgrounds. Interview with village representative revealed that Certificate Holder opens work opportunity for local communities (in Mill and Estate). This can be considered as positive impact over Certificate Holders existence for local communities. There is no complaint related to discrimination from local communities.

Based on document verification known employees recruitment is without considering ethnic, religious, and racial. All prospective employees have rights for employment opportunity according with their educational background and requirement. Moreover, result of interview with employees also reveals that there is no indication of discrimination against employees. Assessment of grade increase has also been carried out objectively.

**Status: Comply**

**6.9**

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

**6.9.1 and 6.9.2.**

Certificate Holder has a Social Policy to protect reproductive rights and prevent all forms of sexual harassment and violence. The policy stated that the development and implementation of policies to protect female workers from crime and sexual harassment as well as protecting the rights associated with female reproduction. The Certificate Holder has had a Gender Committee as a forum to ensure the policies of female workers protection are implemented

The results of interviews with Gender Committee and representatives of female workers known that the Certificate Holder has formed a gender committee to handle the issues of female workers. In addition, also delivered that the company is given the reproductive rights, such as menstruation and pregnant leave in accordance with the applicable procedures.

**6.9.3.**

Complaints and response mechanism is contained in SOP of Employee Complaints Handling. Based on document verification of Complaints Book and Gender Committee, there are no complaints related to sexual harassment and violence. Gender Committee declare that the handling of issues about sexual harassment and violence will be resolved together with gender committee and the identity of reporter will be protected.

**Status: Comply**

**6.10**

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

**6.10.1; 6.10.2; 6.10.3; 6.10.4 & 6.10.5.**

FFB pricing is determined based on data from Plantation Agency District of Musi Banyuasin with reference to the year of planting, yield, average price of CPO and Palm Kernel, and the index K. In a month there are 2 times the pricing FFB.

Based on the Letter of Cooperation Agreement with Sinar Delima Cooperative and Mudah Rasan Jaya cooperative, the determination of the purchase price of FFB from the plasma plantation follows the pricing of FFB by Plantation Agency District of Musi Banyuasin.

Letter of Cooperation Agreement with Mudah Rasan Jaya Number 008 / partnership / GPI-MRS / IX / 2014. The Cooperative area is 1,038 Ha of Oil Palm Plantations and Letter of Cooperation Agreement with Sinar Delima No. KUD. 001 / Plasma / GPI-KUD / I / 2012 concerning the development of Oil Palm Plantations Partnership "KKPA" (Primary Cooperative Credit for Members).

- Determination of Candidates for Plasma Farmers PT GPI from Serasan Jaya Village, Sekayu District and Gajah Mati Village, Sungai Keruh District, number 1191 in 2012 in accordance with the Decree of Musi Banyuasin District on October 30<sup>th</sup>, 2012. With a total of 622 Farmers and an area of 1,244 ha.
- Determination of Candidates for Plasma Farmers Members of the Sinar Delima Village Unit Cooperative who are partnering with PT GPI in accordance with the Decree of the Banyuasin Musi District with number 0258 in 2010 dated February 17<sup>th</sup>, 2010 with a total of 524 farmers and an area of 524 ha.

The company shows the results of the establishment of FFB Production Plantations for the Musi Banyuasin District Plantation Agency for 2018. For example:

- Payment of Mudah Rasan Jaya Cooperative in March 2018 amount to IDR 109,200,000 (Bank Voucher dated April 5<sup>th</sup>, 2018) through Bank BRI with Giro GGD 334589 number on April 5<sup>th</sup>, 2018.
- Payment of Sinar Delima Cooperative in March 2018 amount to IDR 113,000,000, through BRI Bank on April 5<sup>th</sup>, 2018 with Giro number GGD 334586.

**Status: Comply**

**6.11**

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

**6.11.1 and 6.11.2.**

Contributions to local development proven by partnership with local communities through local transaction i.e development smallholding, local contractors, Payment of taxes and CSR program. In other side, the certificate holders also providing the development of smallholders scheme. This is an efforts that have been allocated to improve smallholder productivity by the certificate holder. The involvement of local contractors and local purchasing. Contract records showed some estate operational activity that involves local people. Besides that, the company has a social commitment in terms of CSR program.

**Status: Comply**

**6.12**

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

**6.12.1; 6.12.2 and 6.12.3.**

Based on interviews with Labor Agency, Labor Union and field observation known there are no migrant, illegal or forced labor, as well as contract substitution. Temporary and permanent workers has been equipped with the working

agreement that has been agreed together, and reported to the Labor Agency. The workers have the freedom for resign, there is no threat for family members and no financial penalties. The provisions for working hours and overtime have been paid in accordance with the law. For example for harvesters, within 7 hours of working harvesters have gotten a daily target. The harvesters can get more results with allowances whose value is greater than the value of overtime.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13.1.**

Certificate Holder has a Memorandum of Chairman, which stated a commitment to provide special attention and fulfill the protection of human rights in accordance with Law No. 39 year 1999 related of human rights. The policy explains that Certificate Holder respecting human rights and respecting race, nationality, culture, religion and prohibition of force labor, ensuring that all employees receive fair remuneration, fair management and have opportunity to career development.

Based on interviews with Labor Agency, Labor Union, as well as the workers, known that that the policy been socialized. There is no issues that are detrimental to employees including human rights violations.

**Status: Comply**

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

**7.1**

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

**7.1.1; 7.1.2 & 7.1.3.**

There is no new planting since 1 January 2010, the latest of planting is on 2007 to 2009. The company has an EIA document that has been approved by the relevant agencies, namely:

- ✓ ANDAL document approved by the Head of Department of Agribusiness-Agriculture Agency No. 01 / ANDAL / RKL-RPL / BA / II / 1999 dated February 8, 1999, covering a plantation area of 87,000 Ha and mill of 9 units with each capacity of 60 Tons of FFB / hour, on behalf of oil palm plantations and processing mills of PPA-trans KKPA PT GPI, and UKL/UPL documents of oil palm plantation and processing were published in 1998, approved by the Ministry of Agriculture on 8 February 1999.
- ✓ Additional document of RKL and RPL for PT GPI plantation and processing activities, endorsed by the Environmental Agency of Musi Banyuasin Regency with No. 1198 of 2010 dated 05 November 2010. The study area covers plantation area of 15,425.32 ha and mill with a capacity of 80 tons / hour and production of FFB 60 tons / hour.

The document has been covers all operational activities of the plantation and factory including replanting activities.

**Status: Comply**

**7.2**

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

**7.2.1 and 7.2.2.**

Based on the document verification, known that the certificate holder has a semi-detailed soil survey document by Param Agricultural Soil Surveys in 2008 which has a marginal land map of 1: 100,000 scale. From the map, it was identified about 31 types of soil (Malaysian land nomenclature). Of the types of soils are grouped into four groups of "management soil" ie groups A, B, C, and E in each estate, for example in Rantau Panjang Estate has four land groups (A, B, C, E).

Based on field observations, known in Rantau Panjang Estate, Bumi Ayu Estate and Karang Ringin Estate that there are areas with peat soil, such as those found in Block R57 Karang Ringin Estate.

**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.**

In the document of LUCA stated that PT GPI are conduct new planting after November 2005 without HCV assessment, Sime Darby plantation Sdn Bhd has been submit the disclosure of liability through letter of Head PSQM on 15 Jan 2015 which stated that PT GPI are conduct the new planting since Nov 2005 – Nov 2007 area of 225.69 Ha and period of Dec 2007 – Dec 2009 area of **319.74 Ha**.

In related of this matter, PT GPI are considered to monitored and ensure that the RaCP for those area has been completed and approved by the RSPO. **OFI**

The company has developed a management plan for HCV areas and RTE species (including the protected species based on PP No 7 of 1999), review of programs done in yearly basis, implementation of the program verified through document review and field observations, among others:

- ✓ Installation and maintenance of HCV planks and posters during field observations to the HCV areas in the MJE (riparian area of Blang river), NAE (riparian of Panjeri river) and Karang Ringin Estate (riparian of Senarau river), there is also a signboard that explains sanctions if there are persons who interfere with the HCV / RTE area (sanctions in accordance with the applicable law).
- ✓ Provide a specific place for mixing chemicals and washing sprayer-tools to prevent washing and mixing in the river area, as per observed in theestate sampled showed that the facility was available and there was no indication of mixing and washing in the riparian.
- ✓ Marking and rehabilitating riverbanks, such as sighted in the riparian of Blang river(MJE), Panjeri river (NAE) and Senarau river (KAE), observed that the spraying border marking has been done by painting yellow on the stem-palm (5 stems from the river body)
- ✓ HCV and RTE species were socialized to employees, training records sighted for example at MJE conducted on 29 August 2018, on 19 Feb 2018 for NAE workers and 18 Oct 2017 to KRE workers.
- ✓ Periodic monitoring of flora and fauna, for example reports of monitoring for the 2017/2018 in NAE, MJE and KRE. There are no additions of RTE species compared to HCV assessment results.
- ✓ Coordinate with relevant agencies in HCV monitoring through reporting the observations of RTE species to BKSDA every year, for example for 2018 reported on 3 Sept 2018.

**Status: Comply**

**7.4**

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

**7.4.1 and 7.4.2**

There is no new planting since 1 January 2010, the latest of planting is on 2007 to 2009. There are no customary rights within HGU of PT GPI, this is in accordance with the HCV Identification report and the company's Social Impact Study conducted by Pollito in January 2010.

**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.**

There is no new planting since 1 January 2010, the latest of planting is on 2007 to 2009. There are no customary rights within HGU of PT GPI, this is in accordance with the HCV Identification report and the company's Social Impact Study conducted by Pollito in January 2010.

The land compensation process has been carried out by the previous company during the opening of the plantation. The examples of recording evidence are showed to auditor, including: negotiation of compensation / compensation agreement, minutes of compensation, evidence of payment / receipt.

<p>Observed the land acquisition and compensation procedure (No. 343 / PSD-OKUP / 10) which is describes that the compensation are done through the stages of negotiation between the company and the party claiming the land, compensation calculation and explains regarding to the parties which involves in the agreement.</p>	
<p><b>Status: Comply</b></p>	
<p><b>7.6</b>  <b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b></p>	
<p><b>7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; &amp; 7.6.6.</b>                  There is no new planting since 1 January 2010, the latest of planting is on 2007 to 2009. There are no customary rights within HGU of PT GPI, this is in accordance with the HCV Identification report and the company's Social Impact Study conducted by Pollito in January 2010.                  The land compensation process has been carried out by the previous company during the opening of the plantation. The examples of recording evidence are showed to auditor, including: negotiation of compensation / compensation agreement, minutes of compensation, evidence of payment / receipt.</p>	
<p>Observed the land acquisition and compensation procedure (No. 343 / PSD-OKUP / 10) which is describes that the compensation are done through the stages of negotiation between the company and the party claiming the land, compensation calculation and explains regarding to the parties which involves in the agreement.</p>	
<p><b>Status: Comply</b></p>	
<p><b>7.7</b>  <b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b></p>	
<p><b>7.7.1 and 7.7.2</b>                  There is no new development beyond the area of scope certification. In the procedure for land clearing, the Certificate Holder has a policy of not burning for land clearing activities.</p>	
<p><b>Status: Comply</b></p>	
<p><b>7.8</b>  <b>New plantation developments are designed to minimise net greenhouse gas emissions.</b></p>	
<p><b>7.8.1 &amp; 7.8.2.</b>                  Based on data from the statement area for 2018 period, in the plantation, there is no land clearing above 2015.</p>	
<p><b>Status: Comply</b></p>	
<p><b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b></p>	
<p><b>8.1</b>  <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b></p>	
<p>The company has continuously conduct the environment management through routinely carry out environment testing (air, survace water and emission), as well as continuously conduct the management of HCV area (riparian area).</p> <p>The company has set the long-term plan to the production of TBS, CPO and PK, yield / ha, the projected extraction of CPO &amp; PK, the cost for ESH, social and environmental management and operations. The CH has conducted an evaluation of the estimated budget which is conducted every month. Evaluation is recorded in Performance Monitoring documents -Simplified EVP-M3 and conduct monitoring (audit) of agronomy and processing performance audit regularly.</p> <p>The company has done internal audit to monitored the implementation of RSPO standard in estate and mill once a year, the latest are held on June 5, 2018 conducted by PSQM PT GPI (Internal Auditor).</p>	
<p><b>Status: Comply</b></p>	



**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	<b>Applicability of the general chain of custody requirements for the supply chain</b>
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p>
	<p>RSPO Member ID: RSPO_PO1000000320.            RSPO Membership number: 1-0008-04-000-00.            License ID: CB60831.</p> <p>The certificate holder shows a tank rental contract with the number PTPS / BSC / 001/2018 dated January 1, 2018 PT Patisindo Sawit with PT Bina Sains Cemerlang valid until January 1, 2018 until December 31, 2018. Tank capacity 2500 MT. This agreement was signed by PT Patisindo Sawit with PT Bina Sains Cemerlang.</p> <p>Freight service agreement with number 023 / PK / GPI-SIE / I / 2017 Transportation Services between PT GPI and CV Semangus Indah Ekspres dated November 1, 2017. Collaboration to provide transportation services to carry and ship Palm Kernel from Rantau Panjang Factory headed to Palembang and Talang Duku. Period of 1 year until 31 October 2018.</p> <p>Transportation service agreement with number 022 / Transportation of CPOPK / GPI-MIP / XI / 2017 dated November 1, 2017 until October 31, 2018 between PT Mitra Indah Persada and PT GPI. Collaboration provides transportation / transportation services to carry and delivery Palm Oil / CPO from the Rantau Panjang Factory to Talang Duku and Pelindo II Boombaru.</p>
	<b>Status: Comply</b>
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p>
	<p>The company does not buy product certified from RSPO licensed traders, every product of CPO &amp; PK is produced from the own estate and sold to the buyer.</p>
	<b>Status: Comply</b>
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p>
	<p>RSPO Member ID: RSPO_PO1000000320            RSPO Membership number: 1-0008-04-000-00            License ID: CB60831.</p>
	<b>Status: Comply</b>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p>
	<p>The factory does not require processing aids that include within the scope of the audit.</p>

	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>
<b>5.2.1</b>	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -&gt; Segregated -&gt; Mass Balance.</p> <p>The company only applies Module E to CPO Mass Balance and sales with Claim MB. This is in accordance with the memo from the Head of PSQM Sumatra / Sulawesi on September 3, 2015 with number 013 / PSQM-UM / IX / 2015.</p>
	<b>Status: Comply</b>
<b>5.2.2</b>	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>The company only applies one (1) Mass Balance E module. This is in accordance with the memo from the Head of PSQM Sumatra / Sulawesi on September 3, 2015 with number 013 / PSQM-UM / IX / 2015.</p>
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	<p>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.</p> <p>The Certificate holder shows procedure of the Mass Balance Product Supply Chain System with SOP-SCSS 01 / GPI / 18 No. revision number 01 dated January 2, 2018 signed by the Estate Manager, Factory Manager, Smallholder GPI Manager and Sungai Jernih Estate Manager. The purpose of this procedure is to identify raw materials and end products so that it can be known the relationship of raw materials and product quality so that it is easy to trace the products produced. The scope of this procedure applies from harvesting activities, raw material receipts (FFB), production processes, Bulking Station and the process of sending products to buyers at PT GPI. The person in charge of this SOP includes, Factory Manager, Assistant PSQM, Assistant, Senior Assistant, Bulking Manager, Logistic, and Head of Administration.</p> <p>Traceability procedures was approved on dated February 10, 2011 by the Estate Manager, Mill Manager, Smallholder GPI Manager and SJE Manager. The scope of this procedure includes the activities of harvesting fruit in the Estate, sending FFB from the Estate to the Factory, receiving FFB (raw materials) in the factory, processing FFB at the factory, sending products (CPO / PK) to the buyer and sending the product to bulking.</p> <p>In the Sumatra / Sulawesi PSQM Head memorandum dated September 3, 2015 memo number 013 / PSQM-UM / I / 2015 explained regarding Mass Balance, labeling supply chain raw materials, identify of FFB, labeling of FFB Document and officer related, labeling of CPO, PK and shell supply chain products, identify of product, and others.</p> <p>Based on RSPO supply chain system memorandum number 013 / PSQM-UM / I / 2015, it is stated that each certified FFB is identified by RSPO stamp on fruit delivery letter and weighing ticket, but based on interviews with operator scales and observations on Fruit Delivery Letter "SPB" documents and weighing tickets it is known that marking in RSPO stamp forms are carried out on all weighing tickets whether certified or not, for example:</p> <ul style="list-style-type: none"> <li>• Weighing ticket with number 257328 Napal Estate, come from the area of non-certified Block C019 harvest Division 2 (according to the map of the estate area, it is known that Block C019 is a non-certified area with an area of 95.41 ha).</li> <li>• Weighing tickets with number 257385 Mangun Jaya Estate, come from non-certified Harvest Block Division E014 Division 2 (based on the map of the estate area, it is known that Block E014 is a non-certified area with an area of 73.24 ha).</li> </ul> <p>In addition, based on document review on SOP, the Mass Balance Product Supply Chain system and traceability procedures have not explained regarding the officers responsible for shipping announcements and reporting to RSPO Palm Trace. <b>Its become Non Conformance No.2018.06 with Major Category.</b></p>
	<b>Status: Non Conformance No.2018.06 with Major Category.</b>
<b>5.3.2</b>	

**The site shall have a written procedure to conduct annual internal audit**

The company shows an internal audit SOP with the document number SCCS-IA / RSPO / PSQM / 04 dated March 1, 2018 by the Senior PSQM Assistant. The procedure is explain related internal audit was conducted minimum 2 months before external audit or once a year; audit planning, audit internal process, corrective process, and others.

The company shows an internal audit report for the General Chain of Custody dated June 5, 2018 conducted by PSQM PT GPI (Internal Auditor). With details of nonconformities for Indicator 5.1.1; 5.1.2; 5.1.3; 5.4.1; 5.5.3; 5.5.4; 5.6.1; 5.7.1; 5.7.2; and 5.9.1. Improvements to non-conformance were made by coordinating with the Marketing Jakarta team because documents were kept by Marketing Jakarta. During the audit, the company has completed the document of improvement.

**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**

All the FFB received and process information are recorded in the transport receipt and weigh-bridge ticket, such as : estate origin, division, departure time, vehicle number, driver name, blocok, number of bunches, number of loose fruit, stamp of certified / non certified and sign of field assistant. The company shows a weigh ticket for certified products for example:

**Bumi Ayu Estate (Certified Product)**

Supplier: E470-BYE.  
 Transporter : E470 BYE.  
 Product: 0002- FFB B Crop (24 > & <48 jam)  
 Vehicle number BG8387BB  
 Driver name.  
 Driver IC.  
 Delivery Order number: 47018004704.  
 Ticket number: 257335.  
 Harvest date 28 Agustus 2018  
 Bunches 321.  
 Date 29 August 2019, Nett weight 6,160 kg (Mill), Estate weight 6,440 kg.  
 Field number 99B037 Division 3.

**Non Certified product.**

**Sungai Jernih Estate**

Supplier: E620 - SJE  
 Transporter: E620 - SJE  
 Product: 0002 FFB B Crop (24 > & < 48 jam).  
 Vehicle number BG8647CD  
 Driver name  
 Driver IC  
 Delivery order number: 62018002419  
 Ticket number: 257359  
 Harvest date 27 August 2018  
 Bunches 1889  
 Date 29 August 2019, Nett weight 7,930kg (Mill), Estate weight 8,281 kg.  
 Field number 11L17 Division 1 dan 12N18 Division 2.

**CSPK (RSPO Mass Balance).**

Sales contracts with 00197 / GPI / KTR-IKS / LOK / VIII / 2018 numbers are sold to PT Berkas Sawit Sejati, delivery period of August 2018 of 500,000 kg. Invoice number 00737 / GPI / VIII / 2018 and DO 00209/00197/08 / 18L-GPI / IKS.

**CSPO (RSPO Mass Balance).**

Sales contracts with 00463 / GPI / KTR-MKS / LOK / V / 2018 numbers are sold to PT Sinar Alam Permai period June 2018, delivery for June 2018 is 1,500,000 kg. Invoice number 00730 / GPI / V / 2018 and DO 00483/00463/05/18 / L-GPI-MKS.

The mill didn't purchase CSPO & CSPK from outside, The CSPO & CSPOK is despatch or sales to outside.

**Status: Comply**

**5.4.2**

The site shall have a mechanism in place **for handling non-conforming oil palm products and/or documents.**

The mechanism for handling non-conforming oil palm products are described in procedure of the Mass Balance Product Supply Chain System with SOP-SCSS 01 / GPI / 18 No. revision number 01 dated January 2, 2018 signed by the Factory Manager, Smallholder GPI Manager and SJE Manager. The purpose of this procedure is to identify raw materials and end products so that it can be known the relationship of raw materials and product quality so that it is easy to trace the products produced. The scope of this procedure applies from harvesting activities, raw material receipts (FFB), production processes, Bulking Station and the process of sending products to buyers at PT GPI. The person in charge of this SOP includes, Factory Manager, Assistant PSQM, Assistant, Senior Assistant, Bulking Manager, Logistic, and Head of Administration.

Traceability procedures was approved on dated February 10, 2011 by the Estate Manager, Mill and Smallholder of SJE. The scope of this procedure includes the activities of harvesting fruit in the Estate, sending FFB from the Estate to the Factory, receiving FFB (raw materials) in the factory, processing FFB at the factory, sending products (CPO / PK) to the buyer and sending the product to 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.

There was certified product transportation from mill to the buyer such as:

- Sales contract for CPO with number 00463/GPI/KTR-MKS/LOK/V/2018 to PT Sinar Alam Permai, delivery period on June 2018.
- Sales contract for Palm Kernel with number 00197/GPI/KTR-IKS/LOK/VIII/2018 to PT Berkas Sawit Sejati delivery period on August 2018.
- Weigh ticket for CPO with number 036808 to PT Sinar Alam Permai delivery period on September 2018.

**Status: Comply**

**5.5.2**

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- 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. 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.

Based on the document review, all FFB products came from PT GPI (own estate, smallholder GPI and Sungai Jernih Estate, the transporter only responsible for transporting to the buyer. The transporter contract has been explained indicator 5.1.1.

	<b>Status: Comply</b>
<b>5.5.3</b>	
The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
<p>Palm Kernel</p> <ul style="list-style-type: none"> <li>PT Berkat Sawit Sejati Location Jalan Dideng Barat No.58-B Cideng Central Jakarta.</li> <li>PT Sinar Alam Permai is located at Jalan Blabak No.18,3 Ilir, Ilir Timur II, Palembang, South Sumatra.</li> </ul> <p>Crude Palm Oil</p> <ul style="list-style-type: none"> <li>PT Indokarya Internusa location of KL Yos Sudarso Tanjung Mulia road Medan Deli North Sumatra.</li> <li>PT Patisindo Sawit Palembang Road location Major Memet sastrawirya No.8 Lawang Kidul Ilir Timur II Boom Baru Palembang, South Sumatra.</li> </ul>	
	<b>Status: Comply</b>
<b>5.5.4</b>	
The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	
Yes, this will be observed in the next surveillance.	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b>	
The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
<p>Conventional Selling for CPO (<b>Bulking CPO to Buyer</b>) period on 20 November 2017 until 31 August 2018 with the details below:</p> <ol style="list-style-type: none"> <li>CSPO Selling on December 8, 2017 amount to 2,613,724 MT with ship of BG Manogihon Dumai- Riau, Buyer: PT Golden Hope Nusantara.</li> <li>CSPO Selling on March 12, 2018 amount to 3,001,943 MT with ship of BG Royal 5 Taib River – Pulau Laut, Buyer: PT Golden Hope Nusantara.</li> <li>CSPO Selling on April 17, 2018 amount to 3,203,609 MT with ship BG Royal 26 Pulau Laut-Central Borneo, Buyer PT Golden Hope Nusantara.</li> <li>Selling CSPO on August 21, 2018 amount to 3,499,863 MT with ship SPOB Alpa Marine, Pulau Laut- Central Borneo, Buyer : PT Golden Hope Nusantara.</li> <li>Total of selling Conventional CSPO as much as 12,319,139 MT.</li> </ol> <p><b>CSPK (RSPO Mass Balance).</b> Sales contracts with 00197 / GPI / KTR-IKS / LOK / VIII / 2018 numbers are sold to PT Berkat Sawit Sejati, delivery period of August 2018 of 500,000 kg. Invoice number 00737 / GPI / VIII / 2018 and DO 00209/00197/08 / 18L-GPI / IKS.</p> <p><b>CSPO (RSPO Mass Balance).</b> Sales contracts with 00463 / GPI / KTR-MKS / LOK / V / 2018 numbers are sold to PT Sinar Alam Permai period June 2018, delivery for June 2018 is 1,500,000 kg. Invoice number 00730 / GPI / V / 2018 and DO 00483/00463/05/18 / L-GPI-MKS.</p>	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>

**5.7.1**

Supply chain actors who:

- 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 company has registered in the RSPO IT Platform with details as follows such as:

Member Name: PT Guthrie Pecconina Indonesia

RSPO Member ID: RSPO\_PO1000000320

RSPO Membership number: 1-0008-04-000-00

License ID: CB60831.

**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:

- 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.

CSPK Selling period of license November 20, 2017 until November 19, 2018 with details below:

Transaction on date	Volume (tonnes)	Buyer
11 January 2018	299.38	PT Sinar Alam Permai
11 January 2018	299.67	PT Sinar Alam Permai
11 January 2018	299.53	PT Sinar Alam Permai
07 February 2018	499.65	PT Sinar Alam Permai
07 February 2018	499.36	PT Sinar Alam Permai
07 February 2018	798.94	PT Sinar Alam Permai
<b>Total</b>	<b>2687.53</b>	

Conventional Selling for CPO (**Bulking CPO to Buyer**) period on 20 November 2017 until 31 August 2018 with the details below:

1. CSPO Selling on December 8, 2017 amount to 2,613,724 MT with ship of BG Manogihon Dumai- Riau, Buyer: PT Golden Hope Nusantara.
2. CSPO Selling on March 12, 2018 amount to 3,001,943 MT with ship of BG Royal 5 Taib River – Pulau Laut, Buyer: PT Golden Hope Nusantara.
3. CSPO Selling on April 17, 2018 amount to 3,203,609 MT with ship BG Royal 26 Pulau Laut-Central Borneo, Buyer PT Golden Hope Nusantara.
4. Selling CSPO on August 21, 2018 amount to 3,499,863 MT with ship SPOB Alpa Marine, Pulau Laut- Central Borneo, Buyer : PT Golden Hope Nusantara.

5. Total of selling Conventional CSPO as much as 12,319,139 MT.	
Based on document review on the mass balance report for license period November 20, 2017 – August 31, 2018 it is known that the company sold CSPO products in conventional form as much as 13,022.76 tonnes and has not been deducted (removed) from the stock at the RSPO Palm-trace, based on that the RJF has not shown evidence of compliance with the requirements in SCCS general CoC requirements 5.7.2 (point 3). <b>Its become Non-conformance No.2018.07 with Major Category.</b>	
	<b>Status: Non-conformance No.2018.07 with Major Category.</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b>	
The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
The certificate holder shows SCCS training program which will be held in August 2018.	
	<b>Status: Comply</b>
<b>5.8.2</b>	
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
The certificate holder shows Supply chain training recordings held on August 25, 2018 and August 30, 2018. Participants who attended as many as 20 participants consisted of Managers, Assistants, Senior Assistants, PSQM, Head of Section, and others.	
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b>	
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
The organization has maintain, complete, up to date and accessible records and reports covering all aspects of RSPO SSCS requirement such as, DO, sales contract, weight bridge, conventional selling, contract with third parties example:	
<ul style="list-style-type: none"> <li>• The certificate holder shows a tank rental contract with the number PTPS / BSC / 001/2018 dated January 1, 2018 PT Patisindo Sawit with PT Bina Sains Cemerlang valid until January 1, 2018 until December 31, 2018. Tank capacity 2500 MT. This agreement was signed by PT Patisindo Sawit with PT Bina Sains Cemerlang.</li> <li>• Freight service agreement with number 023 / PK / GPI-SIE / I / 2017 Transportation Services between PT GPI and CV Semangus Indah Ekspres dated November 1, 2017. Collaboration to provide transportation / transportation services to carry and ship Palm Kernel from Rantau Panjang Factory headed to Palembang and Talang Duku. Period of 1 year until 31 October 2018.</li> <li>• Transportation service agreement with number 022 / Transportation of CPOPK / GPI-MIP / XI / 2017 dated November 1, 2017 until October 31, 2018 between PT Mitra Indah Persada and PT GPI. Collaboration provides transportation / transportation services to carry and delivery Palm Oil / CPO from the Rantau Panjang Factory to Talang Duku and Pelindo II Boombaru.</li> </ul>	
	<b>Status: Comply</b>
<b>5.9.2</b>	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Traceability procedures were dated February 10, 2011 by the Estate Manager, Factory Manager, Smallholder GPI Manager and SJE Manager. The scope of this procedure includes the activities of harvesting FFB in the estate, sending FFB from the estate to the factory, receiving FFB (raw materials) in the factory, processing FFB at the factory, sending products (CPO /	

<p>PK) to the buyer and sending the product to bulking. All documentary evidence from receipt of FFB to the sale of CPO &amp; Kernel is stored for 5 years.</p>	
	<b>Status: Comply</b>
<p><b>5.9.3</b> The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p>	
<p>Document estimates of CPO &amp; PK volume are listed in the monthly report document for the 2017-2018 period and are kept for 5 years.</p>	
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<p><b>5.10.1</b> Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p>	
<p>The factory only processed FFB into CPO/PK. There is no conversion of products to oleochemicals and its derivatives.</p>	
	<b>Status: Comply</b>
<p><b>5.10.2</b> Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	
<p>The factory only processed FFB into CPO/PK. There is no conversion of products to oleochemicals and its derivatives.</p>	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<p><b>5.11.1</b> The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	
<p>All communication to stakeholders are done in accordance with RSPO Rules on Market Communication and Claims. The factory already has SOPs related to communications with stakeholders and the use of the CSPO logo.</p>	
	<b>Status: Comply</b>
<b>5.12</b>	<b>Complaints</b>
<p><b>5.12.1</b> The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>	
<p>The product traceability procedure dated February 10, 2011, which was approved by the Estate Manager, Factory Manager, Smallholder GPI Manager and SJE Manager explained that if the CPO / PK received by the buyer is not in accordance with the existing sale and purchase contract, the buyer can submit a claim (Customer Complaint) that is shown to the Office Head of Marketing Department of Jakarta for settlement according to the agreement agreed upon in the sale and purchase contract.</p>	
<p>Based on PT GPI Rantau Panjang Factory logbook complaints stakeholders, it was found that on 1 August 2018 there was a complaint from PT Sinar Alam Permai regarding the lack of seals on 4 truck units. The company has responded by making</p>	



<p>an official report and providing guidance on the installation of the seal on the despatch operator on August 1, 2018. The officer who made the registration was Head of Administration Rantau Panjang Factory.</p>	
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<p><b>5.13.1</b>          The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p>	
<p>The company showed the Rantau Panjang Factory review management conducted on June 6, 2018 conducted by the Head of the RJF Section and known by Mill Manager. Management review informs the point management review, finding, action plan, PIC and Time Schedule.          For example:</p> <ul style="list-style-type: none"> <li>✓ Not yet available of lease tank leasing documents → action plan coordinating with Logistics to send leasing documents for storage tanks → July 2018.</li> <li>✓ License from RSPO for traders and distributors to sell RSPO certified products</li> <li>✓ Has not received evidence registered on the IT RSPO Platform - Palm trace.</li> <li>✓ CPO and PK sales invoices.</li> <li>✓ List of names and contact details for all contractors.</li> <li>✓ And others.</li> </ul>	
	<b>Status: Comply</b>
<p><b>5.13.2</b>          The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
<p>The company showed the Rantau Panjang Factory review management conducted on June 6, 2018 conducted by the Head of the RJF Section and known by Mill Manager. Management review informs the point management review, finding, action plan, PIC and Time Schedule.          For example:</p> <ul style="list-style-type: none"> <li>✓ Not yet available of lease tank leasing documents → action plan coordinating with Logistics to send leasing documents for storage tanks → July 2018.</li> <li>✓ License from RSPO for traders and distributors to sell RSPO certified products → Coordinate with GTM HO Jakarta to obtain license documents → PIC Manager → Juli 2018.</li> <li>✓ Has not received evidence registered on the IT RSPO Platform - Palm trace.</li> <li>✓ CPO and PK sales invoices.</li> <li>✓ List the names and contact details of all contractors.</li> <li>✓ And others</li> </ul>	
	<b>Status: Comply</b>
<p><b>5.13.3</b>          The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
<p>The company showed the Rantau Panjang Factory review management conducted on June 6, 2018 conducted by the Head of the RJF Section and known by Mill Manager. Management review informs the point management review, finding, action plan, PIC and Time Schedule.          For example:</p> <ul style="list-style-type: none"> <li>✓ Not yet available of lease tank leasing documents → action plan coordinating with Logistics to send leasing documents</li> </ul>	

for storage tanks → July 2018.

- ✓ License from RSPO for traders and distributors to sell RSPO certified products → Coordinate with GTM HO Jakarta to obtain license documents → PIC Manager → Juli 2018.
- ✓ Has not received evidence registered on the IT RSPO Platform - Palm trace.
- ✓ CPO and PK sales invoices.
- ✓ List the names and contact details of all contractors.
- ✓ And others

The Certificate Holder has provided evidence of improvements to the above nonconformities.

**Status: Comply**

3.2.3 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement																																																																												
E.1	<b>Definition</b>																																																																												
E.1.1	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>Rantau Panjang Factory is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is GPI Smallholder Scheme / KKPA and Sungai Jernih Estate.</p> <p>There are Estate that still do not have land use title (RSPO Non certified) such as:</p> <ul style="list-style-type: none"> <li>• Rantau Panjang Estate covering 855.05 ha.</li> <li>• Napal Estate covering 988.68 ha.</li> <li>• Mangun Jaya Estate covering 1,418.02 ha.</li> <li>• GPI Plasma.</li> <li>• Sungai Jernih Estate.</li> </ul>																																																																												
	<b>Status: Comply</b>																																																																												
E.2	<b>Explanation</b>																																																																												
E.2.1	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</b></p> <p>The company shows tonnage estimation data for 1 year period September 2017 - August 2018 with the following details (5 estates and 1 Rantau Panjang Factory) such as:</p> <table border="1"> <thead> <tr> <th rowspan="2">Months (Sept 2017-Ags 2018)</th> <th colspan="2">FFB (tonnes)</th> <th colspan="2">CPO (tonnes)</th> <th colspan="2">PK (tonnes)</th> </tr> <tr> <th>Certified</th> <th>Non Certified</th> <th>Certified</th> <th>Non certified</th> <th>Certified</th> <th>Non certified</th> </tr> </thead> <tbody> <tr> <td>September 2017</td> <td>9,940.440</td> <td>8,621.110</td> <td>2,065.825</td> <td>1,791.642</td> <td>546.719</td> <td>474.157</td> </tr> <tr> <td>October 2017</td> <td>10,235.681</td> <td>8,329.259</td> <td>2,297.974</td> <td>1,869.971</td> <td>618.831</td> <td>503.572</td> </tr> <tr> <td>November 2017</td> <td>9,438.808</td> <td>7,432.782</td> <td>2,081.321</td> <td>1,638.979</td> <td>604.914</td> <td>476.352</td> </tr> <tr> <td>December 2017</td> <td>8,207.053</td> <td>6,280.697</td> <td>1,859.352</td> <td>1,422.926</td> <td>524.597</td> <td>401.463</td> </tr> <tr> <td>January 2018</td> <td>7,359.565</td> <td>6,384.915</td> <td>1,736.038</td> <td>1,506.129</td> <td>477.176</td> <td>413.982</td> </tr> <tr> <td>February 2018</td> <td>6,408.607</td> <td>5,378.683</td> <td>1,483.608</td> <td>1,245.178</td> <td>347.321</td> <td>291.503</td> </tr> <tr> <td>March 2018</td> <td>6,391.920</td> <td>5,897.120</td> <td>1,413.511</td> <td>1,304.090</td> <td>362.458</td> <td>334.401</td> </tr> <tr> <td>April 2018</td> <td>8,225.679</td> <td>6,696.211</td> <td>1,760.572</td> <td>1,433.215</td> <td>474.234</td> <td>386.056</td> </tr> <tr> <td>May 2018</td> <td>9,794.246</td> <td>8,441.204</td> <td>2,055.773</td> <td>1,771.775</td> <td>530.451</td> <td>457.171</td> </tr> </tbody> </table>	Months (Sept 2017-Ags 2018)	FFB (tonnes)		CPO (tonnes)		PK (tonnes)		Certified	Non Certified	Certified	Non certified	Certified	Non certified	September 2017	9,940.440	8,621.110	2,065.825	1,791.642	546.719	474.157	October 2017	10,235.681	8,329.259	2,297.974	1,869.971	618.831	503.572	November 2017	9,438.808	7,432.782	2,081.321	1,638.979	604.914	476.352	December 2017	8,207.053	6,280.697	1,859.352	1,422.926	524.597	401.463	January 2018	7,359.565	6,384.915	1,736.038	1,506.129	477.176	413.982	February 2018	6,408.607	5,378.683	1,483.608	1,245.178	347.321	291.503	March 2018	6,391.920	5,897.120	1,413.511	1,304.090	362.458	334.401	April 2018	8,225.679	6,696.211	1,760.572	1,433.215	474.234	386.056	May 2018	9,794.246	8,441.204	2,055.773	1,771.775	530.451	457.171
Months (Sept 2017-Ags 2018)	FFB (tonnes)		CPO (tonnes)		PK (tonnes)																																																																								
	Certified	Non Certified	Certified	Non certified	Certified	Non certified																																																																							
September 2017	9,940.440	8,621.110	2,065.825	1,791.642	546.719	474.157																																																																							
October 2017	10,235.681	8,329.259	2,297.974	1,869.971	618.831	503.572																																																																							
November 2017	9,438.808	7,432.782	2,081.321	1,638.979	604.914	476.352																																																																							
December 2017	8,207.053	6,280.697	1,859.352	1,422.926	524.597	401.463																																																																							
January 2018	7,359.565	6,384.915	1,736.038	1,506.129	477.176	413.982																																																																							
February 2018	6,408.607	5,378.683	1,483.608	1,245.178	347.321	291.503																																																																							
March 2018	6,391.920	5,897.120	1,413.511	1,304.090	362.458	334.401																																																																							
April 2018	8,225.679	6,696.211	1,760.572	1,433.215	474.234	386.056																																																																							
May 2018	9,794.246	8,441.204	2,055.773	1,771.775	530.451	457.171																																																																							

June 2018	6,721.507	6,096.793	1,351.997	1,226.339	345.625	313.501
July 2018	13,555.304	11,367.756	2,745.520	2,302.450	773.716	648.854
August 2018	11,794.461	9,738.009	2,595.050	2,142.584	691.093	570.595
<b>Total</b>	<b>108,073.271</b>	<b>90,664.539</b>	<b>23,446.543</b>	<b>19,655.277</b>	<b>6,297.134</b>	<b>5,271.607</b>

Based on data, Certified FFB is 108,073.271 tonnes; Non-certified FFB is 90,664.539 tonnes; Certified CPO is 23,446.543 tonnes; Non-certified CPO is 19,665.277 tonnes; Certified PK is 6,297.134 tonnes and Non-certified PK is 5,271.607 tonnes.

**Certificate data projection.**

Period 20 November 2017 to 19 November 2018.

FFB Production: 131,623 Tonnes / year.

CPO: 27,620 tonnes.

PK: 6,576 tonnes.

**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).**

RSPO Member ID: RSPO\_PO1000000320.

RSPO Membership number: 1-0008-04-000-00.

License ID: CB60831.

- Selling of CSPK (Period of license 20 November 2017 – 19 November 2018) such as:

Transcation ID	Shipping Annougements	Transaction on date	Volume (tonnes)	Buyer
TR-aa537ded-bc2a	1 November 2017	11 January 2018	299.38	PT Sinar Alam Permai
TR-e6156c0a-cebf	21 December 2017	11 January 2018	299.67	PT Sinar Alam Permai
TR-c5df72a8-1c5a	21 December 2017	11 January 2018	299.53	PT Sinar Alam Permai
TR-6717e6b4-56a2	2 July 2018	07 February 2018	499.65	PT Sinar Alam Permai
TR-10a1dcc3-d8a5	2 July 2018	07 February 2018	499.36	PT Sinar Alam Permai
TR-C35d7b3f-2793	2 July 2018	07 February 2018	798.94	PT Sinar Alam Permai
		<b>Total</b>	<b>2,696.53</b>	

- Conventional Selling for CPO (**Bulking CPO to Buyer**) period on 20 November 2017 until 31 August 2018 with the details below:
  - CSPO Selling on December 8, 2017 amount to 2,613,724 MT with ship of BG Manogihon Dumai- Riau, Buyer: PT Golden Hope Nusantara.
  - CSPO Selling on March 12, 2018 amount to 3,001,943 MT with ship of BG Royal 5 Taib River – Pulau Laut, Buyer: PT Golden Hope Nusantara.
  - CSPO Selling on April 17, 2018 amount to 3,203,609 MT with ship BG Royal 26 Pulau Laut-Central Borneo, Buyer PT Golden Hope Nusantara.

4. Selling CSPO on August 21, 2018 amount to 3,499,863 MT with ship SPOB Alpa Marine, Pulau Laut- Central Borneo, Buyer : PT Golden Hope Nusantara.
5. Total of selling Conventional CSPO as much as 12,319,139 MT.

CSPO Produce and sales for period 20 November 2017 – 31 August 2018 with details bellows :

Months (2017-2018)	CSPO Produce	Non CSPO Produce	CSPO Sales		
			Buyer	Volume (ton)	CSPO/Non RSPO
20 Nov 2017	914.125	605.52	IKI	The company does not sell RSPO Mass balance	2,583.390
Dec 2017	1,859.352	1,422.93	IKI, SAP & PTS		3,674.630
Jan-18	1,736.038	1,506.13	SAP & IKI		3,283.960
Feb-18	1,483.608	1,245.18	IKI & PTS		2,036.030
March 2018	1,413.511	1,304.09	PTS, SAP & IKI		3,283.520
April 18	1,760.572	1,433.21	IKI & SAP		2,297.960
May 2018	2,055.773	1,771.78	IKI & SAP		4,182.160
June 2018	1,351.997	1,226.34	IKI, SAP & PTS		2,364.580
July 2018	2,745.520	2,302.45	PTS		2,362.070
1- 31 August 2018	2,595.050	2,142.58	PTS, IKI & SAP		3,685.210
<b>Total</b>	<b>17,915.546</b>	<b>14,960.21</b>			<b>29,753.510</b>

Note:

- BSS : Buana SAWIT Sejahtera
- SAP: Sinar Alam Permai
- KTN: Kurnia Tunggal Nugraha
- IKI: Indo Karya Internusa
- PTS: Patisindo.

CSPK Produce and sales for period 20 November 2017 – 31 August 2018 such as:

Months (2017-2018)	CSPK Produce	CSPK Sales		
		Buyer	Volume (ton)	CSPK/Non CSPK
20 Nov 2017	276.247	BSS & SAP	-	279.050
Dec 2017	524.597	SAP	-	1,069.760
Jan-18	477.176	SAP	898.580	932.180
Feb-18	347.321	SAP	1,797.950	597.740
March 2018	362.458	KTN	-	542.170
April 18	474.234	KTN	-	709.390
May 2018	530.451	KTN & BSS	-	835.800
June 2018	345.625	KTN & BSS	-	1,182.660
July 2018	773.716	KTN & SAP	-	948.190
1- 31 August 2018	691.093	KTN, SAP & BSS	-	1,293.930
<b>Total</b>	<b>4,802.917</b>		<b>2,696.530</b>	<b>8,390.870</b>

Note:

- BSS : Buana SAWIT Sejahtera.
- SAP: Sinar Alam Permai.
- KTN: Kurnia Tunggal Nugraha.

**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.**

Procedure of Mass Balance Product Supply Chain System is presented in document No. SOP-SCSS 01/GPI/18 Rev. No. 01 dated January 2<sup>nd</sup> 2018, issued by the Factory Manager, Smallholder GPI Manager and SJE Manager... The purpose of this procedure is to identify raw materials and end products so that it can be known the relationship of raw materials and product quality so that it is easy to trace the products produced. The scope of this procedure applies from harvesting activities, raw material receipts (FFB), production processes, Bulking Station and the process of sending products to buyers at PT GPI. The person in charge for procedure implementation are Factory Manager, Assistant PSQM, Assistant, Senior Assistant, Bulking Manager, Logistic and Head of Administration.

Meanwhile, procedure of Traceability was issued by Factory Manager, Smallholder GPI Manager and SJE Manager on February 10<sup>th</sup> 2011. The procedure has covers activities of harvesting, FFB transportation from the Estate to the Factory, FFB acceptance (raw materials), FFB processing, products (CPO/PK) delivery to Bulking and Buyers. Furthermore, Sumatra and Sulawesi PSQM Head Memorandum No. 013/PSQM-UM/I/2015 dated September 3<sup>rd</sup> 2015 explained that labelling of MB Product was carried out through Stamping of "Mass Balance" on FFB Delivery Note from Certified Estates and certified products (CPO and PK) Delivery Notes from Factory to Bulking or Buyer.

Based on RSPO supply chain system memorandum number 013 / PSQM-UM / I / 2015, it is stated that each certified FFB is identified by RSPO stamp on fruit delivery letter and weighing ticket, but based on interviews with operator scales and observations on Fruit Delivery Letter "SPB" documents and weighing tickets it is known that marking in RSPO stamp forms are carried out on all weighing tickets whether certified or not, for example:

- Weighing ticket with number 257328 Napal Estate, come from the area of non-certified Block C019 harvest Division 2 (according to the map of the estate area, it is known that Block C019 is a non-certified area with an area of 95.41 ha).
- Weighing tickets with number 257385 Mangun Jaya Estate, come from non-certified Harvest Block Division E014 Division 2 (based on the map of the estate area, it is known that Block E014 is a non-certified area with an area of 73.24 ha).

In addition, based on document review on SOP, the Mass Balance Product Supply Chain system and traceability procedures have not explained regarding the officers responsible for shipping announcements and reporting to RSPO Palm Trace. **Its become Non Conformance No.2018.04 with Major Category.**

**Status: Non conformance No.2018.04 with Major Category.**

**E.3.2**

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

The certificate holder has a Product Traceability procedure that was approved on February 10, 2011. In point 5.1.8, it is explained that Harvesters are obliged to place FFB harvested in a certified block in "TPH" which certificates and FFBs are harvested on non-certified blocks placed in Non-certified "TPH". However, the procedure has not explained the mechanism for marking the area boundary between certified and non-certified harvest areas and has not shown evidence that harvesters have understood the separation of production from the area. **Raised Non-conformance No.2018.05 with Major Category.**

**Status: Non-conformance No.2018.05 with Major Category.**

**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 shows delivery of FFB Certified and non certified period for November 20, 2017 - August 31, 2018 with the following details:

Months	FFB
(November 20, 2017	(tones)

<b>– August 31, 2018)</b>	<b>Certified</b>	<b>Non Certified</b>	<b>Total</b>
20 November 2017	3,868.543	3,054.687	6,923.230
December 2017	8,207.053	6,280.697	14,487.750
January 2018	7,359.565	6,384.915	13,744.480
February 2018	6,408.607	5,378.683	11,787.290
March 2018	6,391.920	5,897.120	12,289.040
April 2018	8,225.679	6,696.211	14,921.890
May 2018	9,794.246	8,441.204	18,235.450
June 2018	6,721.507	6,096.793	12,818.300
July 2018	13,555.304	11,367.756	24,923.060
1-31 August 2018	11,794.461	9,738.009	21,532.470
<b>Total</b>	<b>82,326.885</b>	<b>69,336.075</b>	<b>151,662.960</b>

FFB receipt data September 2017 - August 2018 period with details below:

<b>Months (Sept 2017-Ags 2018)</b>	<b>FFB (tonnes)</b>	
	<b>Certified</b>	<b>Non Certified</b>
September 2017	9,940.440	8,621.110
October 2017	10,235.681	8,329.259
November 2017	9,438.808	7,432.782
December 2017	8,207.053	6,280.697
January 2018	7,359.565	6,384.915
February 2018	6,408.607	5,378.683
March 2018	6,391.920	5,897.120
April 2018	8,225.679	6,696.211
May 2018	9,794.246	8,441.204
June 2018	6,721.507	6,096.793
July 2018	13,555.304	11,367.756
August 2018	11,794.461	9,738.009
<b>Total</b>	<b>108,073.271</b>	<b>90,664.539</b>

The company shows certificate production data for the period of September 2017 to August 2018 with details for each estate as follows:

1. Mangun Jaya Estate.

- Block E005 covering an area of 92.16 ha and Block E006 covering an area of 47.29 ha with total 1,845,433 tonnes (Map of HGU certified areas covering 139.45 ha).

2. Rantau Panjang Estate.

- Area 2,194.50 ha was certified and 26,618.74 tonnes FFB (Map of certified and Non certified areas).

3. Napal Estate.

- Planted area is 1.0269 ha certified and 14,160,186 tonnes FFB, non certificate is 18,055,024 tonnes ffb

**Status: Comply**

**E.4.2**

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

Based on PT GPI certificate data for the period November 20, 2017 – November 19, 2018 it is known that:

- FFB Production: 131,523 tonnes / year.
- CPO: 27,520 tonnes.
- PK: 6,576 tonnes.

Based on explanation there is no overproduction of certified tonnage.

**Status: Comply**

**E.5**

**Record keeping**

**E.5.1**

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or 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 (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)**

Rantau Panjang Factory has monthly data explaining receipt of FFB, CPO Production, PK Production. The following is the production and product delivery data from Rantau Panjang Factory with the following details:

Months (Sept 2017-Ags 2018)	CPO (tones)		PK (tones)	
	Certified	Non certified	Certified	Non certified
September 2017	2,065.825	1,791.642	546.719	474.157
October 2017	2,297.974	1,869.971	618.831	503.572
November 2017	2,081.321	1,638.979	604.914	476.352
December 2017	1,859.352	1,422.926	524.597	401.463
January 2018	1,736.038	1,506.129	477.176	413.982
February 2018	1,483.608	1,245.178	347.321	291.503
March 2018	1,413.511	1,304.090	362.458	334.401
April 2018	1,760.572	1,433.215	474.234	386.056
May 2018	2,055.773	1,771.775	530.451	457.171
June 2018	1,351.997	1,226.339	345.625	313.501
July 2018	2,745.520	2,302.450	773.716	648.854
August 2018	2,595.050	2,142.584	691.093	570.595
<b>Total</b>	<b>23,446.543</b>	<b>19,655.277</b>	<b>6,297.134</b>	<b>5,271.607</b>

Months	CSPO Sales
--------	------------



(2017-2018)	Buyer	Volume (ton)	CSPO/Non RSPO
20 Nov 2017	IKI	The company does not sell RSPO Mass balance	2,583.390
Dec 2017	IKI, SAP & PTS		3,674.630
Jan-18	SAP & IKI		3,283.960
Feb-18	IKI & PTS		2,036.030
March 2018	PTS, SAP & IKI		3,283.520
April 18	IKI & SAP		2,297.960
May 2018	IKI & SAP		4,182.160
June 2018	IKI, SAP & PTS		2,364.580
July 2018	PTS		2,362.070
1- 31 August 2018	PTS, IKI & SAP		3,685.210
<b>Total</b>			

Note:

- BSS : Buana SAWIT Sejahtera
- SAP: Sinar Alam Permai
- KTN: Kurnia Tunggal Nugraha
- IKI: Indo Karya Internusa
- PTS: Patisindo.

Months (2017-2018)	CSPK Sales		
	Buyer	Volume (ton) CSPK	Non CSPK
20 Nov 2017	BSS & SAP	-	279.050
Dec 2017	SAP	-	1,069.760
Jan-18	SAP	898.580	932.180
Feb-18	SAP	1,797.950	597.740
March 2018	KTN	-	542.170
April 18	KTN	-	709.390
May 2018	KTN & BSS	-	835.800
June 2018	KTN & BSS	-	1,182.660
July 2018	KTN & SAP	-	948.190
1- 31 August 2018	KTN, SAP & BSS	-	1,293.930
<b>Total</b>		<b>2,696.530</b>	<b>8,390.870</b>

Note:

- BSS : Buana SAWIT Sejahtera.
- SAP: Sinar Alam Permai.
- KTN: Kurnia Tunggal Nugraha.

**Status: Comply**

**3.3. Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-1.1</b>	PT GPI do not use RSPO Trademark and CB Logo, However PT GPI has had a trademark license under Sime Darby Plantation Berhard Group number RSPO – 1106024.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-1.1</b>	PT GPI do not use RSPO Trademark and CB Logo, However PT GPI has had a trademark license under Sime Darby Plantation Berhard Group number RSPO – 1106024.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or√</b>
<b>ASA-1.1</b>	PT GPI do not use RSPO Trademark and CB Logo, However PT GPI has had a trademark license under Sime Darby Plantation Berhard Group number RSPO – 1106024.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-1.1</b>	PT GPI do not use RSPO Trademark and CB Logo, However PT GPI has had a trademark license under Sime Darby Plantation Berhard Group number RSPO – 1106024.	√
	<b>Status: Comply</b>	

**3.4. Summary of RSPO Partial Certification.**

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

Sime Darby Plantation Sdn Bhd 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 Sdn Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Sdn Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Sdn Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Sdn Bhd 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 Sdn Bhd 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 remains 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.

<b>3.4.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> Companies are already doing internal audits. There are internal audit reports for each company.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit for example PT Sandika Natapalma – Karya Palma Estate on 10 February 2017.</p>
i.	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b> 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><b>Auditor Verification:</b> Sime Darby Plantation Sdn Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June 2016. The companies ensuring reporting of disclosure of liability progress to RSPO</p>

		and according to the CB's correspondency with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<p><b>Company Group/Holding Statement:</b> 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. 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. *Note: RSPO NPP Announcements for SDP can be found at <a href="http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14">http://www.rspo.org/certification/new-planting-procedures/public-consultations/page/14</a></p> <p><b>Auditor Verification:</b></p> <ul style="list-style-type: none"> <li>• Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP.</li> <li>• RSPO NPP process has been completed in 2011 for a new mill in Liberia.</li> </ul>
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><b>Company Group/Holding Statement:</b> Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/46">http://www.rspo.org/members/complaints/status-of-complaints/view/46</a> PT Mitra Austral Sejahtera (Sime Darby Sdn Bhd) Further details please refer to: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/29">http://www.rspo.org/members/complaints/status-of-complaints/view/29</a></p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> <li>• PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities</li> <li>• PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.</li> </ul>
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> 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><b>Company Group/Holding Statement:</b> None noted. No stakeholder comments or complaints received.</p>

		<p><b>Auditor Verification:</b>          Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, ie:</p> <ul style="list-style-type: none"> <li>• PT Sime Indo Agro 1,652 Ha</li> <li>• PT Aneka Inti Persada 421.31 Ha</li> <li>• PT Bina Sains Cemerlang 308.25 Ha</li> <li>• PT Bersama Sejahtera Sakti 765 Ha</li> <li>• PT Langgeng Muaramakmur 1,162 Ha</li> <li>• PT Paripurna Swakarsa 1,120 Ha</li> <li>• PT Swadaya Andika 63 Ha</li> <li>• PT Bahari Gembira Ria 1,639 Ha</li> <li>• PT Guthrie Pecconina Indonesia 4,133 Ha</li> <li>• PT Perkasa Subur Sakti 1,286 Ha</li> </ul>
--	--	--

**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 Re-Certification Assessment.**

<b>NCR No.</b>	<b>: 2017.01</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 11 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<ol style="list-style-type: none"> <li>Based on document verification of GM HRM No.083/HRM-13/IV/2017 it is known that wage determination refers to UMSP according to Decree of Governor of South Sumatera. This is not in accordance with Circular Letter No. SE-560/143/DISNAKERTRANS/2017 concerning Implementation of Minimum Wage in the district of Musi Banyuasin.</li> <li>Based on verification of daily tim attendance documents and interviews with contract workers for pesticide and fertilizer applicator in Divisi II Sungai Jernih Estate (SJE), it is known that there are workers who have worked for more than 21 days or 3 months or more, but have not been appointed as permanent workers. This is not accordance with the Decree from Ministry of Manpower and Transmigration No.100 in 2014 article No.10 about contract workers.</li> <li>Based on the document review of Work Agreement No.Est/SPK/GPI-SJE/2017/III/004, there are harvest activities has been taken by third parties (on behalf of contractor Rudi Hartono). The Indonesian Palm Oil Entrepreneurs Association (GAPKI) determined that harvesting is main activity. This is not accordance with Decree from Ministry of Manpower and Transmigration No.19 in 2012 about terms of transfer some work to another company.</li> <li>Based on document review of operator license, known that there are 6 operator license expired, example on behalf A. Kundori (Backhoe Loader Operator)has been expired since March 16<sup>th</sup>, 2016. This is not accordance with Decree from Ministry of Manpower and Transmigration No.09 in 2010.</li> </ol>			
<b>Root Cause Analysis :</b>			
<ol style="list-style-type: none"> <li>Management issued a wage decree to follow UMSP as wage standard in PT GPI, while the previous year wage standard in GPI follow UMK.</li> <li>Temporary worker (BHL) is the local community the plantations that most do not want to be bound by the contract of work</li> <li>Contract worker is the local community the plantation that most do not want to be bound by the contract of work</li> <li>The absence of unit management monitoring on the validity of Operator License in PT GPI</li> </ol>			
<b>Correction :</b>			
<ol style="list-style-type: none"> <li>Approved standardized wages in accordance with UMK amounting to Rp 2,469,550, plus rice aid in the form of rice/month outside Sunday/national holiday and has been approved on 01 August 2017 (letter attached). This decree valid from 01 May 2017 and will be realized rapel payments from May 2017 to July 2017 at the time of remission of 02 August 2017 (for example the Rapel application submission attached)</li> <li>Selection of temporary worker (BHL) to be appointed as Certain Time Working Agreements worker for those willing to be bound by contract with the company (Temporary worker (BHL) list who are willing to be appointed to be attached Permanent Worker)</li> <li>Deciding on the contractual relationship (attached) and selecting the harvesting contractors to be appointed as Certain Time Working Agreements workers for those willing to be bound by contract with the company</li> <li>Has made the arrangement of Operator License on behalf of A.Kundori, Damun, Samsul, Zarkasi, Saman (Process of Extension - data attached) and on behalf of Ahmad Faozi and Sandi Nusantara Operator License already published (Operator License documents attached)</li> </ol>			
<b>Corrective Action:</b>			
<ul style="list-style-type: none"> <li>Always coordinate with the employers and worker unions on the discussion of the provisions of the employees'</li> </ul>			

basic wages

- Ensuring temporary worker (BHL) are not working in a company without work ties (contract)
- Ensure that no more contract labor pepper on the main job (harvesting job)
- Perform routine updates on the monitoring of Operator License permits in all PT GPI Units
- Ensure that all Operator License permits in PT GPI units are in good condition through a list of monitoring updates that will be applied in all units (list document attached)

**Assessor Evaluation and Conclusion :**

**1. Wages**

**Auditor verification 10 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

1. Inter Office Mail from GM HR No.123 / HRM-13 / VIII / 2017 dated August 1, 2017 regarding Daily Daily SKU and Monthly SKU of 2017 for PT GPI and PT BSC. The IOM is issued under a mutual agreement between PT GPI and PT BSC with PUK.SPPP.SPSI PT GPI and PT BSC dated July 27, 2017. The terms of the MSE in 2017 are as follows:
  - Increase wage of SKU-H Worker PT GPI to Rp 2,469,550, - /month plus rice aid in the form of rice.  
**The calculation is for one month including the Sunday/National Holiday.**
  - Withholding deductions for SKU-H worker that doesn't work is Rp 98.782, - /day.
  - Wages for (SKU-H) is a bruto income not yet deducted Income Tax which is the obligation of workers according to the Tax Law.
  - SKU-H wage increases will be effective starting 01 May 2017.
2. Example of employee wage slip In May 2017 (payrol division and purchasing foreman) is still listed basic wage Rp 2.430.000, -. This has not yet adjusted to the minimum wage requirement of 2017 (UMK) of Rp 2,469,550, -.

The certificate holder has presented evidence of improvement, consisting of:

1. Inter Office Mail from GM HR No.123 / HRM-13 / VIII / 2017 dated 01 August 2017 regarding SKU-H and SKU-B of 2017 for PT GPI and PT BSC. The IOM is issued under a mutual agreement between PT GPI and PT BSC with PUK.SPPP.SPSI PT GPI and PT BSC dated 27 July 2017. The terms of the UMK in 2017 are as follows:
  - Increase wage of SKU-H Worker PT GPI to Rp 2,469,550, - /month plus rice aid in the form of rice.
  - The calculation is for one month including the Sunday / National Holiday.
  - Wage calculation of Rp 2,469,550, - is the basic wage outside of overtime hours and holidays
  - Withholding deductions for SKU-H worker that doesn't work is Rp 98.782, - /day.
  - Wages for (SKU-H) is a bruto income not yet deducted Income Tax which is the obligation of workers according to the Tax Law.
  - Increase in daily SKU-H Rate is valid starting on 01 May 2017.
  - Wage increase of Rp 2,469,550, will be charged starting from 01 May 2017
  - Based on evidence of improvement shown above, there are still some things that need to be confirmed.
2. Example of employee wage slip In May 2017 (payrol division and purchasing foreman) is still listed basic wage Rp 2.430.000, -. This has not yet adjusted to the minimum wage requirement of 2017 (UMK) of Rp 2,469,550, -.

**Auditor verification 16 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

- IOM from Mill Manager to Area Controller Sumatera Selatan dated 08 August 2017, IOM Number: 44 / Mgr / PT GPI-RJF / VIII / 2017 concerning Approval of Rapid Payout Reward Increase of Employee SKU RJF. IOM explains the approval of the payroll raise payments and employee overtime from May - July 2017.

**Based on the evidence for improvent and the incomplete root explanation, the Non-Conformity No.2017.01 has not been fulfilled (Open).**

**Auditor verification 20 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

1. Evidence of proposal for payment of Rapel Salary Increase in the plantation eg for BYE and RJE. There is

also a proposal letter submitted to the CEO of RSS Region of the Estate Manager. Proposal made for payment of salary adjustment from May-July 2017 (3 months).

List of payroll rosters / group salaries for May - July 2017 KKPA and Sungai Jenih Estate (SJE).

2. List of temporary worker (BHL) GPP (plasma), Sungai Jenih Estate and Certain Time Working Agreements worker Specific Time of harvesting, maintenance, fertilizer, spraying of GPP (plasma) and Sungai Jenih Estate.
3. Termination of Rudi Hartono's harvesting contract as of 1 August 2017 through Inter Office Mail Number: 228 / Est-SJE / VII / 2017. This provision is signed by both parties between the company (SJE Senior Manager's) and the contractor (Rudi Hartono) on stamp duty.
4. Evidence of Operator License processing process on behalf of A.Kundori, Damun, Samsul, Zarkasi, Saman (Process of Extension - data attached) and on behalf of Ahmad Faozi and Sandi Nusantara Operator License have been published.

**Based on the evidence for improvent and the incomplete root explanation, the Non-Conformity No.2017.01 has not been fulfilled (Open).**

#### **Auditor verification 28 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Rapid Salary Reward Payment List in KKPA Unit from May to July 2017 (Division 1, 2 & Traction) and Sungai Jenih Estate period May to July 2017 (Division 1)
- Sample Work Agreement of Certain Time Working Agreements worker GPP Plasma (August 2012)

Have not shown any evidence of improvement:

- Examples of salary slips from workers in accordance with Payroll Rapid List of Salary Increases in KKPA Unit from May to July 2017 for KKPA Unit from May to July 2017 and Sungai Jenih Estate period May to July 2017
- Certain Time Working Agreements worker (PKWT) Working Agreement for fertilizer workers of Division II of the Sungai Jenih Estate (SJE), which has been working for more than 21 days for 3 consecutive months or more

Based on the above, the Non-Conformity on this Indicator has not been fulfilled (**Open**).

#### **Auditor verification 05 September 2017**

The certificate holder has shown evidence of improvement:

- Examples of Certain Time Working Agreements (PKWT) on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of the Sungai Jenih Estate). The work agreement shown is valid for 3 months from September 1st - 30th November 2012.
- Salary slips on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of Sungai Jenih Estate) period of August 2017. The pay slip document informs the Working Day, wages received and deductions from BPJS Kesehatan.

However, evidence of the improvements shown still explains the status of workers still Certain Time Working Agreements (not yet permanent worker, as described in the description of non-conformance) with working days in August over 21 working days. There is also insufficient evidence that temporary workers who work more than 21 days in three consecutive months are entitled in accordance with the prevailing laws and regulations.

Based on this, the Non-conformity on this indicator is stated **not yet fulfilled (Open)**.

#### **Auditor verification 22 September 2017**

The certificate holder shows evidence of improvement, consisting of:

- Evidence of documentation that the temporary worker for Fertilizer in the Sungai Jenih Estate (SJE) gets its rights in accordance with the Minister of Manpower and Transmigration of the Republic of Indonesia No.100 year 2004 article 10 concerning Provisions on the Certain Time Working Agreements (PKWT) and has been appointed to permanent worker in accordance with the period of Work Agreement Letter (SPK) from 01 August 2017 to 31 August 2017 and obtaining wage rights in accordance with Circular Letter No. SE-560/143 / DISNAKERTRANS / 2017 on Minimum Wage Implementation in the region of Musi Banyuasin Regency



(agreement for fertilizer worker at SJE attached).

- Evidence of documentation that Certain Time Working Agreements Workers have earned wages in accordance with Circular Letter No. SE-560/143 / DISNAKERTRANS / 2017 concerning Minimum Wage Implementation in Musi Banyuasin District (detailed data of SJE Certain Time Working Agreements salary has been attached).

Evidence of improvements that have been shown in the form of SPK Letter of Certain Time Working Agreements (PKWT). It has not been in accordance with the Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia No.100 of 2004 article 10, paragraph 3 on the Implementation of Certain Time Working Agreements (PKWT). In Article 3 it is explained that in the worker / laborer is working 21 days or for 3 months consecutively or more then the daily work contract freely changed into a Permanent Worker (PKWTT). Based on the evidence of improvements shown, it is known that fertilizer workers who have been working for more than 21 days for 3 consecutive months have not become permanent workers based on Uncertain Time Working Agreements. Based on the evidence of improvement shown, then the inconsistency No.2017.01 stated not yet fulfilled (**Open**).

#### **Auditor verification 27 September 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Health Test Form from Central Clinic
- List of Certain Time Working Agreements worker in Guthrie Pecconina Plasma (GPP)
- List of Certain Time Working Agreements worker in the Sungai Jernih Estate (SJE)
- Procedures for Employment of Permanent Worker (PKWTT)

Not yet clearly shown evidence of improvements related to Temporary Worker Release on spraying and fertilizing activities of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months, has changed its status from worker based on Temporary Working Agreement (BHL) to become workers based on Uncertain Time Working Agreements (PKWTT), as regulated in Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia No. 100-2004 (Article 10, paragraph 3).

#### **Auditor verification 09 October 2017**

The certificate holder has presented evidence of improvement in the form of List Cashflow of Workers' Appointment in SJE and GPP into Permanent Worker status gradually, consisting of:

##### Sungai Jernih Estate (SJE)

- Harvest: 6 workers (planned appointment in January 2018)
- Non-Material Maintenance: 14 workers (planned appointment in March 2018)
- Material Maintenance:
  - 7 fertilizer workers (planned appointment in March 2018)
  - 13 spray workers (planned appointment in January 2018 for 6 people and in March 2018 a total of 7 people).
- Staff helper: 2 workers (planned appointment in March 2018).
- Security: 1 worker (planned appointment in January 2018).

##### Guthrie Pecconina Plasma (GPP)

- Harvest: 14 workers (planned appointment in January 2018).
- Loader Operator: 2 months (planned appointment in March 2018).
- Non-Material Maintenance: 48 workers (planned appointment in March 2018 for 10 persons and in June 2018 a total of 38 persons).
- Material Maintenance:
  - Fertilizer: 15 people (planned appointment in January 2018 number of 8 people and in March 2018 a total of 7 people).
  - Spray: 17 people (planned appointment in January 2018 for 8 people and in March 2018 a total of 9 people).
- Staff helper: 1 person (plan of appointment in June 2018)
- Opas: 2 workers (planned appointment in January 2018).

Based on the evidence of improvements that have been shown, not yet clearly identified the names of workers who are programmed into the appointment plan to become permanent employees in stages.  
 [Please indicate / complete List of Workers' Names on the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma (GPP), according to the amount stated in the Worker's List to be gradually lifted]  
 The realization of the program will be the Team Auditor's attention on the next visit.

Based on the evidence of improvement shown, then the inconsistency No.2017.01 stated not yet fulfilled (**Open**).

**Auditor verification 11 October 2017**

The certification holder has shown evidence of improvements: List of Workers' Names from the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma (GPP) programmed into the appointment plan to become permanent employees gradually.  
 Consistency realization of the program will be the attention of Team Auditor on the next visit.

Based on the evidence of the improvements shown, the Non-Conformity No.2017.01 is **Closed with Observation**.

**Verified by** : **Dwi Haryati**

<b>NCR No.</b>	: <b>2017.02</b>	<b>Issued by</b>	: <b>Afiffuddin</b>
<b>Date Issued</b>	: <b>20 May 2017</b>	<b>Time Limit</b>	: <b>Before Certificate issued</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>12 September 2017</b>
<b>Standard Ref. &amp; Requirement</b>	: <b>4.1.1 Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Based on field observation in nursery at Sungai Jernih Estate and document review stock of seeds in 19 <sup>th</sup> May 2017, known that there is Advance Planting Materials (69 – 78 months). This is not in accordance with Agronomy Reference for Palm Oil Planting No.110/EST-ARM/13 part 2 point 12, stating that the seedlings should be planted at the age of 11 – 13 months.			
<b>Root Cause Analysis :</b>			
<ol style="list-style-type: none"> <li>The plan to open the area according to GPP permit area of 6000 ha, but the realization until August 2017 only 3,381.94 Ha. This is caused by land claims from other parties and overlap with other companies.                     <ul style="list-style-type: none"> <li>Realization of planting until July 2017 = 2,235.86 ha The work was halted due to flood in November 2015 until March 2016</li> <li>Plan LC + Reserve = 357.97 ha + 566.49 ha Total 924,46 ha (attached statement area)</li> </ul> </li> <li>No Instruction Work for seeds treatment that exceeding age above 13 months (late planting)</li> </ol>			
<b>Correction :</b>			
<ul style="list-style-type: none"> <li>The remaining seedlings are late to plant as many as = 123,871 pkk (data attached)</li> <li>Treatment of seedlings currently perform maintenance by pruning in accordance with Work Instruction No. SJE-GPP/001/2017 and will be selected at the time of planting.</li> <li>Plan of seedlings used for planting LC 2017 area = 357.97 ha and the rest for insertion in TM/TBM area</li> <li>Making Work Instructions treatment of seeds that exceed 13 months of age.</li> </ul>			
<b>Corrective Action :</b>			
Evaluation of SOPs in the unit.			
<b>Assessor Evaluation and Conclusion :</b>			

Verification 20 August 2017

The certificate holder has presented evidence of improvement, consisting of:

- Statement Area for GPP 2017
- Statement Area for SJE 2017
- Nursery Work Instructions NO.SJE-GPP/001/2017
- SJE Seed Stock Report

Based on the Root Analysis of Corrective Problems and Corrective Actions, the Non-Conformity on this indicator has not been comply.

Verification 20 August 2017

- Explanation regarding the root of the completed problem
- But not yet can be explained related Evaluation of SOP in Unit

Verification 12 September 2017

Proven evidence of improvement in the form of planting arrangement mechanisms to the field which is an evaluation of SOP, there is also a SOP evaluation flow chart and treatment of seeds that have been above 13 months old to be made work instructions from the manager.

**Based on the evidence of improvement shown, the Non-Conformity of this indicator is declared Closed.**

**Verified by : Oktovianus Rusmin**

<b>NCR No.</b>	<b>: 2017.03</b>	<b>Issued by</b>	<b>: Sofyan Hadi Lubis</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 21 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 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.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>The protection of the river buffer zone is not fully carried out in accordance with the policies established by the company Memorandum of Head Plantation Officer No. POD-UM-061/IV/2010 dated 08 March 2010 on the management and monitoring of the river buffer zone area. This is evidenced by :</p> <ul style="list-style-type: none"> <li>• Field Observation in Block K20 Division I Bumi Ayu Estate (BYE), known that chemicals fertilizing (Borate) in Sungai Putih Riparian.</li> <li>• Field observation in Block H09 Division I Guthrie Pecconina Plasma (GPP), known that is residual usage of herbicide application in Sungai Keruh Hulu riparian. Document review result of Supervisor activity book, herbicide application has been done in 12 April 2017.</li> <li>• Field Observation in Block J14 Sungai Jernih Estate, has been found that fertilizer applicator who wash PPE and clothes inside trenches.</li> </ul>			
<b>Root Cause Analysis :</b>			
Lack of socialization to workers about the understanding about Buffer Zone and Hazardous Waste.			
<b>Correction :</b>			
<ul style="list-style-type: none"> <li>• Provide re-socialization to employees of fertilizer and spraying worker about the understanding of Buffer Zone, Hazardous Waste and BMS-BSS</li> </ul>			

<ul style="list-style-type: none"> <li>• Clarify bufferzone area boundary with yellow paint marking on palm oil trunks</li> <li>• Creating Signboard area buffer zone</li> </ul>
<p><b>Corrective Action :</b></p> <p>More effective supervision by supervisor at the time of fertilization and spraying activities in blocks that have the area "BufferZone" and always reminded before doing spraying/fertilizer work.</p>
<p><b>Assessor Evaluation and Conclusion :</b></p> <p>Verification 09 August 2017 The certificate holder has shown evidence of improvement, consisting of:</p> <ul style="list-style-type: none"> <li>• Photo of socialization activities of buffer zone area to spraying and fertilizer team at Bumi Ayu Estate #number of participants is 9 people.</li> <li>• Photo of marking the buffer zone at Bumi Ayu Estate</li> <li>• Statement letter from harvesting and fertilizer worker in May 2017. In the statement letter stated that the workers have received and obtained socialization about buffer zone area; workers are aware of the prohibition of spraying and fertilizer activity in the buffer zone; workers already know the buffer zone area boundary in the form of a yellow circular sign on the palm tree; workers already understand the sanctions that will be given if it violates the rules that have been set.</li> </ul> <p>Verification 14 August 2017 The root of the problem, corrective action and auditor response have been answered and corrected by the company. The Company has also made extensive improvements to the POM and Estate Unit. However, additional information relating to corrective action is still required.</p> <p>Verification 21 August 2017 The Certificate holder has demonstrated the Buffer Zone monitoring program which contains information on the block, area, scope of activities, officers, and monitoring schedule conducted monthly. It has also shown evidence of Buffer Zone monitoring in accordance with the established program, such as monitoring in July and August 2017 with no indication of chemical applications in the buffer zone area, signboard buffer zone is available properly,</p> <p><b>Based on the evidences of improvement, the Non-Conformity in this indicator are Closed and will be observed for consistency and implementation at the next audit visit.</b></p>
<p><b>Verified by</b> : Sofyan Hadi Lubis</p>

<b>NCR No.</b>	: 2017.04	<b>Issued by</b>	: Sofyan Hadi Lubis
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 14 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 4.4.4. Monitoring of mill water use per ton of FFB shall be recorded		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>The use of factory water (Rantau Panjang Factory) not accordance with Water Resources Management Permit (SK No.370/Kpts/M/2016) set by the Minister of Public works and People Housing, Director General of Water Resources in 13 June 2016 with the provision of maximum debit is 20,143 m<sup>3</sup>/month.</p> <p>Based on document review the use of factory water period June 2016 to May 2017, there is water use that exceeds the determined requirements, for example : in September 2016 = 20,425 m<sup>3</sup>/month, October 2016 = 33,345 m<sup>3</sup>/month, November 2016 = 22,158 m<sup>3</sup>/month, etc.</p>			

<b>Root Cause Analysis :</b>	
<ul style="list-style-type: none"> <li>WTP officers do not understand the contents of the Water Use Permit in RJF</li> <li>RJF Do not have SOP for water usage</li> </ul>	
<b>Correction :</b>	
<ul style="list-style-type: none"> <li>Socializing WTP SOP to WTP Officers in RJF</li> <li>Reporting the use of water that exceeds the debit of the provisions set by the government (letter attached)</li> </ul>	
<b>Corrective Action :</b>	
<ul style="list-style-type: none"> <li>Monitor monthly water usage in RJF</li> <li>Make SOP and daily/monthly water usage monitoring at RJF and in case of excess water usage will be reported to related institution.</li> <li>Pay water consumption taxes periodically.</li> </ul>	
<b>Assessor Evaluation and Conclusion :</b>	
August 14, 2017	
The Certificate holder may show evidence of improvement, consisting of:	
<ul style="list-style-type: none"> <li>Water use monitoring /tFFB RJF 2017-2018 known by Mill Manager. The maximum usage of water usage every month is in accordance with the Water Resources Management Permit (20,143 m<sup>3</sup>/month).</li> <li>Minutes, attendance list and photo documentation of water use socialization conducted on Monday 29 May 2017 to 2 (two) WTP Operator. Material for socialization about explanation of duties and responsibilities, permissible water retrieval mechanisms, flowmeter recording, filling the water usage monitoring book, maximum usage of water usage month in accordance with Water Resources Management Permit (20,143 m<sup>3</sup>/month).</li> <li>Inter-Office Mail from RJF to GM PSD No. 054/MGR/PTGPI-RJF/VIII/2017 dated 14 August 2017 concerning the application of reporting of excess surface water usage to related institution (attached details of surface water use in 2013 to July 2017).</li> <li>Tax Payment of water use to related institution on a regular basis. Tax payments are made based on surface water usage bill from UPTD Dinas Pendapatan Daerah Province of South Sumatera, District of Musibanyuasin. For example, the April 2015 - November 2015 invoice period has been paid on 03 March 2016.</li> </ul>	
<p><b>Based on the evidences for improvements, the Non-Conformity of this indicator is Closed and will be observed at the next audit visit related to the consistency of water use with permissible maximal discharge.</b></p>	
<b>Verified by</b>	<b>: Sofyan Hadi Lubis</b>

<b>NCR No.</b>	<b>: 2017.05</b>	<b>Issued by</b>	<b>: Muhammad Rinaldi</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 21 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 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.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
<p>The certificate holder has SOP for PPE (No.SPO/040/GPI/16) has been authorized by all Estate Manager. The SOP describe the types of PPE for every activity (Estate and Factory), PPE provided by company and PPE that cannot be used/broken/torn should be replaced, but this has not been implemented consistently. Based on field observation, document review and interviews with worker in RJE, RJF, BYE, SJE and GPP, it is known :</p> <ul style="list-style-type: none"> <li>The companies not provide boots for workers in harvesting and fertilizer activity at Sungai Jernih Estate.</li> </ul>			

- Harvesting workers in RJE and BYE wore shoes not boot.
- Spraying workers in SJE used broken/torn boots.
- 4 out of 10 workers interviewed in RJE wore torn boots and 1 out of 10 workers wore usual boot (not safety boots)
- Workers in fertilizing activity at SJE do not use apron.

**Root Cause Analysis :**

Each unit at the time of the audit did not have a stock of PPE and this has not been contained in the SOP of PPE (No. SPO/040/GPI/16) which resulted in the discovery of some employees wearing torn shoes and regular shoes instead of boot.

**Correction :**

Provide PPE to all workers in accordance with SOP and replace the PPE that is not feasible.

**Corrective Action :**

- Provide Stock for PPE at least 10% of the existing employees.
- Conduct a monitoring check on the use of PPE in accordance with the type of work needs.

**Assessor Evaluation and Conclusion :**

Verification 14 August 2017

The Certificate holder shows evidence of improvements, including:

- Evidence of PPE handover in PPE handover documents
- Evidence of socialization for PPE implementation
- Photo of PPE stock in the warehouse

In addition, the Certificate holder shows SOP of PPE No. SPO/040/GPI/16 which describes the mechanism for replacing the PPE and the types of PPE to be used, but the SOP has not explained the stock of PPE and has not yet been shown the monitoring mechanism of PPE used, appropriate and inappropriate condition. Stock of PPE in the SJE warehouse and the provision of PPE in SJE has not been shown.

Based on the explanation, the Non-Conformity No. 2017.03 is not fulfilled.

Verification 21 August 2017

The certificate holder has revised the SOP of PPE No. SPO/040/GPI/16 revision 1 dated 19 August 2017 which explains that the management unit must provide PPE stock of 10% of total requirement and inspection of PPE condition done at least once a month.

In addition, there has also been an PPE checklist that describes the results of the examination of the condition of PPE. For example in the RJE conducted on 29 July 2017 for a harvesting team that is under the supervision of one foreman. Checking is done to 13 harvesting workers with the conditions of PPE in the form of helm, boots and sickle cover, the result is the whole PPE is still in good condition.

**Based on the evidence of improvements, the Non-Conformity of this indicator is Closed and will be observed again at the next visit regarding its implementation and consistency.**

**Verified by : Muhammad Rinaldi**

<b>NCR No.</b>	<b>: 2017.06</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 22 August 2017</b>

<b>Standard Ref. &amp; Requirement</b>	: 4.8.1 Records of training program related to the aspects of RSPO Principles and Criteria shall be available
<b>Non-Conformance Description &amp; Evidence observed :</b>	
The certificate holder has not been able to demonstrate a training program that covered all aspect of the P&C RSPO for workers, such as HCV and SCCS training.	
<b>Root Cause Analysis :</b>	
The lack of evaluation of the need for employee training programs.	
<b>Correction :</b>	
Create an employee training needs program that includes the RSPO Principle & Criteria.	
<b>Corrective Action :</b>	
Update the training needs of employees every year.	
<b>Assessor Evaluation and Conclusion :</b>	
<p>Verification 10 August 2017 No evidence of improvement. No evidence of improvement has been found and the root of the problem has not been completed, so Non-Conformity No.2017.06 has not been fulfilled (Open).</p> <p>Verification 20 August 2017 The certificate holder has demonstrated PSQM-ESH training program in 2017-2018 covering RSPO Principle &amp; Criteria aspects, including: SMK3, P3K, SCCS, Basic Fire Fighting, Emergency Response, HCV and Gender Committee.</p> <p><b>Based on the evidence of improvements, the Non-Conformity of this indicator shall be Closed, with Observation status and shall become the auditor's attention on next visits regarding implementation and its consistency.</b></p>	
<b>Verified by</b>	: Oktovianus Rusmin

<b>NCR No.</b>	: 2017.07	<b>Issued by</b>	: Sofyan Hadi Lubis
<b>Date Issued</b>	: 20 May 2017	<b>Time Limit</b>	: ASA-1.1
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	: 14 August 2017
<b>Standard Ref. &amp; Requirement</b>	: 5.1.2 Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Environmental management is not fully implemented in accordance with the environmental management plan document (RKL). This is evidenced by :			
<ul style="list-style-type: none"> <li>• The result of field observation, it is known that there is pollution of factory liquid waste around the IPAL pool that is sourced from leakage of FAT PIT.</li> <li>• The result of field observation, it is known that there is pollution of liquid waste flowing to empty bunch area which comes from SLUDGE PIT pipe leak.</li> </ul>			

<b>Root Cause Analysis :</b>	
At the time of the audit, FAT PIT and SLUDGE PIT checking SOPs have not been released yet and monitoring checks or routine checks have not yet been done which resulted in the occurrence of old leaks.	
<b>Correction :</b>	
<ol style="list-style-type: none"> <li>1. Fat Pit: Conducts welding of leaking pipes.</li> <li>2. Sludge Pit: Replace the worn pipes by using the right electrode ie 308S electrode with material made of stainless steel.</li> <li>3. Improvements have been made on 21 May 2017 and no more leaks (evidence attached).</li> </ol>	
<b>Corrective Action :</b>	
Create SOP, work program Maintenance area Fat Pit and Sludge Pit, do monthly monitoring (realization of June and July).	
<b>Assessor Evaluation and Conclusion :</b>	
<p>Verification 14 August 2017</p> <p>The certificate holder has demonstrated to show improvement evidence, consisting of:</p> <ul style="list-style-type: none"> <li>• Photo re-welding in Fat Pit pipeline, Fat Pit piping condition that has been re-welded, and photo condition area around WWTP that has been clean from liquid waste contamination.</li> <li>• Photo replacement pipe Sludge Pit until the condition of the area around the empty bunch area.</li> <li>• Fat Pit and waste SOP RJF authorized by Mill Manager. Procedures explain how to work safely for the environment before processing, during processing and stop processing.</li> <li>• Check checklist Fat Pit and Sludge Pit monthly approved by Mill Manager. Checklist has been implemented in June &amp; July 2017.</li> <li>• Fat Pit and Sludge Pit maintenance work program of 2017/18 period approved by Mill Manager. The work program has been implemented in July 2017.</li> </ul> <p><b>Based on the evidence of improvements, the Non-Conformity of this indicator is Closed and will be observed again at the next visit regarding its implementation and consistency.</b></p>	
<b>Verified by</b>	<b>: Sofyan Hadi Lubis</b>

<b>NCR No.</b>	<b>: 2017.08</b>	<b>Issued by</b>	<b>: Sofyan Hadi Lubis</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 21 August 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Hazardous waste management has not been fully implemented in ways that are environmentally accountable (not fully done in accordance with company policy).			
- Based on the field visit at RJF workshop, there are hazardous waste type of used oil and used oil drums which are in pile of solid waste type of scrap metal.			
<b>Root Cause Analysis :</b>			
Placement of Hazardous Waste not in accordance with SOP (not directly store in licensed Hazardous Waste Warehouse).			



<b>Correction :</b>	
<ul style="list-style-type: none"> <li>All Hazardous Waste types located outside Hazardous Waste Warehouses has been stored in licensed Hazardous Waste Warehouse and already listed in Hazardous Waste Log Book (attached evidence).</li> <li>All units of PT GPI both Estate and Mill have re-socialized and also confirmed to all employees and officers related to the management of Hazardous Waste in order to always manage in accordance with the existing SOP and achieve the goals of environmentally friendly company (attached).</li> </ul>	
<b>Corrective Action :</b>	
Re-Socialization to employees about the Type and Management of Hazardous Waste.	
<b>Assessor Evaluation and Conclusion :</b>	
Verification 09 August 2017	
The Certificate holder may show evidence of improvement, consisting of:	
<ul style="list-style-type: none"> <li>Photo of Hazardous Waste evacuation from outside into licensed Hazardous Waste Warehouse</li> <li>Photo condition of the front area of the workshop is clean.</li> <li>Log Book and balance sheet Hazardous Waste May 2017. Evacuated Hazardous Waste has been recorded in log book and balance sheet, then examined directly by Section Head of Administration and known by Mill Manager.</li> <li>Photo and Hazardous Waste socialization event and Hazardous Waste SOP to R/JF workers dated 05 July 2017.</li> <li>Photo of Muster Morning. The management of Hazardous Waste was also delivered at the Muster Morning.</li> </ul>	
Verification 14 August 2017	
The root of the problem, corrective action has been improved and there has also been a thorough improvement in the POM and Estate Unit, but the corrective action is incomplete	
Based on this, the Non-Conformity on this indicator is not fulfilled.	
Verification 21 August 2017	
The certificate holder has presented evidence in the form of inspection and evaluation of mill and estate hygiene inspection, for example in July 2017. Based on the evaluation result, there is no hazardous waste in mill and estate environment.	
<b>Based on the evidence of the above improvements, the Non-Conformity of this indicator is Closed and will be observed again at the next visit regarding its implementation and consistency.</b>	
<b>Verified by</b>	<b>: Sofyan Hadi Lubis</b>

<b>NCR No.</b>	<b>: 2017.09</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 11 October 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 6.5.2 Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			
Sungai Jernih Estate (SJE) has not been able to show the letter of Work Agreement in writing for all contract workers. This has not been in accordance with the Decree of the minister of Manpower and Transmigration of the Republic of			

Indonesia No.100 in 2004 article 12 concerns about implementation of working agreement on certain time.

**Root Cause Analysis :**

Temporary worker is the local community around the plantation that most do not want to be bound by the employment contract.

**Correction :**

Selection of temporary worker to be appointed as Certain Time Working Agreements worker for those willing to be bound by contract with the company (temporary worker list that is willing to be appointed to be attached Certain Time Working Agreements worker).

**Corrective Action :**

Ensure that no more temporary workers are employed in the company without work ties.

**Assessor Evaluation and Conclusion :**

**Auditor verification 10 August 2017**

No evidence of improvement.

**Certificate Holder not shown Evidence of improvement and the root cause is not yet complete, then Non-Conformity No.2017. 09 have not been fulfilled (Open).**

**Auditor verification 20 August 2017**

The certificate holder has shown evidence of improvement:

1. Certain Time Working Agreements of harvesting, maintenance, fertilizer, spraying worker of GPP (plasma) and Sungai Jernih Estate.
2. List of temporary worker GPP (plasma) and Sungai Jernih Estate employees.

**Based on evidence of improvement and the incomplete root of the problem, the Non-conformance on this indicator has not been met (Open).**

**Auditor verification 28 August 2017**

The certificate holder has shown evidence of improvement:

- Sample Work Agreement of Certain Time Working Agreements GPP Plasma (August 2012)

However, it has not been shown the Certain Time Working Agreements for fertilizer workers of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months or more

Based on the above, the Non-conformance on this indicator has **not been fulfilled (Open)**

**Auditor verification 05 September 2017**

The certificate holder has shown evidence of improvement:

- Examples of Certain Time Working Agreements (PKWT) on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of the Sungai Jernih Estate). The work agreement shown is valid for 3 months from 01 September – 30 November 2012.
- Salary slips on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of Sungai Jernih Estate) period of August 2017. The pay slip document informs the Working Day, wages received and deductions from BPJS Kesehatan.

However, evidence of the improvements shown still explains the status of workers still Certain Time Working Agreements (not yet permanent worker, as described in the description of non-conformance) with working days in August over 21 working days. There is also insufficient evidence that BHL workers who work more than 21 days in three consecutive months are entitled in accordance with the prevailing laws and regulations.

**Auditor verification 22 September 2017**

The certificate holder has presented evidence of improvement in the form of a Certain Time Working Agreements (PKWT). However, this has not been in accordance with the Decree of the Minister of Manpower and Transmigration No.100 of 2004 article 10, paragraph 3, on the Implementation of Certain Time Working Agreements (PKWT). In Article 3 it is explained that in the worker/laborer is working 21 days or for 3 months consecutively or more then the daily work contract freely changed into a Uncertain Time Working Agreements (Permanent Worker). Based on the evidence of improvements shown, it is known that fertilizer workers who have been working for more than 21 days for 3 consecutive months have not become permanent workers based on Uncertain Time Working Agreements.

Based on this, the Non-conformance on this indicator is stated **not yet fulfilled (Open)**.

**Auditor verification 27 September 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Health Test Form from Doctor in Central Clinic
- List of Certain Time Working Agreements workers in Guthrie Pecconina Plasma (GPP)
- List of Certain Time Working Agreements workers in the Sungai Jernih Estate (SJE)
- Procedures for Employment of Uncertain Time Working Agreements

However, there is no evidence of a written Work Agreement for all temporary worker in the Sungai Jernih Estate (SJE)

Based on this, the Non-conformance on this indicator is **not fulfilled (Open)**

**Auditor verification 09 October 2017**

Evidence of improvements that have been shown, not yet clearly identified the names of workers who are programmed into the plan of appointment become permanent employees gradually.

[Please indicate / complete List of Workers' Names on the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma GPP, according to the amount stated in the Workers List to be gradually lifted]

The realization of the program will be the Team Auditor's attention on the next visit.

Based on this, the Non-conformance on this indicator is **not fulfilled (Open)**

**1. Wages**

**Auditor verification 10 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

1. Inter Office Mail from GM HR No.123 / HRM-13 / VIII / 2017 dated August 1, 2017 regarding Daily Daily SKU and Monthly SKU of 2017 for PT GPI and PT BSC. The IOM is issued under a mutual agreement between PT GPI and PT BSC with PUK.SPPP.SPSI PT GPI and PT BSC dated July 27, 2017. The terms of the MSE in 2017 are as follows:

- Increase wage of SKU-H Worker PT GPI to Rp 2,469,550, - /month plus rice aid in the form of rice.  
**The calculation is for one month including the Sunday/National Holiday.**
- Withholding deductions for SKU-H worker that doesn't work is Rp 98.782, - /day.
- Wages for (SKU-H) is a bruto income not yet deducted Income Tax which is the obligation of workers according to the Tax Law.
- SKU-H wage increases will be effective starting 01 May 2017.

2. Example of employee wage slip In May 2017 (payrol division and purchasing foreman) is still listed basic wage Rp 2.430.000, -. This has not yet adjusted to the minimum wage requirement of 2017 (UMK) of Rp 2,469,550, -.

The certificate holder has presented evidence of improvement, consisting of:

3. Inter Office Mail from GM HR No.123 / HRM-13 / VIII / 2017 dated 01 August 2017 regarding SKU-H and SKU-B of 2017 for PT GPI and PT BSC. The IOM is issued under a mutual agreement between PT GPI and PT BSC with PUK.SPPP.SPSI PT GPI and PT BSC dated 27 July 2017. The terms of the UMK in 2017 are as follows:

- Increase wage of SKU-H Worker PT GPI to Rp 2,469,550, - /month plus rice aid in the form of rice.
- The calculation is for one month including the Sunday / National Holiday.
- Wage calculation of Rp 2,469,550, - is the basic wage outside of overtime hours and holidays

- Withholding deductions for SKU-H worker that doesn't work is Rp 98.782, - /day.
  - Wages for (SKU-H) is a bruto income not yet deducted Income Tax which is the obligation of workers according to the Tax Law.
  - Increase in daily SKU-H Rate is valid starting on 01 May 2017.
  - Wage increase of Rp 2,469,550, will be charged starting from 01 May 2017
  - Based on evidence of improvement shown above, there are still some things that need to be confirmed.
4. Example of employee wage slip In May 2017 (payrol division and purchasing foreman) is still listed basic wage Rp 2.430.000, -. This has not yet adjusted to the minimum wage requirement of 2017 (UMK) of Rp 2,469,550, -.

#### **Auditor verification 16 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

- IOM from Mill Manager to Area Controller Sumatera Selatan dated 08 August 2017, IOM Number: 44 / Mgr / PT GPI-RJF / VIII / 2017 concerning Approval of Rapid Payout Reward Increase of Employee SKU RJF. IOM explains the approval of the payroll raise payments and employee overtime from May - July 2017.

**Based on the evidence for improvent and the incomplete root explanation, the Non-Conformity No.2017.01 has not been fulfilled (Open).**

#### **Auditor verification 20 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

1. Evidence of proposal for payment of Rapel Salary Increase in the plantation eg for BYE and RJE. There is also a proposal letter submitted to the CEO of RSS Region of the Estate Manager. Proposal made for payment of salary adjustment from May-July 2017 (3 months).  
List of payroll rosters / group salaries for May - July 2017 KKPA and Sungai Jernih Estate (SJE).
2. List of temporary worker (BHL) GPP (plasma), Sungai Jernih Estate and Certain Time Working Agreements worker Specific Time of harvesting, maintenance, fertilizer, spraying of GPP (plasma) and Sungai Jernih Estate.
3. Termination of Rudi Hartono's harvesting contract as of 1 August 2017 through Inter Office Mail Number: 228 / Est-SJE / VII / 2017. This provision is signed by both parties between the company (SJE Senior Manager's) and the contractor (Rudi Hartono) on stamp duty.
4. Evidence of Operator License processing process on behalf of A.Kundori, Damun, Samsul, Zarkasi, Saman (Process of Extension - data attached) and on behalf of Ahmad Faozi and Sandi Nusantara Operator License have been published.

**Based on the evidence for improvent and the incomplete root explanation, the Non-Conformity No.2017.01 has not been fulfilled (Open).**

#### **Auditor verification 28 August 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Rapid Salary Reward Payment List in KKPA Unit from May to July 2017 (Division 1, 2 & Traction) and Sungai Jernih Estate period May to July 2017 (Division 1)
- Sample Work Agreement of Certain Time Working Agreements worker GPP Plasma (August 2012)

Have not shown any evidence of improvement:

- Examples of salary slips from workers in accordance with Payroll Rapid List of Salary Increases in KKPA Unit from May to July 2017 for KKPA Unit from May to July 2017 and Sungai Jernih Estate period May to July 2017
- Certain Time Working Agreements worker (PKWT) Working Agreement for fertilizer workers of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months or more

Based on the above, the Non-Conformity on this Indicator has not been fulfilled (**Open**).

#### **Auditor verification 05 September 2017**

The certificate holder has shown evidence of improvement:

- Examples of Certain Time Working Agreements (PKWT) on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of the Sungai Jernih Estate). The work agreement shown is valid for 3 months from September 1st - 30th November 2012.
- Salary slips on behalf of Rusmaniyar and Resti Marlina (fertilizer workers of Sungai Jernih Estate) period of August 2017. The pay slip document informs the Working Day, wages received and deductions from BPJS Kesehatan.

However, evidence of the improvements shown still explains the status of workers still Certain Time Working Agreements (not yet permanent worker, as described in the description of non-conformance) with working days in August over 21 working days. There is also insufficient evidence that temporary workers who work more than 21 days in three consecutive months are entitled in accordance with the prevailing laws and regulations.

Based on this, the Non-conformity on this indicator is stated **not yet fulfilled (Open)**.

#### **Auditor verification 22 September 2017**

The certificate holder shows evidence of improvement, consisting of:

- Evidence of documentation that the temporary worker for Fertilizer in the Sungai Jernih Estate (SJE) gets its rights in accordance with the Minister of Manpower and Transmigration of the Republic of Indonesia No.100 year 2004 article 10 concerning Provisions on the Certain Time Working Agreements (PKWT) and has been appointed to permanent worker in accordance with the period of Work Agreement Letter (SPK) from 01 August 2017 to 31 August 2017 and obtaining wage rights in accordance with Circular Letter No. SE-560/143 / DISNAKERTRANS / 2017 on Minimum Wage Implementation in the region of Musi Banyuasin Regency (agreement for fertilizer worker at SJE attached).
- Evidence of documentation that Certain Time Working Agreements Workers have earned wages in accordance with Circular Letter No. SE-560/143 / DISNAKERTRANS / 2017 concerning Minimum Wage Implementation in Musi Banyuasin District (detailed data of SJE Certain Time Working Agreements salary has been attached).

Evidence of improvements that have been shown in the form of SPK Letter of Certain Time Working Agreements (PKWT). It has not been in accordance with the Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia No.100 of 2004 article 10, paragraph 3 on the Implementation of Certain Time Working Agreements (PKWT). In Article 3 it is explained that in the worker / laborer is working 21 days or for 3 months consecutively or more then the daily work contract freely changed into a Permanent Worker (PKWTT). Based on the evidence of improvements shown, it is known that fertilizer workers who have been working for more than 21 days for 3 consecutive months have not become permanent workers based on Uncertain Time Working Agreements.

Based on the evidence of improvement shown, then the inconsistency No.2017.01 stated not yet fulfilled (**Open**).

#### **Auditor verification 27 September 2017**

The certificate holder has presented evidence of improvement, consisting of:

- Health Test Form from Central Clinic
- List of Certain Time Working Agreements worker in Guthrie Pecconina Plasma (GPP)
- List of Certain Time Working Agreements worker in the Sungai Jernih Estate (SJE)
- Procedures for Employment of Permanent Worker (PKWTT)

Not yet clearly shown evidence of improvements related to Temporary Worker Release on spraying and fertilizing activities of Division II of the Sungai Jernih Estate (SJE), which has been working for more than 21 days for 3 consecutive months, has changed its status from worker based on Temporary Working Agreement (BHL) to become workers based on Uncertain Time Working Agreements (PKWTT), as regulated in Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia No. 100-2004 (Article 10, paragraph 3).

#### **Auditor verification 09 October 2017**

The certificate holder has presented evidence of improvement in the form of List Cashflow of Workers' Appointment in SJE and GPP into Permanent Worker status gradually, consisting of:

Sungai Jernih Estate (SJE)

- Harvest: 6 workers (planned appointment in January 2018)
- Non-Material Maintenance: 14 workers (planned appointment in March 2018)

- Material Maintenance:
  - 7 fertilizer workers (planned appointment in March 2018)
  - 13 spray workers (planned appointment in January 2018 for 6 people and in March 2018 a total of 7 people).
- Staff helper: 2 workers (planned appointment in March 2018).
- Security: 1 worker (planned appointment in January 2018).

Guthrie Peconina Plasma (GPP)

- Harvest: 14 workers (planned appointment in January 2018).
- Loader Operator: 2 months (planned appointment in March 2018).
- Non-Material Maintenance: 48 workers (planned appointment in March 2018 for 10 persons and in June 2018 a total of 38 persons).
- Material Maintenance:
  - Fertilizer: 15 people (planned appointment in January 2018 number of 8 people and in March 2018 a total of 7 people).
  - Spray: 17 people (planned appointment in January 2018 for 8 people and in March 2018 a total of 9 people).
- Staff helper: 1 person (plan of appointment in June 2018)
- Opas: 2 workers (planned appointment in January 2018).

Based on the evidence of improvements that have been shown, not yet clearly identified the names of workers who are programmed into the appointment plan to become permanent employees in stages.

[Please indicate / complete List of Workers' Names on the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma (GPP), according to the amount stated in the Worker's List to be gradually lifted]

The realization of the program will be the Team Auditor's attention on the next visit.

Based on the evidence of improvement shown, then the inconsistency No.2017.01 stated not yet fulfilled (**Open**).

**Auditor verification 11 October 2017**

The certification holder has shown evidence of improvements: List of Workers' Names from the Sungai Jernih Estate (SJE) and Guthrie Peconina Plasma (GPP) programmed into the appointment plan to become permanent employees gradually.

Consistency realization of the program will be the attention of Team Auditor on the next visit.

Based on the evidence of the improvements shown, the Non-Conformity No.2017.01 is **Closed with Observation**.

**Verified by** : **Dwi Haryati**

<b>NCR No.</b>	<b>: 2017.10</b>	<b>Issued by</b>	<b>: Sofyan Hadi Lubis</b>
<b>Date Issued</b>	<b>: 20 May 2017</b>	<b>Time Limit</b>	<b>: Before Certificate issued</b>
<b>NC Grade</b>	<b>: Major</b>	<b>Date of Closing</b>	<b>: 12 September 2017</b>
<b>Standard Ref. &amp; Requirement</b>	<b>: 7.3.1</b> <b>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</b>		
<b>Non-Conformance Description &amp; Evidence observed :</b>			

<p>The certificate holder has not been able to show evidence of Liability Disclosure and Land Use Change Analysis (LUCA) documents for the Sungai Jernih Estate / SJE and Guthrie Pecconina Plasma / GPP (full managed) units submitted to the RSPO Secretariat have been approved by PASS status of the RSPO Compensation Panel (Rspocompensation@rspo.org).</p>	
<p><b>Root Cause Analysis :</b></p> <p>LUCA has been sent to the RSPO secretariat but the RSPO Secretariat requested Sime Darby Plantation (SDP) to change the calculation methodology in the LUCA that initially uses the percentage of the land area so that the SDP takes time to revise the entire LUCA Report.</p>	
<p><b>Correction :</b></p> <p>Changing the LUCA report methodology as requested by the RSPO Secretariat.</p>	
<p><b>Corrective Action :</b></p> <p>Sime Darby Plantation (SDP) agreed to change all LUCA reports, but due to changes in the calculation methodology, the SDP takes time to revise the report. The RSPO agrees that as long as the SDP can demonstrate its commitment and active involvement with RSPO.</p>	
<p><b>Assessor Evaluation and Conclusion :</b>            Verification 12 September 2017            Email from RSPO (06 September 2017)            Following the BHCVWG's decision, you may now lift the major non-conformity 7.3.1 and continue to issue the certificate. Just for your information, this unit's RaCP is still incomplete, therefore you are to note this in the final audit report. The RACP must be completed before the next surveillance audit, the failing which, the risk certificate suspension.  <b>Based on the improvements, the Non-Conformity on this indicator is Closed with Observation and will be the Auditor's attention at the next audit visit (ASA 1.1).</b></p>	
<p><b>Verified by</b></p>	<p>: <b>Oktovianus Rusmin</b></p>

<p><b>NCR No.</b></p>	<p>: <b>2017.11</b></p>	<p><b>Issued by</b></p>	<p>: <b>Muhammad Rinaldi</b></p>
<p><b>Date Issued</b></p>	<p>: <b>20 May 2017</b></p>	<p><b>Time Limit</b></p>	<p>: <b>Sebelum Sertifikat Terbit</b></p>
<p><b>NC Grade</b></p>	<p>: <b>Major</b></p>	<p><b>Date of Closing</b></p>	<p>: <b>22 August 2017</b></p>
<p><b>Standard Ref. &amp; Requirement</b></p>	<p>: <b>E.3.1</b>  <b>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</b>  <b>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</b>  <b>b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b></p>		
<p><b>Non-Conformance Description &amp; Evidence observed :</b>            Based on document review in weighbridge space and interviews with workers, it is known that the person responsible for the implementation of supply chain requirements has not been able to demonstrate the right implementation related to the delivery of certified products, as indicated by:</p>			

- All Introduction Letter & Ticket Letters are stamped "RSPO Certified Mass Balance", while data on the Palm Trace RSPO website is known to only contain 599.36 tonnes of certified kernels.
- Based on Sales Contract, invoice and tax invoice for kernel sale to PT. Sinar Alam Permai dated 03 February 2017, it is known that the document is given the stamp "RSPO Certified Identity Preserved". This is not in accordance with the supply chain model applied by Rantau Panjang POM.

**Root Cause Analysis :**

1. Lack of officers' understanding of the SCCS SOP and officers do not know the number of sales of certified products resulting in All sales documents stamped "RSPO Certified Mass Balance"
2. Lack of officers' understanding of the SCCS applicable in RJF-PT GPI so that the sales documents stamped "RSPO Certified Identity Preserve" are not in accordance with GPI certification of "RSPO Certified Mass Balance".

**Correction :**

1. Provide re-socialization to the officer about SOP for SCCS
2. Fixed stamp errors on sales documents from "RSPO Certified Identity Preserve to RSPO Certified Mass Balance".

**Corrective Action :**

1. Coordinate with Marketing HO if there is a sale of product to know whether the sale is certified or not.
2. Providing re-socialization to the SCCS officer applicable in RJF-PT GPI is RSPO Certified Mass Balance.

**Assessor Evaluation and Conclusion :**

Verification 21 August 2017

The Certificate holder has presented the evidence of improvement, consisting of:

- Attendance List of SCCS Understanding Training Participant in Rantau Panjang Estate, dated 19 August 2017
- Documentation of photographs of the implementation of SCCS Understanding Training at Rantau Panjang Estate, dated 19 August 2017
- Product sales documents, consisting of: Sales Contract, Invoice and Tax Invoice which has been stamped RSPO Certified Mass Balance stamp.

**Based on the evidence of the above improvements, the Non-Conformity of this indicator is Closed and will be observed again at the next visit regarding its implementation and consistency.**

**Verified by** : **Oktovianus Rusmin**



**3.5.2. Identification of Findings, Corrective Actions and Observations at ASA-1.1.**

<b>NCR No.</b>	: 2018.01	<b>Issued by</b>	: Sandra Purba
<b>Date Issued</b>	: 6 Sept 2018	<b>Time Limit</b>	: ASA 1.2.
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 2.2.2		
<b>Evidence observed and Non-Conformance Description (filled by auditor):</b>			
<p>Napal Estate able to shown the map that indicates HGU boundary poles, however during field observations to the HGU boundary in Napal Estate block of C07 / C08 (field P31), observed that the HGU poles could not be found in the field, for example poles number GPI105, GPI106, and GPI108. Besides, the CH not able to show the entire list of BPN poles and its coordinate points, whether it's available in the field or not.</p>			
<b>Root Cause Analysis (filled by organization audited):</b>			
<b>Correction (filled by organization audited):</b>			
<b>Corrective Action (filled by organization audited):</b>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2018.02	<b>Issued by</b>	: Yudhi Yuniarto Tallutondok
<b>Date Issued</b>	: 6 September 2018	<b>Time Limit</b>	: ASA 1.2.
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	: 4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.		
<b>Evidence observed and Non-Conformance Description (filled by auditor):</b>			
<p>Based on document verification of <i>Work Schedule Replanting</i> known as Karang Ringin Estate to carry out replanting activities on the peat area with the following details:</p> <ul style="list-style-type: none"> <li>- 2016 - 2017 period : 105.52 Ha</li> <li>- Period 2017 – 2018 : 65.25 Ha</li> <li>- 2018 : 157.11 Ha</li> </ul> <p>Based on the above, the company has not been able to show an assessment document of Drainability Study on peatlands before replanting is carried out.</p>			
<b>Root Cause Analysis (filled by organization audited):</b>			
<b>Correction (filled by organization audited):</b>			

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

<b>NCR No.</b>	:	<b>2018.03</b>	<b>Issued by</b>	:	<b>Sandra Purba</b>
<b>Date Issued</b>	:	<b>6 Sept 2018</b>	<b>Time Limit</b>	:	<b>ASA 1.2.</b>
<b>NC Grade</b>	:	<b>Minor</b>	<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:	<b>5.1.3</b>			
<b>Evidence observed and Non-Conformance Description</b> (filled by auditor):					
<p>The company has implemented the environmental management and monitoring plan, report of implementation are submitted to the related agencies, for example report of semester I 2018, delivered on 16 Juli 2018 to DLH of Musi Banyuasin Regency and on 15 July 2018 to DLH of Province and ministry (KLHK). However, in the report there is no evidence of implementation of monitoring related to public unrest, flora and fauna monitoring, potential of fires as well as not yet coverage the record of implementation of monitoring and management of the floods impacts and runoff of Medak river (as requires in additional RKL / RPL matrix).</p>					
<b>Root Cause Analysis</b> (filled by organization audited):					
<b>Correction</b> (filled by organization audited):					
<b>Corrective Action</b> (filled by organization audited):					
<b>Assessor Evaluation and Conclusion</b> (filled by auditor):					
<b>Verified by</b>	:				

<b>NCR No.</b>	:	<b>2018.04.</b>	<b>Issued by</b>	:	<b>Brigitta Prita</b>
<b>Date Issued</b>	:	<b>6 September 2018</b>	<b>Time Limit</b>	:	<b>5 December 2018</b>
<b>NC Grade</b>	:	<b>Major</b>	<b>Date of Closing</b>	:	<b>7 November 2018</b>
<b>Standard Ref. &amp; Requirement</b>	:	<b>SCCS E 3.1.</b> The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: 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			

	<p><b>implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</b></p>
<p>Based on RSPO supply chain system memorandum number 013 / PSQM-UM / I / 2015, it is stated that each certified FFB is identified by RSPO stamp on fruit delivery letter and weighing ticket, but based on interviews with operator scales and observations on Fruit Delivery Letter “SPB” documents and weighing tickets it is known that marking in RSPO stamp forms are carried out on all weighing tickets whether certified or not, for example:</p> <ul style="list-style-type: none"> <li>• Weighing ticket with number 257328 Napal Estate, come from the area of non-certified Block C019 harvest Division 2 (according to the map of the estate area, it is known that Block C019 is a non-certified area with an area of 95.41 ha).</li> <li>• Weighing tickets with number 257385 Mangun Jaya Estate, come from non-certified Harvest Block Division E014 Division 2 (based on the map of the estate area, it is known that Block E014 is a non-certified area with an area of 73.24 ha).</li> </ul> <p>In addition, based on document review on SOP, the Mass Balance Product Supply Chain system and traceability procedures have not explained regarding the officers responsible for shipping announcements and reporting to RSPO Palm Trace.</p>	
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• The company don't have an inventory block-Non RSPO &amp; RSPO.</li> <li>• SOP not include officers who are responsible for the conduct and reporting of shipping announcement to RSPO Palm Trace.</li> </ul>	
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Inventory of RSPO-Non RSPO blocks (attached).</li> <li>• Marking the Fruit Delivery Letter from each Division carried out by <i>Kerani Cek Buah</i> according to Non RSPO blocks (example FDL attached).</li> <li>• Marking the weighing scale of Fresh Fruit Bunches by scales officers in the RJF Factory in accordance with the Fruit Delivery Letter sent from the Division (examples of weighing points attached).</li> <li>• Appoint officers to make shipping announcements and reporting to RSPO Palm Trace (Head of Administration) and add clauses to Mass Balance procedure on officers to make shipping announcements and reporting to RSPO Palm Trace.</li> </ul>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Make a list of RSPO &amp; Non RSPO Blocks.</li> <li>• Daily monitoring of FFB is received in accordance with the RSPO &amp; Non RSPO Blocks.</li> <li>• Evidence of preventive action attached (Mill Manager Letter No. 137 / MGR / PT / GPI-RJF / XI / 2018 dated November 5<sup>th</sup>, 2018 related Implementation affirmation SCCS GPI).</li> </ul>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification, 30 October 2018.</b></p> <ol style="list-style-type: none"> <li>1. The company shows RSPO &amp; Non RSPO block inventory data updated in August 2018 for each estate unit (Rantau Panjang Estate, Bumi Ayu Estate, Napal Estate, Karang Ringin Estate and Mangun Jaya Estate).</li> <li>2. The company shows evidence of delivery letter for example: <ul style="list-style-type: none"> <li>• Fruit Delivery Letter number 01/16/10/2018 / NAE Afdeling 2 Block C019 year 2000 planting (as much as 330 FFB) stamped Non RSPO Certified (Napal Estate).</li> <li>• Fruit Delivery Letter number 473012/10/18/01446 Afdeling 2 Block E014 year 2000 planting is stamped non</li> </ul> </li> </ol>	

RSPO (Mangun Jaya Estate).

3. The company shows evidence of procedure revised with SOP-SCCS 01 / GPI / 18 revision 01 number dated January 2<sup>nd</sup>, 2018, in point 6.4 Head of administration cooperates with Marketing Jakarta to monitor Shipping Announcement and make reporting to RSPO Palm Trace and appointment Personnel in Charge for the application of Supply Chain, is Head of Administration of Rantau Panjang Factory with number of letter is IST / MR / PT GPI-RJF / I / 2017 authorized by the Mill Manager on January 2<sup>nd</sup>, 2017.

Based on the explanation above, there are still questions including: maps of the RSPO & Non RSPO block areas for each estate and daily monitoring data in accordance with the RSPO & Non RSPO block that will be carried out by the Company and evidence of preventive actions related to the SCCS procedure. This has not been Compliance, please complete the Auditor's notes.

- Map of the Non RSPO GPI block (attached).
- Recapitulation of monthly production per block (Non RSPO attached).

**Verification, November 3<sup>rd</sup>, 2018.**

The company has shown maps of the RSPO & Non RSPO block areas for each estate unit (Napal Estate, Rantau Panjang Estate and Mangun Jaya Estate) in the 2018 period and monitoring data on FFB production based on the RSPO & Non RSPO Blocks for the period September 2017 - October 2018 for Napal Estate, Rantau Panjang Estate and Mangun Jaya Estate. However, the company has not shown any preventive action that will be taken regarding the noncompliance of SCCS procedures and traceability procedures so this does not happen again

Based on the above, this is still compliance.

**Verification, November 7<sup>th</sup>, 2018.**

The company shows inter-office mail with number 137 / MGR / PT GPI-RJF / I / 2018 dated November 5<sup>th</sup>, 2018 regarding the SCCS Procedures. In the memo, a description of the duties of scales officers, production clerks and Head of Administration was explained. For example:

- Scales Officers → mark the RSPO-Non RSPO stamp on each weighing ticket according to the RSPO & Non-RSPO inventory.
- Production Farmers → record FFB production sent to estate according to each RSPO & Non RSPO Block.
- Head of Administration → monitors the CSPO / CSPK sales system and ensures all sales manifests can be available before the audit activities.

Based on the explanation above, Non-conformity No.2018.04 is stated to be compliance and will be observed on next surveillance.

<b>Verified by</b>	:	<b>Brigitta Prita</b>
--------------------	---	-----------------------

<b>NCR No.</b>	: 2018.05.	<b>Issued by</b>	: Brigitta Prita
<b>Date Issued</b>	: 6 September 2018	<b>Time Limit</b>	: 5 December 2018
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 30 October 2018

<b>Standard Ref. &amp; Requirement</b>	<p><b>: SCCS E 3.2.</b>  <b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b></p>
<p>The certificate holder has a Product Traceability procedure that was approved on February 10, 2011. In point 5.1.8, it is explained that Harvesters are obliged to place FFB harvested in a certified block in “TPH” which certificates and FFBs are harvested on non-certified blocks placed in Non-certified “TPH”. However, the procedure has not explained the mechanism for marking the area boundary between certified and non-certified harvest areas and has not shown evidence that harvesters have understood the separation of production from the area.</p>	
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• The Company do not have an inventory Non RSPO &amp; RSPO area.</li> <li>• Procedures does not explain the boundaries of the RSPO &amp; Non RSPO area.</li> <li>• No socialization to supervision and harvesters related RSPO &amp; Non RSPO area.</li> </ul>	
<p><b>Correction</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• There is memorandum from the Chairman of RSPO (attached).</li> <li>• Add the clause of the RSPO &amp; Non RSPO area / block boundary mechanism to procedures of Traceability.</li> <li>• Provide information to harvesters regarding the RSPO &amp; Non RSPO block according to block inventory.</li> </ul>	
<p><b>Corrective Action</b> <i>(filled by organization audited):</i></p> <ul style="list-style-type: none"> <li>• Make a list of RSPO &amp; Non RSPO Blocks.</li> <li>• Monitoring of daily FFB is received in accordance with the RSPO &amp; Non RSPO Blocks.</li> </ul>	
<p><b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>Verification, October 30<sup>th</sup>, 2018.</b>  The company shows a revised procedure with document number SOP / 002 / GPI / 2018 dated January 2<sup>nd</sup>, 2018 in point 5.1.8 explained block boundary RSPO &amp; Non RSPO is the main road / collection road of each block in accordance with the RSPO &amp; Non-RSPO inventory.</p> <p>In addition, the Company has socialized the RSPO &amp; Non RSPO Block boundaries to harvesters in each Estate, for example:</p> <ol style="list-style-type: none"> <li>1. Socialization to Harvesters in Mangun Jaya Estate on October 11<sup>th</sup>, 2018 is located in the soccer field with participants as many as 135 Harvesters, Foreman and Administration.</li> <li>2. Socialization to Harvesters in Napal Estate on September 28<sup>th</sup>, 2018 with as many as 30 participants.</li> <li>3. Socialization to Harvesters Rantau Panjang Estate on October 15<sup>th</sup>, 2018 with participants as many as 99 participants.</li> </ol> <p>A memorandum from the RSPO Chairman PT GPI is available on September 10<sup>th</sup>, 2018 with number 02 / GM-MJE / 1 / 2018 stating that to facilitate RSPO &amp; Non RSPO production claims, the implementation mechanism in the field is arranged with the following details:</p> <ol style="list-style-type: none"> <li>1. RSPO production sources from the RSPO Block.</li> <li>2. Non-RSPO production sources from the Non RSPO Block</li> <li>3. If at one Block is an RSPO or Non RSPO area, the production is claimed to be non RSPO production.</li> <li>4. As a limitation of the RSPO or Non RSPO Block is the road around the Block (Main Road and Collection Road or <i>Tanggul Pringgan</i>).</li> </ol> <p>Based on the explanation above, this can be stated as compliance but will be observed during field observations and</p>	

interviews with related parties (Harvesters) on next surveillance.	
<b>Verified by</b>	: <b>Brigitta Prita</b>

<b>NCR No.</b>	: <b>2018.06</b>	<b>Issued by</b>	: <b>Brigitta Prita</b>
<b>Date Issued</b>	: <b>6 September 2018</b>	<b>Time Limit</b>	: <b>5 December 2018</b>
<b>NC Grade</b>	: <b>Major</b>	<b>Date of Closing</b>	: <b>7 November 2018</b>
<b>Standard Ref. &amp; Requirement</b>	<p><b>SCCS CoC 5.3.1.</b></p> <p>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. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>• Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.</li> </ul>		

Based on RSPO supply chain system memorandum number 013 / PSQM-UM / I / 2015, it is stated that each certified FFB is identified by RSPO stamp on fruit delivery letter and weighing ticket, but based on interviews with operator scales and observations on Fruit Delivery Letter "SPB" documents and weighing tickets it is known that marking in RSPO stamp forms are carried out on all weighing tickets whether certified or not, for example:

- Weighing ticket with number 257328 Napal Estate, come from the area of non-certified Block C019 harvest Division 2 (according to the map of the estate area, it is known that Block C019 is a non-certified area with an area of 95.41 ha).
- Weighing tickets with number 257385 Mangun Jaya Estate, come from non-certified Harvest Block Division E014 Division 2 (based on the map of the estate area, it is known that Block E014 is a non-certified area with an area of 73.24 ha).

In addition, based on document review on SOP, the Mass Balance Product Supply Chain system and traceability procedures have not explained regarding the officers responsible for shipping announcements and reporting to RSPO Palm Trace.

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

- The company don't have an inventory block-Non RSPO & RSPO.
- SOP not include officers who are responsible for the conduct and reporting of shipping announcement to RSPO Palm Trace.

**Correction** *(filled by organization audited):*

- Inventory of RSPO-Non RSPO blocks (attached).
- Marking the Fruit Delivery Letter from each Division carried out by *Kerani Cek Buah* according to Non RSPO blocks (example FDL attached).

- Marking the weighing scale of Fresh Fruit Bunches by scales officers in the RfJ Factory in accordance with the Fruit Delivery Letter sent from the Division (examples of weighing points attached).
- Appoint officers to make shipping announcements and reporting to RSPO Palm Trace (Head of Administration) and add clauses to Mass Balance procedure on officers to make shipping announcements and reporting to RSPO Palm Trace.

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

- Make a list of RSPO & Non RSPO Blocks.
- Daily monitoring of FFB is received in accordance with the RSPO & Non RSPO Blocks.
- Evidence of preventive action attached (Mill Manager Letter No. 137 / MGR / PT / GPI-RJF / XI / 2018 dated November 5<sup>th</sup>, 2018 related Implementation affirmation SCCS GPI).

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

**Verification, 30 October 2018.**

1. The company shows RSPO & Non RSPO block inventory data updated in August 2018 for each estate unit (Rantau Panjang Estate, Bumi Ayu Estate, Napal Estate, Karang Ringin Estate and Mangun Jaya Estate).
2. The company shows evidence of delivery letter for example:
  - Fruit Delivery Letter number 01/16/10/2018 / NAE Afdeling 2 Block C019 year 2000 planting (as much as 330 FFB) stamped Non RSPO Certified (Napal Estate).
  - Fruit Delivery Letter number 473012/10/18/01446 Afdeling 2 Block E014 year 2000 planting is stamped non RSPO (Mangun Jaya Estate).
3. The company shows evidence of procedure revised with SOP-SCCS 01 / GPI / 18 revision 01 number dated January 2<sup>nd</sup>, 2018, in point 6.4 Head of administration cooperates with Marketing Jakarta to monitor Shipping Announcement and make reporting to RSPO Palm Trace and appointment Personnel in Charge for the application of Supply Chain, is Head of Administration of Rantau Panjang Factory with number of letter is IST / MR / PT GPI-RJF / I / 2017 authorized by the Mill Manager on January 2<sup>nd</sup>, 2017.

Based on the explanation above, there are still questions including: maps of the RSPO & Non RSPO block areas for each estate and daily monitoring data in accordance with the RSPO & Non RSPO block that will be carried out by the Company and evidence of preventive actions related to the SCCS procedure. This has not been Compliance, please complete the Auditor's notes.

- Map of the Non RSPO GPI block (attached).
- Recapitulation of monthly production per block (Non RSPO attached).

**Verification, November 3<sup>rd</sup>, 2018.**

The company has shown maps of the RSPO & Non RSPO block areas for each estate unit (Napal Estate, Rantau Panjang Estate and Mangun Jaya Estate) in the 2018 period and monitoring data on FFB production based on the RSPO & Non RSPO Blocks for the period September 2017 - October 2018 for Napal Estate, Rantau Panjang Estate and Mangun Jaya Estate. However, the company has not shown any preventive action that will be taken regarding the noncompliance of SCCS procedures and traceability procedures so this does not happen again. Based on the above, this is still compliance.

**Verification, November 7<sup>th</sup>, 2018.**

The company shows inter-office mail with number 137 / MGR / PT GPI-RJF / I / 2018 dated November 5<sup>th</sup>, 2018 regarding the SCCS Procedures. In the memo, a description of the duties of scales officers, production clerks and Head of Administration was explained. For example:

- Scales Officers → mark the RSPO-Non RSPO stamp on each weighing ticket according to the RSPO & Non-

<p>RSPO inventory.</p> <ul style="list-style-type: none"> <li>• Production Farmers → record FFB production sent to estate according to each RSPO &amp; Non RSPO Block.</li> <li>• Head of Administration → monitors the CSPO / CSPK sales system and ensures all sales manifests can be available before the audit activities.</li> </ul> <p>Based on the explanation above, Non-conformity No.2018.06 is stated to be compliance and will be observed on next surveillance.</p>	
<b>Verified by</b>	: <b>Brigitta Prita</b>

<b>NCR No.</b> <b>Nomor ketidaksesuaian</b>	: 2018.07.	<b>Issued by</b> <b>Diterbitkan oleh</b>	: Brigitta Prita
<b>Date Issued</b> <b>Tanggal diterbitkan</b>	: 6 September 2018	<b>Time Limit</b> <b>Batas Waktu</b>	: 5 December 2018
<b>NC Grade</b> <b>Grade ketidaksesuaian</b>	: Major	<b>Date of Closing</b> <b>Tanggal Terpenuhi</b>	: 3 November 2018
<b>Standard Ref. &amp; Requirement</b> <b>Acuan Standar &amp; Persyaratan</b>	<p>SCCS CoC 5.7.2.</p> <p>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"> <li>• <b>Shipping Announcement / Announcement:</b> When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>• <b>Trace:</b> When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>• <b>Remove:</b> RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• <b>Confirm:</b> Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>		
<p>Based on document review on the mass balance report for license period November 20, 2017 – August 31, 2018 it is known that the company sold CSPO products in conventional form as much as 13,022.76 tonnes and has not been deducted (removed) from the stock at the RSPO Palm-trace, based on that the RJF has not shown evidence of compliance with the requirements in SCCS general CoC requirements 5.7.2 (point 3).</p>			
<p><b>Root Cause Analysis</b> <i>(filled by organization audited):</i></p> <p>Management unit does not have CSPO sales documents.</p> <ul style="list-style-type: none"> <li>• For documents, total sales of CPO / PK are monitored by the unit according to the data submitted during the</li> </ul>			



audit,

- Certificate / non-certificate sales transactions are monitored by the Jakarta Marketing Department.
- For verification of sales documents carried out by the Mill Manager in accordance with SOPS SOP No.01 / GPI / 2018 dated January 2<sup>nd</sup>, 2018 Point 6.1.2.

**Correction** (filled by organization audited):

Request CSPO sales documents to the Marketing Department in Jakarta

- For mechanisms related to unit documents storage, refer to the SCCS No.01 / GPI / 2018 SOP that is available in the unit and still coordinate with Jakarta Marketing conducted by the PIC SCCS unit.

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

- Appoint the PIC who is monitoring SCCS procedure (Administration Head of Rantau Panjang Factory).
- Request a sales document CSPO and CSPK before the audit activities to the Marketing Jakarta so that the same events are not repeated.

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

**Verification, 30 October 2018.**

The company sent evidence of improvement in the form of transaction data from palm trace (screenshot) and CSPO sales data per announcement, which explained the total sold for CSPK 2,696.53 MT and remaining volume for CSPK amount to 3,879.47 MT and CSPO volume of 27,620 MT (no sales recorded). In accordance with the mass balance report November 20<sup>th</sup>, 2017 up to August 31<sup>st</sup>, 2018 there is a sale of CSPO as conventional at 13,022.76 MT.

Month	CPO					
	CSPO	Non	total	CSPO sold	stok CPO	CPO sold
					1770.54	
20-Nov-17	914.12	605.52	1,519.65		(207.33)	2,583.390
Des 2017	1,859.35	1,422.93	3,282.28		(2,459.03)	3,674.630
Jan-18	1,736.04	1,506.13	3,242.17		(4,236.86)	3,283.960
Feb-18	1,483.61	1,245.18	2,728.79		(5,027.71)	2,036.030
Maret 2018	1,413.51	1,304.09	2,717.60		(7,007.14)	3,283.520
Apr-18	1,760.57	1,433.21	3,193.79		(7,871.89)	2,297.960
Mei 2018	2,055.77	1,771.78	3,827.55		(10,282.27)	4,182.160
Juni 2018	1,352.00	1,226.34	2,578.34		(11,420.51)	2,364.580
Juli 2018	2,745.52	2,302.45	5,047.97		(11,480.13)	2,362.070
1-31 Agustus 2018	2,595.05	2,142.58	4,737.63		(13,022.76)	3,685.210
<b>Total</b>	<b>17,915.54</b>	<b>14,960.21</b>	<b>32,875.75</b>			<b>29,753.510</b>

The company has not shown evidence of a reduction in the volume of conventional CSPO sold on palm-trace amount to 13,022.76 MT. Based on the explanation is non compliance.

**Verification, November 3<sup>rd</sup>, 2018.**

The company has shown palm trace data for the license period of 20 November 2017 - 19 November 2018 with evidence of a reduction in CSPO volume of 13,022.76 MT with remaining volume for CSPO of 14,597.24 MT. Based on the explanation above, this monconformity is stated Compliance.

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

**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description Deskripsi
1	Major 4.7.1	Monitoring the implementation of OHS systems on tractor operations.
2	Major 4.7.2	Evaluation of risk control in HIRAC for sources of danger of rotating equipment.
3	Minor 4.7.5	Monitoring effectiveness of first aid boxes and fire extinguishers in all units.
4	Major 5.3.2	Considered to be more monitor the lubricant ex-containers re-use effectively.
5	Minor 5.3.3	Considered to be more effective in monitoring of domestic waste management and the use of symbol refer to applicable latest regulation.
6	Major 7.3.1 7.3.2	In the document of LUCA stated that PT GPI are conduct new planting after November 2005 without HCV assessment, Sime Darby plantation Sdn Bhd has been submit the disclosure of liability through letter of Head PSQM on 15 Jan 2015 which stated that PT GPI are conduct the new planting since Nov 2005 – Nov 2007 area of 225.69 Ha and period of Dec 2007 – Dec 2009 area of <b>319.74 Ha</b> . In related of this matter, PT GPI are considered to monitored and ensure that the RaCP for those area has been completed and approved by the RSPO.
7	Cert System caluse of 4.1.3	Progress of certification process of smallholders scheme and associated grower (SJE) under PT GPI

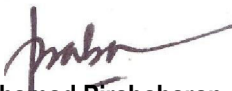

**4.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1		Has obtained a Blue rating program for corporate performance for the period 2016 - 2017.
2		Implementing sustainability standards on oil palm plantations is indicated by having obtained an ISPO certificate.
3		Obtained an Award Charter from the Governor of South Sumatra as an oil palm plantation company with the category "Very Good".

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

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Plantation Agency, Musi Banyuasin Regency</b></p> <p>Certificate Holder already has the documents of land rights in the form of concession and permits for business activities. There are no negative issues such as fires, conflicts / disputes with local communities and other business interruption. Company has CSR program and implement the program to surrounding village.</p>	<p>Auditor has verified the compliance on P&amp;C of RSPO on criteria &amp; indicator 2.2 about land rights, and 6.11 about CSR program. There is no negative issue.</p>
<p><b>Land Agency, Musi Banyuasin Regency</b></p> <p>Certificate Holder already has the documents of land rights in the form of concession and permits for business activities. There are no negative issues of land disputes.</p>	<p>There is no negative issue related to land rights. Describes in criterion 2.2.</p>
<p><b>Environmental Agency, Musi Banyuasin Regency</b></p> <p>The Certificate Holder already has environmental permit documents that area still valid. Mandatory reports related environmental has been submitted regularly. Currently there are no cases of environmental pollution.</p>	<p>During the assessment, known that environmental permits are still valid. The Mandatory reports related environmental has been submitted regularly. There is no casses of environmental pollution. Describes in criterion 5.1, 5.3 and 5.6.</p>
<p><b>Manpower Agency, Musi Banyuasin Regency</b></p> <p>The Certificate Holder has shown compliance in mandatory reporting, as well as the implementation of the minimum wage of 2018. There are no complaints from stakeholders related to industrial relation, as well as PPE or worker welfare. All employees have been included in the Health / Employment insurance (BPJS program).</p>	<p>Based on the audit results, it is concluded that the CH complies with labor laws, such as on minimum wage, overtime, employment and health insurance (described in criterion 6.5).</p>
<p><b>Head of Talang Piase Village</b></p> <p>The Certificate Holder has empowered the surrounding community, among others by building smallholder partnership, the use of local labor, and participatory CSR programs. There are no land dispute or environmental cases.</p>	<p>The CH has provided evidence of comunity development programs. The results of the assessment there are no cases of land disputes or environmental pollution that affect the village community.</p>
<p><b>Labor union of PT GPI</b></p> <p>Based on interview with member of labor union, all factory workers is member of labor union. There are freelances workers in operational factory but they are new workers. The labor union expect involvement in the preparation of collective labor agreements not only to the central labor union.</p>	<p>The CH will consultation with management representative regarding CLA.</p>
<p><b>Gender Committee (Secretary).</b></p> <p>Based on interview, during now there is no report for workers</p>	<p>The CH has implemented criterion 6.9.</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p>regarding sexual harassment. Gender committee has socialized mechanism of sexual harassment handling. The activities carried out by gender committees such as sports activities, spiritual and social gathering.</p>	
<p><b>Local contractor – FFB transport (1 contractor)</b>            There is no issue based on result of interview to local contractor, they has been bound by agreement (annually) and copy are given to them, the agreement has been signed by both parties and preparation are done in partisipatory. The agreement are describes term and conditions including payment mechanism and schedule. No complaint and grievance submitted by the contractor.</p>	<p>Has been verified by the auditor, all the requirement in the criteria of 6.10 has been implemented well.</p>

<b>4.0</b>	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
<b>4.1</b>	<b>Formal Sign-off of Assessment Findings</b>
	<p>Here under sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Guthrie Pecconina Indonesia Head of PSQM</p>  <p><b>Mohamad Pirabaharan</b> Wednesday, 7 November 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b>Sandra Purba</b> Wednesday, 7 November 2018</p> </div> </div>

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

No	Institution/NGO/ Community	Address	Phone/E mail	Form of Communication	Date of Contact	Response	
						Yes	No
1	National Land Agency	Sekayu City, Musi Banyuasin Regency, South Sumatra	-	Direct Interview	4 September 2018	√	-
2	Plantation Agency	Sekayu City, Musi Banyuasin Regency, South Sumatra	-	Direct Interview	4 September 2018	√	-
3	Environment Agency	Sekayu City, Musi Banyuasin Regency, South Sumatra	-	Direct Interview	4 September 2018	√	-
4	Labor Agency	Sekayu City, Musi Banyuasin Regency, South Sumatra	-	Direct Interview	4 September 2018	√	-
5	Talang Piase Village	Lawang Wetan Sub Distric, Musi Banyuasin Regency, South Sumatra	-	Direct Interview	4 September 2018	√	-
6	<b>Napal Estate :</b> Spraying – 7 workers Manuring – 9 workers	PT GPI	-	Direct Interview	5 September 2018	√	-
7	<b>Mangun Jaya Estate :</b> Harvesting – 5 workers IPM – 1 worker Road Maintenance – 1 worker Manuring – 6 worker	PT GPI	-	Direct Interview	4 September 2018	√	-
8	<b>Karang Ringin Estate :</b> Manuring – 6 worker Water Management – 2 worker Spraying – 7 worker	PT GPI	-	Direct Interview	5 September 2018	√	-
9	<b>Rantau Panjang POM :</b> Weigh bridge administration – 2 workers Production administration – 1 worker Sterilizer Station – 2 workers Boiler Station – 1 operator Engine Room – 1 operator Loading Ramp – 2 worker WTP – 1 operator Weight Bridge – 1 worker WWTP – 1 operator Land Application – 1 worker Water Intake – 1 worker	PT GPI	-	Direct Interview	4 September 2018	√	-
10.	Gender committee	PT GPI	-	Direct Interview	5 September 2018	√	-
11.	Labor union	PT GPI	-	Direct Interview	5 September 2018	√	-
12	Local contractor		-	Direct Interview	4 September 2018	√	-

13.	WALHI	Jakarta	informasi@walhi.or.id	Email	31 August 2018	-	√
14.	Sawit Watch	Jakarta	info@sawitwatch.or.id	Email	31 August 2018	-	√
15.	WWF	Jakarta	wwf-indonesia@wwf.or.id	Email	31 August 2018	-	√
16.	AMAN	Jakarta	rumahaman.cbn.net.id	Email	31 August 2018	-	√





