

***Roundtable on Sustainable Palm Oil Certification
RSPO***

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

Plantation Management/Owner : SIME DARBY PLANTATION Sdn Bhd.
 Plantation Name : **PT PARIPURNA SWAKARSA**
 Location : Village of Pondok labu and Rampa Cengal Pamukan
 Selatan and Pamukan Utara Sub District Kotabaru
 District, South Kalimantan Province

Certificate Code : **MUTU-RSPO/016**
 Date of certificate issue : March, 16th 2012
 Date of expiry of certificate : March, 15th 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review By	Approved by
ASA-3	17 – 20 February 2015	Bukti Bagja (Lead Auditor), Muardi Marwas, Muhammad Rinaldi, Agung Wibawa	Octo Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
S1	5 May 2015

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Figure 1. Location Map of PT Paripurna Swakarsa

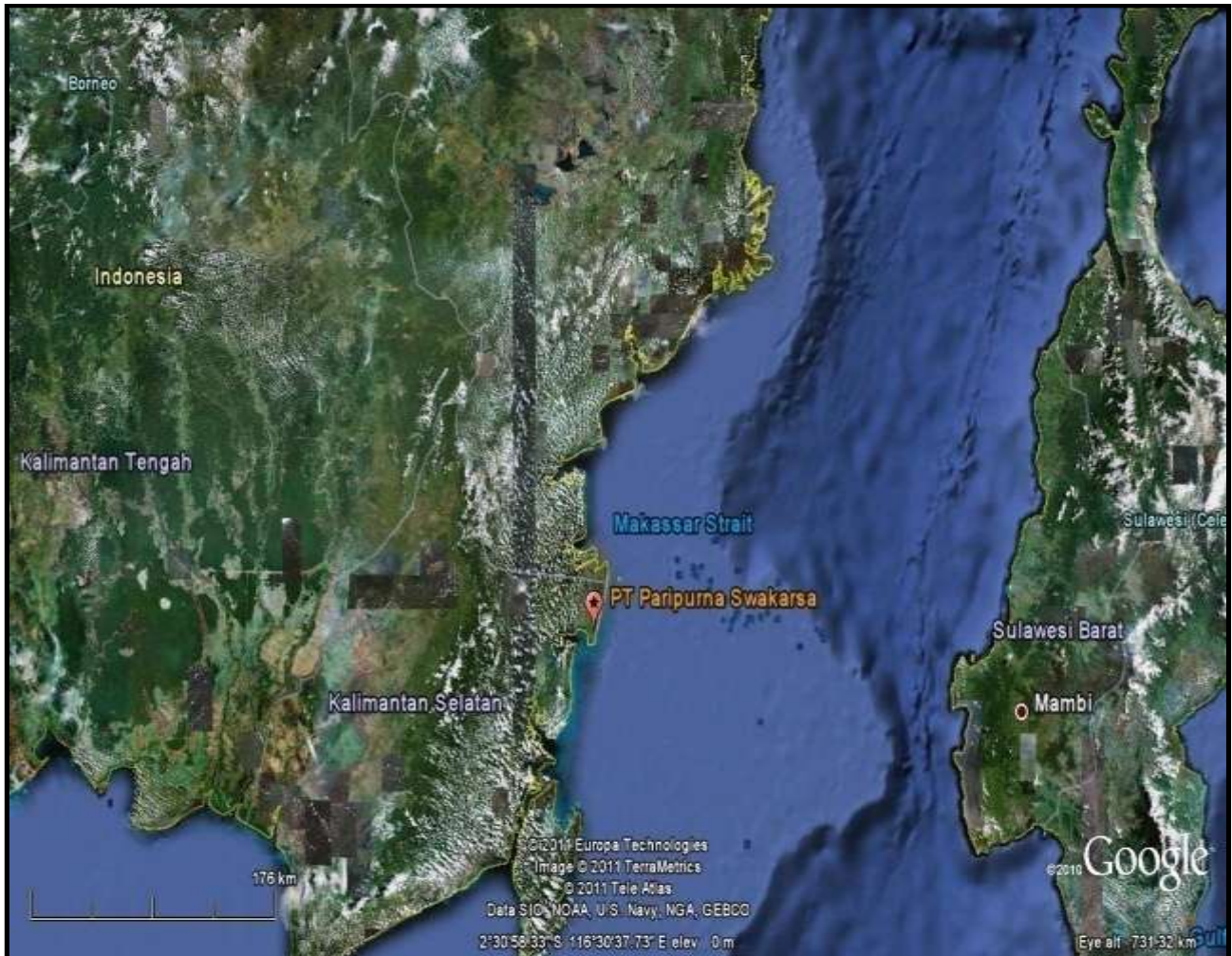
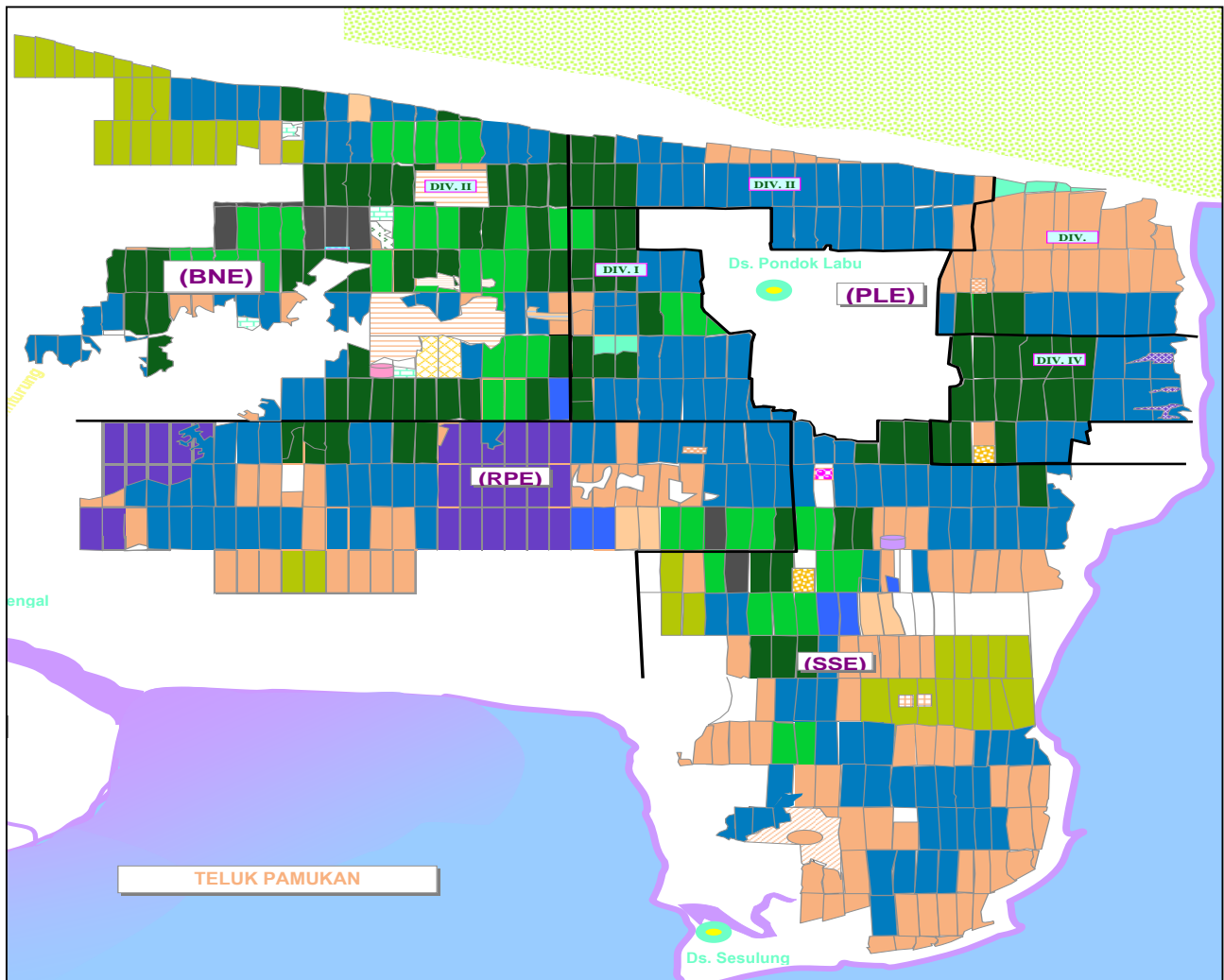


Figure 2. Operational Map of PT Paripurna Swakarsa



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	National Interpretation Used	<i>National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011.</i>	
1.2	Organization Information		
1.2.1	Company name	PT. PARIPURNA SWAKARSA – SIME DARBY Plantation Sdn Bhd.	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Company address and site address	Head Office: The Plaza Lt.36 Jl. M.H. Thamrin Kav. 28-30 Jakarta 10350 Location : Village of Pondok Labu, South Pamukan and north Pamukan sub district Kotabaru, district South Borneo province	
1.2.4	Telephone	021 29926000	
1.2.5	Fax	021 29922686	
1.2.6	E-mail	Mohamad.pirabaharan@simedarby.com	
1.2.7	Web page address	www.simedarby.com	
1.2.8	Company status	PMA	
1.2.9	Management Representative who completed the application for certification	Mohamad Pirabaharan	
1.2.10	Registered as RSPO member	1-0008-04-000-00 – 8 December 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment	Palm Oil Mill (Pondok Labu Factory) and supply base Binturung estate, Rampa estate, Pondok Labu estate and Sesulung estate).	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT Paripurna Swakarsa – Sime Darby Plantation Sdn Bhd.	
1.4	Locations of Mill, Plantations and Area Statement		
1.4.1	Location of Mill		
	Name of Mill	Location	GPS
			Latitude Longitude
	Pondok Labu Factory	Pondok Labu village, Pamukan Selatan sub-district, Kotabaru District, South Borneo Province	02°28'53,2" LS 116°30'45,2" BT

1.4.2	Location of Supply Base						
	Name of Supply Base	Location		GPS			
				Latitude		Longitude	
	Binturung Estate	Binturung village		2°22°00" - 2°26'57" LU		116°23'46" - 116°28'00" BB	
	Pondok Labu Esatae	Pondok Labu village		2°23°16" - 2°27'37" LU		116°28'00" - 116°32'35" BB	
	Rampa Estate	Rampa Cengal village		2°23°54" - 2°29'08" LU		116°24'15" - 116°29'47" BB	
Sesulung Estate	Sesulung village		2°27°00" - 2°33'51" LU		116°28'34" - 116°31'49" BB		
1.4.3	Tenure						
	• Private						
	• State			HGU No. 137/HGU/BPN/97 = 14.892 Ha (The company is still processing the progress of land permits for 1,119.98 Ha)			
	• Community						
1.4.4	Area Statement						
	• Total area					16,011.98	Ha
	• Mature area					14,689.60	Ha
	• Immature area					15.66	Ha
	• Mill					55.23	Ha
	• Infrastructure (road, drainage and bridge)					515.15	Ha
	• Emplasmanet					222.53	Ha
	• Nursery					31	Ha
	• Occupation					65.14	Ha
	• HCV					396.51	Ha
	• Hill/Valley/River/Swamp					21.16	Ha
1.5	Description of Supply Base						
1.5.1	Description of Mill						
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel	
				Out put (tones)	Extraction (%)	Out put (tones)	Extraction (%)
	Pondok Labu Factory	60	281,966.20	64,671.51	22.94	12,999.65	4.61
	*Source production data on February 2014 – January 2015						
1.5.2	Description of Certified Estate(s)						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)	Supplied to Mill	
						FFB (tones/year)	%

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	Binturung Estate	4,072.02	3,588.13	70,707.47	19.71	66,927.29	94,65
	Pondok Labu Esatae	3,672.72	3,495.79	64,581.65	18.47	64,581.65	100
	Rampa Estate	3,658.60	3,325.97	69,497.88	20.90	69,497.88	100
	Sesulung Estate	4,608.64	4,295.38	79,870.70	18.59	79,870.70	100
	TOTAL	16,011.98	14,705.26	284,657.70	19.38	280,877.52	98.67
	*Source production data on February 2014 – January 2015						
1.5.3	FFB description from other source						
	Name of source(s)	Member	Location			Supplied to Mill	
FFB (tones/year)							
	KKPA Area Sungai Cengal (RSPO Certified)	Scheme Smallholders of Sungai Cengal	Kabupaten Kota Baru, Provinsi Kalimantan Selatan			1,088.68	
	Total					1,088.68	
	*Source production data on February 2014 – January 2015						
1.5.4	Product categories			FFB/CPO/PK			
1.6	Dates of Plantings and Cycles						
1.6.1	Age profile of planted palms*						
	Planting Year	Hectare					Total (Ha)
		BNE	PLE	RPE	SSE		
	1994	183.65				183.65	
	1995	519.28	94.08	121.18	428.28	1,162.82	
	1996	1,398.91	1,097.83	253.36	255.83	3,005.93	
	1997	854.97	1,599.03	1,393.61	1,484.77	5,332.38	
	1998	-	677.15	203.41	1,521.46	2,402.02	
	2000	74.88	27.70	355.52	-	458.10	
	2005	465.62	-	173.85	62.93	702.40	
	2006	44.82	-	257.28	131.01	433.11	
	2007	-	-	181.20	411.09	592.29	
	2010	-	-	177.27	-	177.27	
	2011	46	-	193.64	-	239.64	
	2014	-	-	15.66	-	15.66	
	TOTAL	3,588.13	3,495.79	3,325.97	4,295.38	14,705.26	

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1.6.2	New Planting area after January 2010			Ha			
1.6.3	Planting Cycle			1 st Cycle Years			
1.7	Approximate Tonnage Certified						
1.7.1	Past Annual Claim Certified Product			Previous Certificate Claim (tonnes/year)	Actual certified product (tonnes/year)		
	• FFB Production			274,770.82	Tonnes/year		
	• CPO Production			65.258	Tonnes/year		
	• Palm Kernel (PK) Production			13,738.95	Tonnes/year		
	** Certificate Claim period 16 March 2014 – 15 March 2015 ** Actual Claim periode 16 March 2014 – 16 February 2015						
1.7.2	Claim Certified of FFB						
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)	FFB (tones/year)	Yield (tones/ha/year)	
	Binturung Estate		4,072.02	3,588.13	69,188	19.28	
	Pondok Labu Esatae		3,672.72	3,495.79	61,204	17.51	
	Rampa Estate		3,658.60	3,325.97	72,973	21.94	
	Sesulung Estate		4,608.64	4,295.38	83,864	19.52	
	TOTAL		16,011.98	14,705.26	287,229	19.53	
1.7.3	Claim Certified of Palm Product						
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel	
				Out put (tones)	Extraction (%)	Out put (tones)	Extraction (%)
	Pondok Labu Factory	60	287,229	66,062	23.00	14,361	5.00
1.8	Other Certifications						
	ISO 9001:2008/ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	HACCP			-			
	Others			Indonesian Suistainable Palm Oil pada bulan September 2013			
1.9	Time Bound Plan						
1.9.1	Time Bound Plan for Other Management Units						
	MANAGEMENT UNIT		Estate (Supply	Time Bound	LOCATION		

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P O M	Time Bound	Base)		
Sekunzir. PT. Indotruba Tengah	Certified 2010	Sekunzir	Certified 2010	Seruyan and West Kotawaringin District – Central Kalimantan
		Seruyan	Certified 2010	
Manggala. PT. Tunggal Mitra Plantations	Certified 2010	Manggala 1	Certified 2010	Rokan Hilir District – Riau
		Manggala 2	Certified 2010	
		Manggala 3	Certified 2010	
PT. Sime Indo Agro	Certified 2010	PT. Sime Indo Agro	Certified 2010	Sanggau District –West Kalimantan
Teluk Siak. PT Aneka Inti Persada	Certified 2011	Teluk Siak	Certified 2011	Pekanbaru, Siak District – Riau
		Pinang Sebatang	Certified 2011	
		Aneka Persada	Certified 2011	
Sungai Pinang. PT. Bina Sains Cemerlang	Certified 2012	Sungai Pinang	Certified 2012	Musi Rawas District – South Sumatera
		Bukit Pinang	Certified 2012	
Sukamandang. PT. Kridatama Lancar	Certified 2011	Sukamandang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
		Sapiri	Certified 2011	
		Baras Danum	Certified 2011	
		Kuala Kuayan	Certified 2011	
Pematang. PT. Teguh Sempurna	Certified 2011	Pematang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan
		Kawan Batu	Certified 2011	
		Hatan Tiring	Certified 2011	
		Batang Garing	Certified 2011	
Alur Dumai. PT Lahan Tani Sakti	Certified 2011	Alur Dumai	Certified 2011	Rokan Hilir District – Riau
Teluk Bakau. PT. Bhumireksa Nusa Sejati	Certified 2011	Teluk Bakau	Certified 2011	Indra Giri Hilir District – Riau
		Nusa Perkasa	Certified 2011	
		Nusa Lestari	Certified 2011	
Mandah. PT. Bhumireksa Nusa Sejati	Certified 2014	Mandah	Certified 2011	Indra Giri Hilir District – Riau
		Rotan Semelur	Certified 2011	
Angsana Mini. PT Sajang Heulang	Certified 2011	KKPA-1 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan
		Pantai Bonati	Certified 2011	
Angsana. PT Ladangrumpun Suburabadi	Certified 2011	Angsana	Certified 2011	Tanah Bumbu District – South Kalimantan
		Gunung Sari	Certified 2011	
		KKPA-4 PT.SHE	Certified 2013	
Mustika. PT Sajang Heulang	Certified 2013	KKPA-2 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan

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		KKPA-3 PT.SHE	Certified 2013	
		KKPA-5 PT.SHE	Certified 2013	
Gunung Aru. PT Bersama Sejahtera Sakti	Certified 2011	Gunung Aru	Certified 2011	Kotabaru District – South Kalimantan
		Gunung Kemasan	Certified 2011	
		Laut Timur	Certified 2011	
		Pantai Timur	Certified 2011	
Bebunga. PT. Langgeng Muaramakmur	Certified 2011	Sungai Cengal	Certified 2011	Kotabaru District – South Kalimantan
		Bebunga	Certified 2011	
		KKPA Sungai Cengal	Certified Desember 2014	
Pondok Labu. PT Paripurna Swakarsa	Certified 2012	Binturung	Certified 2012	Kotabaru District – South Kalimantan
		Pondok Labu	Certified 2012	
		Rampa	Certified 2012	
		Sesulung	Certified 2012	
Selabak. PT Swadaya Andhika	Certified 2012	Selabak	Certified 2012	Kotabaru District – South Kalimantan
		Randi	Certified 2012	
		Sangkoh	Certified 2012	
		Lanting	Certified 2012	
Rantau. PT Laguna Mandiri	Certified 2012	Rantau	Certified 2012	Kotabaru District – South Kalimantan
		Matalok	Certified 2012	
Betung. PT Laguna Mandiri	Certified 2014	Betung	Certified 2012	Kotabaru District – South Kalimantan
		Sekayu	Certified 2012	
Ungkaya. PT Tamaco Graha Krida	Certified 2012	Ungkaya	Certified 2012	Morowali District – Sulawesi Tengah
		Plasma TGK	2015	
Ladang Panjang. PT Bahari Gembira Ria	Certified 2012	Ladang Panjang	Certified 2012	Muaro Jambi District - Jambi
		Plasma BGR	2015	
Rantau Panjang. PT Guthrie Pecconina Indonesia	Certified 2012	Rantau Panjang	Certified 2012	Musi Banyuasin District – South Sumatera
		Bumi Ayu	Certified 2012	
		Karang Ringin	Certified 2012	
		Napal	Certified 2012	
		Mangun Jaya	Certified 2012	
		KKPA Sungai Pinang	2015	
Blang Simpo. PT Perkasa Subur Sakti	Certified 2013	Tamiang (PT PPP)	Certified 2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam

		Batang Ara ((PT PSK))	Certified 2013	
		Blang Simpo-01 (PT PPP)	Certified 2013	
		Blang Simpo-02 (PT PPP)	Certified 2013	
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2020	Sanggau District – West Kalimantan
		MAS 1	2020	
		MAS 1	2020	
Lembiru. PT Sandika Nata Palma	Certified 2014	Lembiru	Certified 2014	Ketapang District – West Kalimantan
		Awatan	Certified 2014	
		Pelanjau (PT BAL)	2015	
		Sungai Putih (PT BAL)	2015	
		Baturus (PT BAL)	2015	
<p>Sime Darby has achieved 39 management units in Malaysia and 21 Management Units in Indonesia RSP O certified. There was change of the Time Bound Plan under Sime Darby 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, MUTUAGUNG has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>				
1.9.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard			
	PT.PSA receives FFB sent by KKPA Sungai Cengal (plasma Minamas Group), KKPA Sungai Cengal has been assessed on December 2014 and it has received RSPO certificate.			

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: www.mutucertification.com Email : agri@mutucertification.com
2.2	Assessment Team
ASA-3	<p>1. Bukti Bagja (Lead Auditor Witnesser). Master of Science majoring environment, Indonesia University. He had involved in RSPO assessment and HCV for GIS. The training he has followed namely .ArcGIS, MAPInfo, Global Mapper, ER MAPPER, ERDAS Imagine, Indonesian Sustainable Palm Oil auditor and Awareness RSPO, and Auditor/Lead auditor Management System Certification (ISO 9001-2008). At this audit, he assest aspect of social and HCV.</p> <p>2. Muardi Marwas (Auditor). Bachelor of Agriculture Bogor Agriculture Institute. Attended RSPO and ISPO Assessment in Indonesia. He had been trained Auditor/Lead auditor Mnagement System Certification (ISO 9001-2008), Awareness HACCP certification, training of RSPO auditor and training of RSPO Lead Auditor, ISPO Lead auditor training, awareness green house gas and Wittednessed Distribution Quality Management Process (DQMP) APMEA. Currently he works for Independent Certification Body. He had involved activities RSPO and ISPO certification assessment as an auditor. At this audit, he assest aspect of legality, good manufacturing practices dan supply chain.</p> <p>3. Muhammad Rinaldi (Auditor). Associate of Oil Palm Plantations, Bogor Agricultural Institute. He have 4 years experience working as a staff operational plantations at private oil palm plantation companies in Indonesia. He has attended the RSPO Awareness training, Auditor ISPO training, auditor/lead auditor ISO 9001-2008 training, HCV training and OHS expert training. At this audit, he assest aspect of Good Agronomy Practices and OHS.</p> <p>4. Agung Wibawa (Auditor) Bachelor of Forestry (S-1), Study Program of Forest Management, Major of Forest Management, Faculty of Forestry, Bogor Agriculture Institute. Generally, his experience is related to natural resource management (specifically forestry, agriculture, and mining), environment management (EIA, environmental management and monitoring plan, implementation of environmental management and monitoring plan, Baseline Studi), and social economy and culture. Several trainings he was participating were EIA, Basic EIA (EIA A), EIA Compilation (EIA B), forming of independent young workforece of high institution (TKPMP - PT), Pemantapan Management and Monitoring Consultant (MMC) and Technical Assistance (TA), Introduction and documentation of ISO 14000, Internal AUDIT ISO 14000, Technical Committee of Assessment of Production Forest Management (PHAPL), Up Grading AUDITOR of Penilaian Kinerja Pengelolaan Hutan Produksi Lestari (PHPL), ASSESMENT OF HIGH CONSERVATION VALUE AREA (HCVA), AUDITOR Indonesia Sustainable Palm Oil (ISPO), AUDITOR Verifikasi Legalitas Kayu (VLK), dan competence of Auditor PHPL. Experience : conducting Assesment, specifically in EIA, Audit of PHPL & VLK, Asessment of HCVA, other occupations as consultant, and ISPO audit. At this audit, he assest aspect of enviroment dan waste management</p>
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
ASA-3	Number of auditor: 4 auditor Number of activity day at the location: 3 days

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	Number of working day for surveillance 3 activity:12 persons day
2.3.2	Detail process of assessment
ASA-3	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Paripurna Swakarsa to the requirements of National Interpretation of the Republic of Indonesia from RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008 and Supply Chain Requirement for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p> <p>Improvement of findings from ASA-3 assesment findings were observed by auditors at ASA-4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2</p>
2.3.3	Locations of Assessment
ASA-3	<p>1. Pondok Labu Estate</p> <ul style="list-style-type: none"> Division 4. Interview with fertilization team related to work procedure, PPE, payment system, facilities, health insurance, worker union, training on working method and first aid, complain mechanism, medical examination, socialization on conservation area, protected wildlife and natural vegetation. Division 03 Block G20. Observation related to holistic pest management by using the Beneficial Plant such as <i>Antigonon leptopus</i>, <i>Cassia cobanensis</i> and <i>Turnera subulata</i>. Division 2 and Division 3. Interview with disc spraying personnel and supervisor related to work procedure, PPE's hand over, PPE's utilization and PPE's storage, payment system, facilities, health insurance, worker union, complain mechanism, working method and first aid, medical examination, socialization on conservation area, protected wildlife and natural vegetation. Mixing Station and PPE's storage. Observation on washing venue for spraying tools, warehouse for spraying tools, shower place for spraying personnel, water waste reuse management and working procedure for spraying team. Agrochemical warehouse. Observasion related to the utilization of chemical material and hazardous material. Medical Unit. Observation on paramedics related to medical facilities for personnel, hyperkes training and infectious waste management. Big HGU Stake number 14. Small stake number 61, 65, 67, 75. Observation on the clear demarcated boundary. Nest Box. Rat control by using natural predator, such as <i>Tyto alba</i>. <i>Tyto albas</i> are seen inside the nest box. Interview with worker union board. Riparian area in Pondok Labu Estate. In the riparian area, auditors found buffer zone mark in a form of yellow paint on the palm trees (five palm trees) from the body of the river. There is an information board, which stated that the area is a riparian area and currently being planted with rejuvenate vegetation such as cemara. Auditors could noy find the mark of chemical application on palm trees, which are included within the HCV area. Worker housing complex of Division 2. Observasion on waste management and worker facility <p>2. Binturung Estate</p>

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- **Division I Block C22-23.** Observasion on fertilization and interview with fertilization team related to work procedure, PPE, payment system, facilities, health insurance, worker union, training on working method and first aid, complain mechanism, medical examination, socialization on conservation area, protected wildlife and natural vegetation.
 - **Division 03 Block G20.** Observation related to holistic pest management by using the Beneficial Plant such as *Antigonon leptosus*, *Cassia cobanensis* and *Turnera subulata*
 - **Division 2 Block E21.**
 - Observasion on disc spraying activity and interview with personnel and supervisor related to work procedure, PPE's hand over, PPE's utilization and PPE's storage, payment system, facilities, health insurance, worker union, complain mechanism, working method and first aid, medical examination, socialization on conservation area, protected wildlife and natural vegetation.
 - Interview with tractor's operator related to training and license.
 - **Division 3 Block T19-20.**
 - Observation on harvesting activity, interview result shows that harvesting personnel have understood the safety work procedure, the utilization of PPE, training, facility and manpower issue.
 - Interview with harvesting personnel, related to fruit criteria, the documentation of fruit and fruit transportation from block to mill.
 - **Division 3 Block I21.** Observasion related to holistic pest management by using the *Tyto alba*. Based on observation on *Tyto alba*'s nest, its known that *Tyto albas* are nurtured and periodically being monitored. Furthermore, the observasion also conducted, especially related to the utilization of Beneficial Plant such as *Antigonon leptosus*, *Cassia cobanensis* and *Turnera subulata*.
 - **Division 3 Block I22.** Observasion related to the enhancement of oil fertility by using the emphy fruit bunches. The application has been inline with the existing regulation, such as mehchanisme for the arrangement and dose per plant.
 - **Division 2 Block F21.** Observasion related to housing waste management by establishing landfill.
 - **Hazardous wste landfill and workshop.** Observasion related to the implementation of occupational health and safety procedure, occupational health and safety symbols, the provisiency of PPE and hazardoouse waste management.
 - **Mixing venue and PPE's storage.** Observation related to the existing spraying tools' washing place, the spraying tool's storage station, shower place for spraying personnel, water waste reuse management and working procedure for spraying team.
 - **Agrochemical warehouse.** Observasion related to the utilization of chemical material and management of hazardous material.
 - **Swamp HCV area in Estate Binturung.** Swamp HCV area in Estate Binturung has a stake as the HCV boundary mark as well as the warning board. There is no signs of tree cut or damage marks within the HCV area.
- 3. Pondok Labu POM**
- Interview with grading and boiler operator related to grading technic and mill's operation. Observation on hydrant and emergency response. Three personnel conduct FFB's grading. The verification on supply chain certification system (SCCS).
 - Inspection on light fire extinguisher tools and mill's hydrant.
 - **Chemical material's warehouse.** Observasion related to fire extinguisher tools, PPE's provisiency, first aid proviciency and the documentation for the incomign and out going hazardous material.
 - **Fire extinguishers' warehouse.** Observasion related to fire infrastructure and facilities. The surveillance shows that fire extinguishers are in a good condition and ready to use.

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	<ul style="list-style-type: none"> • Hazardous waste warehouse. Observation related to the license for hazardous waste warehouse from related institution, the utilisation of symbols, the placing of hazardous material, logbook for hazardous waste, the provisiency of PPE and first aid box. • IPAL Mill and location for effluent drainage in Division 1 Sesulung Estate Block L43. Observation related to permit on effluent application, handling and monitoring over effluent, observation on monitoring well, the quality of water surround effluent application.
2.4	Stakeholder Consultation and List of Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process.
	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Paripurna Swakarsa was held by:</p> <p>Public Notification 14 day before this assesment conducted</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples at February 18th, 2015 and consultation with NGO by email at February 09th, 2015</p> <p>Numbers of input from stakeholders were clarified by PT Paripurna Swakarsa</p>
2.4.2	Stakeholder contacted
	Please find appendix 1
2.5	Determining Next Assessment
	The Surveillance 4 will be conducted one year after this ASA-3 (Period of February 2016).

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Pondok Labu POM – PT Paripurna Swakarsa, Sime Darby Plantation Sdn Bhd. Group operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were five (5) Nonconformities were assigned against Major Compliance, ten (10) nonconformity(s) were assigned against Minor Compliance and two (2) nonconformance(s) against supply chain requirement for CPO mill and three (3) opportunity(s) for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s). Those corrective action(s) taken that consist of five (5) Major non-conformity(s) and ten (10) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Pondok Labu POM – PT Paripurna Swakarsa, Sime Darby Plantation Sdn Bhd. Group complied with the requirements of National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.	
	Information requests that have been received by manager will be recorded. The regular information will be kept for five years. SOP for information request (PSA/SOP. PI Rev-1) is valid since 3 rd July 2012. Company has a record of community's aspiration as well as the response, which stated in stakeholder aspiration <i>logbook</i> as below:	
	Pondok labu Estate There is a registration evidence for letter in and out, which been used for recording the incoming aspiration as well as the responses. For period 2014-2015 there are 14 incoming letter from village, 13 incoming letter from related institution. Most of the letter are in a form of grant request and information request. The entire letters has been well responded.	
	Binturung Estate For period 2014-2015 there are 16 incoming letter from Binturung Village and its neighbourhood. The entire letters has been well responded.	
	Rampa Estate	

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There is a registration evidence for letter in and out, which been used for recording the incoming aspiration as well as the responses. The entire letters has been well responded. There is an application letter from Mr. M. Padli Rampa Cengal Village to PT. PSA with attachments such as: police record (SKCK), recommendation letter from head of village, fit to work letter, school certificate, and national identity card. The application was submitted on 19th August 2013 and has been responded by company on 21st October 2013. Furthermore, Mr. Fadli is starting to work since 16th February 2014. Application letter from Mr. Edy Rahman, Rampa Cengal Village to PT. PSA by attaching the police record (SKCK), recommendation letter from head of village, fit to work letter, school certificate, and national identity card. Company has responded this letter on 06th November 2013.

Status: Complied

1.2

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

Public may not access the entire documents, for instance the finance stock, land use title and budget. The category of information that might and might not be accessed by stakeholder has been inline with the Law No.14/2008 regarding the transparense of public information. The information requests, which have been received by manager will be recorded, the regular information will be kept for five years. The SOP for information request (PSA/SOP. PI Rev-1) valid since 3rd July 2012.

Document that has been handed to stakeholder, such as:

Estate business report (LKUP), which has been submitted to institution in District on 23rd January 2015.

Environmental report has been submitted to environment agency on 4th August 2014.

OHS Committee report has been submitted to manpower agency on 10th December 2014.

Binturung Estate and Pondok Labu Estate has submitted the guiding committe for occupational health and safety report to related agency, however, the reporting has not been regularly submitted (every three months) in accordance with the applicable regulation.**non-compliance No.2015.1**

Auditor's Observation:

13th April 2015

There is an evidence of guiding committe for occupational health and safety report to manpower agency in Kota Baru District for period January - March 2015, which has been submitted on 30th March 2015. With below notes, **non-compliance No 2015.01 has been fulfilled, furthermore to be observed on the next surveillance (Surveillance-4)**

Status: Complied

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

Legal requirements have been fulfilled through the evaluation of its compliance. The evaluation is conducted at least once a year and the last one has been done on 14th February 2015, for instance:

Update of Kalimantan Selatan Government Decree No.188.44/0633/KUM/2014, on 16th December 2014 regarding the provincial sectoral wage for Kalimantan Selatan province. The minimum sectoral wage is IDR. 1,913,000/months valid since 1st January 2015.

Environmental Ministry decree 51/1995 regarding the mill's effluent management.

Based on interview with contractual personnel, name Ismail Marzuki (personel in Pondok Labu Mill), its known that personal expired work contract has not been extended. The work contract has been expired since 12th December 2014. This finding is not inline with the applicable regulation (Law No 13 in 2003 and ministry of manpower decree no. 100 in 2004). **Non-compliance No.2015.2**

Auditor's Observasion

13th April 2015:

work contract between company and Mr. Ismail Marzuki has been extended on 15th February 2015 wth work contract number (58/PSA/PLF-PKWT/2-2015), which is valid until 14th May 2015 (3 months working period). With an explanation as: **non-compliance No 2015.02 has been fulfilled.**

Status: Complied

2.2

The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights

PSA broad is 16,011.97 Ha. Business certificate comprises land area of 14,892 Ha (No. 137/HGU/BPN/97 on 31st October 1997) valid until 22nd November 2032 (35 years). Broad of the area that has not have the business certificate is 1,119. 97 ha which is located in Block C34 – D012 and D013 Pondok Labu Estate, that side by side with community's estate and the comlex of Pondok Labu village. Palm oil plantation on this area has been produce oil palm. The request for bussines cetificate in a form of letter from director of PT. Paripurna Swakarsa Number: 103/PSA/PSD-Bjb/XI/2012, on 13th November 2012 with a subject: business certificate request on behalf of PT. Paripurna Swakarsa.

During the Surveillance 3, company has earned technical advice fron Forestry Agency (doc 522/147/TGH/2014, 4/3/2014) as well as technical advice from mining agency (545/268-BP/DPE). However, there is no no follow up from the requested bussines certificate. After there is a reccomendation from National Land Agency of Kotabaru through a leter number 59/200.3/III/2014, on 5th March 2014, there are 4 main points that explained on the reccomendation letter. **Non-compliance No.2015.3**

Auditor's Observasion on 16th April 2015:

The positif progress over the registration of busines certificate has been proved, as a follow up over the coordination with the National Land Agency in 2014. the PSA's director has responded the letter from head of National Land Agency of Kalimantan Selatan in 2014. Letter number 227/PSA/UM/PSD/IV/2015, on 15th April 2015 has been submitted to the director of PT PSA. Company was asking advice in order to earn the supplementary document for business certificate registration over the area of 1,119.97 hectare. Based on the above explanation, then the **non-compliance No 2015.3 has been fulfilled.**

Insufficient evidance that the entire HGU stakes (large and small size) are in a well maintained condition. Field verification in Pondok Labu Estate shows that stake number 14 is broken, and stake number 62 and 63 are missing. **Non-compliance No.2015.4**

Auditor's Observasion on 13th March 2015:

HGU stake (small size) number 62 and 63 have been clearly demarcated. Moreover, the other 40 small size HGU stakes have been installed in Pondok Labu on 10th March 2015. Minutes of monitoring of HGU stake is available. Based on the above explanation, then the **non-compliance No 2015.4 is fulfilled.**

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Based on interview with the manager and PT. PSA staff, as well as verification with the local community through public consultation with committee and local community in Pondok Labu Village, Binturung Village, Sesulung Village and Rampa Village, it is known that during the audit S3, there was no land conflict or problem with the local community.

Verification on land tenure document and interview shown that company had taken the Free and Prior Informed Consent mechanism in order to get the land. Evidence for the Free and Prior Informed Consent mechanism, such as:

Location permit from Kotabaru Regent in 2006 for palm oil plantation over 1,514 ha, which located in Pamukan Selatan Sub-district and Pamukan Utara Sub-district on behalf of PT. Paripurna Swakarsa.

Identification record over community's plantation area, negotiation on land hand over and compensation, such as: a). Minutes of land compensation meeting, b). Compensation receipt, c). Land handover letter, d). Photos

HGU certificate No 14 for an area of 14,892 ha valid until 22nd November 2032 (35 years). There is an area that has not have the HGU about 1,109.97 ha. Company has requested the new HGU registration for this area.

Based on confirmation in public consultation by the auditor with administrator in Sesulung Village, Pondok Labu Village, Binturung Village and Rampa Village, it is known that there is no land tenure between company and local community. The entire land compensation and claim have been done in 2005.

For conflict resolution, there is an SOP 056.PSA.PK/C12, which was issued in April 2011. This SOP categorizes type of conflict (mild, medium & heavy) and the termination for the operational activity in conflict area based on advice from related agencies and management in the field, in case there is a conflict that need to be settled at the first place. Based on document's verification and information from management, it's known that until now, there is no potency for conflict or the ongoing conflict between company and other parties surround estate area.

Status: Complied

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.

Land use for palm oil plantation has not deducted the communal traditional right, in regard that PT. PSA's area does not has the traditional right, which is supported by the letter from National Land Agency of Kotabaru District, Kalsel Province No. 000/03/KP-10, on 2nd September 2010 regarding the traditional right/ indigenous right, which stated that so far there is no land under the communal traditional/ indigenous right in Kotabaru District.

Company's Social Impact Assessment (SIA) report stated that there is no communal traditional right within its estate area. The general land ownership is in an individual ownership that comes from heritage, trade, land clearing, forest opening and so forth. There is a land with personal ownership status, company has presented the compensation evidence.

The above statement has been confirmed in public consultation with the entire surrounding villages in PT. PSA, which presents that there is no violence over traditional right and based on company's regulation. Land ownerships within the plantation area are personal ownership, which generally comes from heritage, trade, land clearing, forest opening and so forth. Personal land ownerships, which become plantation area, have been compensated in accordance with the signed agreement.

Status: Complied

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.

Company drafted the short-term plan in budget document 2014/2015, and the long-term plan stated in the long-term projection plan 2015-2019. This document consists of manpower information, building location, daily and monthly salary for SKU staff, the component of salary, fertilization history, analysis/evaluation on the need of FFB's transportation, the analysis of estate cost, including the long range replanting. The budget document has been drafted and available in each estate (SSE, BNE, PLE and RPE). Projection on budget document 2014/2015 has been available and explained the production of CPO and kernel, processing target, recapitulation of operational cost, as well as the projection for long range replanting that is more than five years, from 2015/2016 to 2029/2030.

The replanting plan for estates:

- Binturung Estate will be started in 2015/16
- Sesulung Estate will be started in 2017/18
- Pondok Labu Estate will be started in 2019/20
- Rampa Estate will be started in 2019/20

Status: Complied	
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PRINCIPLE #4 Use of appropriate best practices by growers and millers
4.1
Operating procedures are appropriately documented and consistently implemented and monitored.

Company has a documented procedure, such as the document of agricultural reference manual doc 110/EST-ARM/13, which has been approved on 16th September 2013 by Mohd Ghazali Yahaya who manage the entire agronomi operation activity. Based on interview with spraying and harvesting personnel, its known that personnel have earned training and knew the correct work procedure based on the existing SOP.

Company has the SOP for palm oil management system No. Policy 110/POD-FAC/07, which approved by Mill Manager and GM Mill Area Pondok Labu PT Paripurna Swakarsa. The SOP has 2 chapter, which consists of three main part,

1. Technical guidance for maintaining the mill's machine.
2. Technical guidance for boiler's maintenance.
3. Mill's administration procedure.

Based on interview with fertilization personnel and disc spraying team in Binturung and Pondok Labu Estate, its known that personnel understand the existing procedure. Visit to mill in order to review the grading process, sterilizer station and boiler showed that personnel have understand the work procedure based on the existing SOP.

Mill's operational report is made in a daily, monthly and being summarized annually.

- Daily production report, from fruit acceptance, process and cpo production, for instance on 16th February 2015. The certified FFB amount 768,390 kg and for the non-certified 14,380 kg, for the generated CPO amount 171,152 kg and 3,203 kg non-certified CPO 617 kg non-certified PK.

- fruit acceptance letter, is mared with CERTIFIED and NON CERTIFIED sysmbols, for instance: on 13th February 2015 from KKPA Sungai Cengal amount 5,990 Kg (Non-Certified FFB) and Rampa Estate (certified FFB) amount 5,080 kg. Evaluation on estate operation and mill are conducted and reported regularly, at least every once a year by the Plantation Advisory and Mill Advisor in a form of Plantation Advisory field visit report for each estate and Mill Visit Report.



PT. PSA has recorded the entire operation acitivity in monthly report that has been made for the entire management unit: in estate and in mill, that explain the entire operation acitivity record, the operational cost and evaluation from manager related to issues that are not inline with the target. Moreover, the record for operation activity has been made in a daily basis. For instance the daily production report, from accepting fruit, process up to CPO production. On 16th February 2015 the certified FFB amount 768,390 kg and for the non-certified 14,380 kg, for the geenrated CPO amount 171,152 kg and 3,203 kg for non-certified CPO 617 kg non-certified PK.

Status: Complied

4.2

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

Company has conducted the periodic leaf and soil analysis, such as soil analysis every five years and for leaf analysis every year. The latest soil analysis was in 2007-2008, which inform the soil texture, pH, organic material (N,P,K,C,Mg, Ca, Na, BS, CEC, Al and H). Moreover, there is a leaf analysis result in 2014 that is conducted in each management unit in order to measure the organic material such as N, P, K, Mg, Ca and B.

There is a record for each activity that was intended to increase soil fertility in PT. PSA, such as:

- Fertilization recommendation (type and dose), which is implemented in each estate based on soil analysis (including soil type). Leaf analysis, plantation age, production and climate (rain rate).
- There is a record for fertilization that has been conducted from July 2014 to June 2015, for instance in Binturung Estate the total recommendation for fertilization in 2014/2015: NK Blend (1,414,301 kg), Rock phosphate (619,191 kg) and Borate (38,267 kg). the implementation of fertilization in Binturung Estate until January 2015 is NK Blend (1,414,301 Kg) and Rock Phosphate (257,779 Kg)

PT.PSA is increasing the soil fertility by using the organic material, such as using the empty fruit bunches and waste application. For instance in Pondok Labu Estate for period June 2014/July 2015:

- There is a reccomendation for the application of empty fruit bunches with the total reccomendation 18,090,693 Kg and has been implemented until January 2015 with the total 9,883,710 Kg of empty fruit bunches.
- There is a reccomendation for the application of effluent with the total reccomendation 196,249 M³ and telah has been

implemented until January 2015 with the total 131,186 M³

Based on field visit to Binturung Estate Division 3 Block I22, there is an application of empty fruit bunches, which inline with the existing SOP.

Status: Complied

4.3

Practices minimize and control erosion and degradation of soils.

PT.PSA presents map of soil type that consists of SPL 1 up to SPL9 (scale 1:35,000). SPL in this perspective is soil seri MM-02 with a certain slope and certain broad.

Company has the guideline for sustainable plantation management, with policy number 724/TQEM-SPMS/09 that consists of protection policy on sloping and river supporting area. This policy based on President Decree No. 32 in 1990. This guideline regulates:

- (a) Soil with sloping >40% is allocated as an alternative (not being planted). In case the company wants to plan this area, then the recommended plantation is forest plantation.
- (b) The left and right side of the river has been managed as the riparian area, the broad agreed riparian area is 100 m meanwhile the agreed riparian area for creek is 50 meters.

There is a topography map for each estate (scale 1: 35,000), so company has the picture of topography condition. For instance the topography condition for Sesulung estate: 0 – 3 % (1,016.04 ha), 3 – 8% (566.06 ha), 8 – 15 % (2,555.97 ha), 15 – 30 % (184.26 ha).

There is a record for road maintenance plan and actual maintenance, which was recorded in monthly report in each estate for the entire road, such as: road access, main road and collection road. road maintenance has been conducted manually, mechanically as well as through road pavement.

Based on field visit to Binturung Estate and Sesulung Estate, its known that the existing road is in a well maintained.

Based on soil map and field visit within PT. PSA area, there is no swamp, so there is no program that related to swamp and the reduction of swamp surface area. However, in PT. PSA area, there are low areas, which makes PT. PSA uses the water management and has a planning program that related to tranches maintenance.

PT.PSA has a critical soil with a sandy type. Company has taken management strategy by giving the organic material to enhance soil fertility such as empty fruit bunches. For instance in Pondok Labu Estate for period June 2014/July 2015 there is a recommendation for empty fruit bunches with total recommendation 18,090,693 Kg which has been implemented until January 2015 amount 9,883,710 Kg. Based on field visit to Binturung Estate Division 3 Block I22, there was empty fruit bunches application that has been inline with the existing SOP.

Status: Complied

4.4

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

PT.PSA has the monitoring program for surface water quality, which stated in environmental monitoring plan that has been approved by the agribusiness bureau of Agriculture Department number 047/RKL-RPL/BA/III/1995 on 30th March 1995. The monitoring over surface water that has been targetted is Binturung river (headwater and downstream) and Cengal River (downstream); with a frequency every 6 months. community do not utilizing both rivers.

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Based on interview result, its known that river' water is utilized by community in Pondok Labu Village, such as Biyuku River. in March 2014 the Biyuku River has been planned to be monitored. Company has taken water sample from Biyuku River for laboratory testing. There is a monitoring record for river's water quality, for location, such as: Biyuku River, Separe River.

There is a monitoring record for monthly water level on water gate in semester II (July-December) 2014. Monitoring is conducted on: Pondok Labu Estate, Binturung Estate, Sesulung Estate, and Rampa Estate. Things that area monitored such as: water level (cm/dpt), the condition of water level, the condition of water gate, and the condition of waste trap.

There is a monitoring record for water quality for locations, such as: (1) Dam water PLE Div I – Div IV (Pondok Labu Estate), (2) Dam water SSE Div I – Div IV (Sesulung Estate), (3) Air Waduk RPE Div I – Div III (Rampa Estate), (4) Dam water Emplacement Rampa Estate, (5) Dam water BNE Div I – Div II (Binturung Estate), (6) Dam water Traksi Binturung Estate, (7) Dam water Bibitan Binturung Estate, (8) Dam Water Intake Pondok Labu Factory, (9) procesing water and domestic monthly supply. The monitored parameters such as: pH, BOD5, COD, TSS, NH3 as N, N Total, oil/fat, Cd, Cu, Pb, Zn, NO3-N, Cl, SO4, DO; refers to BML of Environmental Minister Decree No. 51 in 1995.

PT.PSA has a record for water management and water source maintenance. This is staed on the implementation of enviromental monitoring plan and environmental management plan in Semester II (October-December) in 2014 PT.PSA. the the management that has been conducted, such as :

- (1) Establish the IPAL instalation, which was intended to avoid environmental pollution. IPAL was conducted to ensure that the managed liquid water has a reduced pollutant material in it, before being applied to the environment. Based on BML for LA, BOD < 6000.
- (2) Establish the Water Treatment Plan installation, which will be used to protect water quality for the procesing in mill and for domestic purposes. Water in WTP is regularly monitored (once in a month).
- (3) Establish the Out Let or water throwing canal.
- (4) Establish Water Gate, which is functioning to control the availability of soil water.

There is a monitoring record for the quality of water in the site: monitoring well Block L 41 and Block M 40 Rampa Estate. The monitored parametes such as: pH, BOD5, DO, NO3 as N, NO2 as N, Cl, SO4, Cd, Cu, Pb, Zn; refers to to BML PerMenKes No. 416 in 1990 Attachment II.

PT.PSA has identified the available water sources. This has been stated in final report of HCV assesment PT.PSA, December 2009. The available water source within PT.PSA area such as: Binturung River in Estate Rampa, Biyuku River and Separe River in Estate Pondok Labu, Rambania River (Estate Sesulung), Saka Barat River (Estate Sesulung), Sembatu River (Estate Sesulung), Separe River (Estate Sesulung), Niko well's water source (Estate Binturung), Sopan Tempuro water source (Estate Binturung), Conservation on swamp ecosystem (Estate Binturung).

There is a periodic record for monthly liquid waste examination result from January to December 2014 by the commodity examination and environment laboratory, industrial research and standarization bureau, quality of climate and industrial examination division, ministry of industry in Banjarbaru-Kalimantan Selatan (accredited by KAN; KAN accreditation: LP-543 - IDN). There are examination dattas from January to December 2014 in Out Let pond before the effluent being flowed to land application area (pond 10). Based on document records over parameters' examination, its known that the quality of effluent in Pondok Labu Mill is inline with the applicable BML.

PT.PSA also has a monitoring record for water utilization for mill per ton FFB (Fresh Fruit Bunches) for period January-December 2014. Based on the existing data, its known taht the realization of water utilization for the last one year is under

the planned budget.

The Niko well's water source (Division I Block C20 Estate Binturung), Sopan Tempuro water source (Division I Block C18 Estate Binturung) is utilized by community from Binturung Village for drinking water, especially during dry season. However, there is no sufficient evidence for its management and monitoring. **Non-compliance No 2015.5.**

Auditor's observation on 20th March 2015:

Company has presented the evidence of water source's management as well as the monitoring over surface water quality through water quality examination. The examination on Niko well's water sample, sopan tempuro sample and binturung water sample has been conducted by the laboratory, which has the accreditation from KAN, such as PT. Sucofindo in Banjarmasin on 13rd March 2015. With the above explanation, thus **non-compliance No 2015.5 has been fulfilled.**

Company has presented the recapitulation of surface water utilization for palm oil management. For instance, the record in June 2014: water utilization for boiler was 15,405 M3; for processing was 14,237 M3 and for domestic purpose was 5,524 M3. Water utilization for boiler and domestic purpose in July - December 2014, with total water utilization was 178,525 m3, the average water utilization /ton FFB was 1.40 m3 air/ton processed FFB.

Status: Complied

4.5

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

The holistic pest management in PT.PSA has been regulated in SOP for agronomic manual reference for palm oil cultivation No. Policy; 110/EST-ARM/13 on 1st September 2013 in chapter 15 regarding the plantation protection.

Company has periodically monitored pest every month. There is a latest monitoring record for leaf eater caterpillar in January 2015 in Binturung Estate with the no attack (423.26 Ha), mild attack 0-2 caterpillars/midrib (61.96 Ha), medium attack 2-5 caterpillars/midrib (169.41 Ha) and heavy attack >5 caterpillars/midrib (267.01 Ha). Binturung Estate has conducted the control by using the Fulsfog with insecticide Decis/Matador within the total area of 348.82 Ha and total insecticide 70.50 L. The monitoring result on pest and disease in Pondok Labu is under the standard threshold, for instance monitoring result in January 2015 showed a result with no pest attack being recorded within the area of 3,249 ha and mild attack 0-2 caterpillars/midrib within an area of 246.79 ha.

Based on field visit at Block I21 in Binturung Estate, there was no pest not disease attacked the palm tree as well as the harvested palm oil fruit. Furthermore, there was a well maintained Nest Box. Company has cultivated the *beneficial plant* along the road side with *Antigonon leptosus*, *Cassia cobanensis* and *Turnera subulata* plantation.

PT.PSA has delivered training for its holistic pest and disease management personnel, which was conducted on 15-16th April 2014 with participant from the entire management unit of PT.PSA. Based on interview with spraying personnel in Labu Estate Division 2, it is known that the entire personnel has received training and have understood the applicable working procedure.

Company has monitored the toxicity of pesticide that has been used on the monitoring document of Pesticide Usage Per Hectare and Per Ton FFB Production, which explained the type of pesticide, the active material, total pesticide per month, broad of area, total monthly FFB, the active material per ha and active material per ton FFB.

Status: Complied

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4.6

Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

Based on visit to the agrochemical warehouse in Binturung Estate and Pondok Labu Estate, its known that the management unit used 9 types of pesticide, which have been registered in pesticide commission. For instance KENLON 480 EC (RI 01030120062433), Starane (RI. 0103011988854) and Matador (RI. 01010111984716).

Company has recorded the entire pesticide usage on its supervisor activity book, which being recorded in a daily basis and explained type of works, the application block, broad of application, number of personnel, type of pesticide and total pesticide. For instance in Binturung Estate Division 2 Block E23 type working types such as: disc spraying and harvesting path with a total area of 29.41 Ha, number of personnel is 5 persons, the utilized pesticide were Prima Up 9 L and meta prima 0.9 Kg.

Company has the Material Safety Data Sheet document for the used chemical material. The MSDS explains product identity, the physical and chemical information, the health hazard information, direction for first aid in a case of poisoning, safety direction as well as the usage direction. Company also has the list of pesticide, which explains type of pesticide, the active material, dose/ha, controlling target as well as the license number from pesticide commission. For instance Kenlon with an active material of Triklorpir butoksi ester 480 g/l, dose per ha 250-375 ml/Ha, the target for broad leaf weed and narrow broad weed with license number RI. 01301200622433.

Company has delivered training for spraying personnel, such as: training for harvesting path spraying & bufferzone zone on 26th January 2015 with total 17 participants in Pondok Labu Estate, training Best Practices Spraying has been conducted on 11th February 2015 in Binturung Estate with total 14 participants. Based on interview with spraying personnel in Pondok Labu Estate Division 2, its known that the entire personnel have received training and have understood the existing procedure.

The agrochemical waste management has been managed (Doc. Hazardous and non-hazardous waste management), used chemical packages should be washed, been damaged and been handed to the licensed collector. The hazardous waste from estate should be delivered to temporary storage in Pondok Labu Factory no more than 15 days.

Based on field visit to agrochemical warehouse in Pondok Labu Estate, there were pesticides, which categorized as type 1A WHO such as **Brodifakum**. Based on document's review on pesticide usage, pesticide with an active brodifakum material has not been used. For controlling rat attacks, company uses the natural predator such as *Tyto alba*.

Company is conducting periodic medical examination for spraying operators by examining the level of Cholinestrase. Medical examination result in 2014 shows that personnel in Pondok Labu Estate and Binturung Estate have cholinestrase level under the standard threshold.

Based on interview with spraying and fertilization personnel in Pondok Labu Estate and Binturung Estate, there was no pregnant nor lactating spraying personnel and personnel has understood the regulation that pregnant and lactating personnel should not get in touch and use chemical material on work.

Status: Complied

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

The occupational health and safety policy is available and has been approved by the Head Plantation Upstream Indonesia, in December 2011. This policy stated that the Plantation Upstream Indonesia (Minamas Plantation) is committed to provide and maintain a safe and healthy working environment in order to prevent work accident and unhealthy environment for personnel contractor, as well as visitors. The presented implementation, such as by conducting the Safety Briefing, which covers the establishment of company's occupational health and safety organogram in each estate and mill, by delivered *safety briefing*, and implementing the utilization of PPE.

Company has established the guiding committee for occupational health and safety organization in each management unit and has submitted the report of occupational health and safety organization's activity to related agency. The occupational health and safety organization meeting is conducted every month with subjects such as internal audit related to safety and healthy work environment, how to submit the occupational health and safety organization report to related agency and so forth.

Based on document's review on personnel social insurance payment receipt and list and list of personnel, its known that the entire personnel have been registered to personnel social insurance. For instance in January at Binturung Estate, there is payment receipt for 553 personnel on 05th February 2015.

Company has conducted the annual periodic medical examination for personnel with a high risk. Personnel showed the medical examination result for spraying personnel, fertilization personnel, mill's operation personnel, such as: respirometri, audiometri and cholinestrase examination. Company has not showed the follow up action for this medical examination result, for instacen on behalf of Juma Ati (Binturung Estate) and Tuah Rusani (Pondok Labu Estate). **Non-compliance No 2015.6**

Auditor's observasion**19th March 2015:**

Improvement has been dellivere in a form of mutation letter number 01/PLE-Int/III/2015 on 01st March 2015, which explains that Mr. Tuah Rusani has been mutated from fertilization team to maintenance team.

24th April 2015:

Company present the re-examination by company's physician (Dr. Andika Wirza) for Mr. Tuah Rusani for his lungs examination and the physician mentioned that Mr. Tuah Rusani is in a fit to work condition. **By this explanation, then the non-compliance no 2015.06 have been fulfilled, and henceforward will be observed especially on the next medical examination.**

Based on visit to the workshop, its known that the HIRAC (*Hazardous Identification Risk Assessment and Control*) is located in an easy to see location (at the wall). There were no revision on the existing HIRAC beacause there was no reduction on PT.PSA's operation activity.

The training program and human resources improvement for period 2014/2015 for PT.PSA such as, harvesting training, maintenance training, fertilization, spraying, OPT maintenance, emergency response, fire extinguisher training, SCCS, MSDS and handling chemical material, certification system and first aid. there are records for the delivered training, such as:

- Socialization for first aid that has been conducted for supervisor I, harvesting supervisor and maintenance supervisor with total participant of 9 persons in Division I and II Binturung Estate on 13th February 2015 and in Division 1 Pondok Labu Estate on 6th October 2014 with total 25 participants.
- Certificate for operator's occupational health and safety training, such as: certificate on behalf of Khaerul Anwar (the occupational health and safety certificate for diesel operator) No. Reg. 13.343-OPM.K3/PTP/IX/2013 on 2nd September 2013; certificate on behalf of Rafik Ananto (occupational health and safety certificate for grader operator) No. Reg. 25371-OPK3-PAA/VIII/2013 on 30th August 2013; occupational health and safety certificate on behalf of Narislalang (occupational health and safety certificate for compactor operator) No. Reg 25363-OPK3-PAA/VIII/2013 on 30th August 2013.

Based on interview with tractor operator, on behalf of Selamat, he mentioned that he has received training for heavy equipment operator, however, company has not presented the operator license for this person. Furthermore, based on field visit and document's review, company could not present the valid operator license for the entire boiler operator, whom works in the mill. **Non-compliance No 2015.7**

Auditor's observation on 20th March 2015:

- There is a mutation letter (02/BNE-Int/III/2015/s) dated 01st March 2015, which explain that Mr. Selamat has been mutated from tractor operator to water machine operator, thus the tractor operation position has been replaced by Mr. Miskariyanto with the mutation letter No 03/BNE-Int/III/2015/s on 01st March 2015. There is also an evidence that Mr. Miskariyanto has earned the license for lift and transport operator with the license number SIO 13.25378-OPK3-PAA/VIII/2013, which is valid until 30th August 2018.
the management unit has proposed training for operators who have not have the operator license to related agency through letter No 128/Est-ext/III/2015/s on 10th February 2015.
- The management unit has presented the operator license for steam vehicle, which is valid for boiler's operator, for instance operator license on behalf of Eko Prasetyo with steam operator license class I 4516.OPK3-PUBT-B.1/VII/2013, which is valid until 09th July 2018 and on behalf of Supangat with steam operator license class I 13.P.10.087 OPK3-PUBT-B.I/VI/2013 which is valid until 17th June 2018.

With the above explanation, thus the **non-compliance No 2015.7 has been fulfilled.**

Company has preparing its emergency preparedness and response, such as: emergency response, the establishment of emergency response team, training and simulation for emergency case. Based on field visit in the mill, there was a broken hydrant, furthermore, based on document's review on Check List for hydrant, there are 2 hydrant under maintenance such as in Loading Ramp and empty fruit bunches hut. Based on field visit to Binturung Estate and Pondok Labu Estate, it is known that the fire extinguishers are in a well maintained condition and there is a monthly monitoring check list for instance for fire extinguisher condition on the warehouse of temporary hazardous material and agrochemical warehouse.

company has provided the occupational health and safety tools as well as first aid tools. For instance on field visit to agrochemical warehouse, temporary hazardous material landfill and workshop, it is known that each of this place has have the first aid box. Furthermore, supervisors for spraying, harvesting and fertilization have had the first aid kit. Based on document's review on minutes of PPE's handover, the entire personnel have received PPE based on the existing HIRAC. However, the field visit to mill has shown that some of personnel who work in boiler did not wear PPE (ear muff/ear plug).

non-compliance No 2015.8

Auditor's Observation on 20th March 2015:

there is a minutes of PPE's handover such as earmuff handover to mill's personnel on 31st January 2015 on behalf of Rusdi from Proses Division I.
company has delivered the safety briefing and socialization for PPE's utilization and usage, especially for earmuff on 16th

February 2015, which was followed by 35 personnel, that consist of staff, supervisor and personnel from several Division. Based on the above explanation, thus **non-compliance No 2015.8 can be renewed, henceforward the implementasi will be observed on the next surveillance (Surveillance-4)**

Company has conducted monitoring for work accident through performance indicator board, which is updated everyday. The objective of this board is to see the number of work accident and number of lost days due to work accident. Company has reported the work accident to related agency every three-month along with the guiding committee for occupational health and safety report. However, the work accident for period January - June 2014 (Binturung Estate) and July-October 2014 (Pondok Labu Estate) have nt been submitted to related agency. **Non-compliance No 2015.9**

Auditor's Observation:

13th April 2015

There was an evidence for work accident in period January - June 2014 (Binturung Estate) and July-October 2014 (Pondok Labu) as well as work accident report for period January - March 2015 to manpower agency in Kota Baru District on 30th March 2015. Based on the above explanation, thus **non-compliance No 2015.09 has been fulfilled, henceforward the implementasi will be observed on the next surveillance (Surveillance-4)**

Status: Complied

4.8

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

Training program and human resources empowerment for period 2014/2015 for PT.PSA such as: harvesting training, maintenance training, fertilization, spraying, holistic pest and disease managment, emergency response, training for fire extinguisher, SCCS, MSDS and handling for chemical material, certification system and first aid.

there is a record for the implemented-training, such as:

- Fire extinguisher training, for instance in Pondok Labu Estate, which has been conducted on 5th July 2014 that have been followed by staf, supevisor and personnel, with total participants were 64. The training in Pondok Labu mill was conducted on 10th September 2014 with total 80 participants.
- Socialization for first aid for supervisor I, harvesting supervisor and maintenance supervisor with total 9 participants in Division I and II of Binturung Estate on 13th February 2015 and in Division 1 Pondok labu Estate on 6th October 2014 with total 25 participants.
- Training for operation activity, such as: fertilization training that has been conducted on 08th October 2014 in Division 1 Pondok Labu Estate with total 20 participants, disc spraying training & bufferzone area on 26th January 2015 with total 17 participants in Pondok Labu Estate, Best Practices Spraying training on 11th February 2015 in Binturung Estate with total 14 participants as well as training for holistic pest management has been conducted on 15-16th April 2014 wiht participants from the entire management unit in PT.PSA.

PT. PSA has a record for the implemented training with an objective to increase personnel's perfrmance, such as:

- Certificate for operator's first aid training: Certificate on behalf of Khaerul Anwar (occupational health and safety for Diesel operator) No. Reg. 13.343-OPM.K3/PTP/IX/2013 on 2nd September 2013; Certificate on behalf of Rafik Ananto (occupational health and safety for Grader operator) No. Reg. 25371-OPK3-PAA/VIII/2013 on 30th August 2013; occupational health and safety Certificate on behalf of Narislalang (occupational health and safety for Compactor operator) No. Reg 25363-OPK3-PAA/VIII/2013 on 30th August 2013;
- Minutes of MSDS training, first aid and best practice for spraying personnel.
- There was a certificate and first aid occupational health and safety for heavy equipment operator that was issued by the ministry of manpower and transmigration of Republic of Indonesia, for instance the certificate on behalf of Eko Prasetyo (steam vehicle operator) No. Reg. 13.4516-OPK3-PUBT-B.I/VII/2013 on 9th July 2013, certificate on behalf of Budi Rahman No. Reg. 6920/P3K/KK/63/2013 for first aid unit in on 6th September 2013, certificate on behalf of

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Saprudin (occupational health and safety for Diesel operator) No Reg. 13. 328-OPM.K3/PTP/IX/2013 and welder behalf of Ahmad Anang Fauzi No 566.1118/Pelatihan K3/X/2013 on 22nd October 2012 from Social and manpower agency.

- Minutes of simulation for fire extinguisher, there were training material, photos and attendance sheet.

PT.PSA gave promotion to personnel, which was granted through work performance appraisal, which was conducted directly by the direct supervisor on behalf of Guminten No. 034/SSE-Mts/VIII/2013 on 23rd Augustus 2013, who was promoted from childcare staff to teacher for kindergarten.

Company has drafted the SOP, which regulates the contractor's work Doc. PSA/SOP PKK on 1st December 2010 that has been approved by Estate Manager. This document explains the requirement for contractor, such as: personnel from contractor are mandatory to wear PPE. The personnel from contractor should obey the applicable regulation, drivers from contractor should have a driving license, the entire personnel from contractor must follow the applicable occupational health and safety regulation, keep the sound and safe working environment and in case there are misbehaving personnel, thus their contract will be reviewed.

Company presents the working agreement with contractor, for instance for renting heavy equipment No. 024/RPE/SPK-LKL/X/013 on 1st October 2013, on behalf of contractor CV Mandiri Putra Pratama. The working agreement stated the right and responsibility that should be complied by the contractor.

Company also requires contractor to provide the company of its business. For instance company showed the company profiles on behalf of CV Maghfirah and CV Cengal Muara Makmur. Both documents show company's data, legal document as well as list of personnel and experts.

Status: Complied

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.

Company has conducted the impact analysis that can be seen from:

1. The environment impact analysis document for estate and mill on behalf of PT. Laguna Mandiri, PT. Langgeng Muara Makmur, PT. Paripurna Swakarsa and PT. Swadaya Andika, that have been proved by head of planning bureau, secretary, secretary from capital commission, agriculture department No. 008/ANDAL/BA/II/1995 on 27th February 1995. The stated area within the environment impact analysis document of PT PSA amount 22,800 Ha, and the installed mill's capacity is 60 ton FFB/Hours
2. to support the environment impact analysis document, company also has the Social Impact Assessment (SIA) in 2010 which was drafted in a collaboration with the third party as a basis for managing the social impacts that were caused by company's operation activity.

the implementation of environment impact analysis document has been reported in the implementation report of environment monitoring plan and environment management plan, which periodically have been sent to related government office. Report for semester I in 2014 has been sent on 4th August 2014. Meanwhile the report for semester 2 in 2014 was available and will be sent. The environment monitoring plan and environment management plan for semester 2 in 2014, the environment aspect that was covered on the report, such as: 1) monitoring over the quality of air, noise, wave, and

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smell; 2) monitoring over the ambient quality of air; 3) flooding and monitoring over the watergate; 4) decline on the quality of soil's water and the quality of liquid and solid waste; 5) change on vegetation and wildlife; 6) social unrest; 7) the creation of work opportunity; 8) agriculture scheme; 9) erosion and sedimentation

However, the environment monitoring plan and environment management plan document does not have sufficient explanation based on the guideline stated on the some explanation stated on environment impact analysis document:

1. there is no monitoring data for erosion and sedimentation for semester 2 in 2014
2. there is no monitoring data for soil fertility (physicly and chemically) based on soil and leaf analysis
3. monitoring data over the quality of water and sedimentation in Binturung River

non-compliance No 2015.14

Auditor's Observasion on 20th March 2015:

Company has presented the improvement evidance for environment monitoring plan and environment management plan that has been inline with the environment impact analysis document , including:

- monitoring data for soil fertility (physicly and chemically) based on soil and leaf analysis
- monitoring data over the sedimentation in erosion prone area for semester 2 in 2014
- monitoring data over the quality of water and sedimentation in Binturung River for semester 2 in 2014.

With the above correction, the on-compliance can be closed, henceforward will be observed especially on its implementation's consistency.

until the surveillance S3, there is no revision on company's operational area as well as company's activity. Based on the scope of environment impact analysis document that has been approved for an area of 22,800 ha with 4 surrounding villages. Meanwhile, based on the implementation of environment monitoring plan and environment management plan for semester 1 2013, the broad of concession area is 16,012.11 ha with the total planted area 14,680.2 ha the total villages inside the PSA area amount 4 villages. Henceforward, there is no revision is required for the existing environment management document.

Status: Complied

5.2

The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.

inline with the previous audit result, company has conducted the identification acitvty for the protected species, rare species, or endangered species as well as the ecosystem with a high conservation value in 2009, which showed by the record/ wildlife and natural vegetation identification report as well as the identification report for high conservation value area within the PT. PSA's estate area.

Based on those document's review, PSA does not have the type of protected natural vegetation / or the one that listed on CITES, meanwhile for the type of protected wildlife, there are several protected mammals, such as: Bajing Kelapa (*Callosciurus notatus*), Sero Ambang (*Aonyx cinerea*), Sigung (*Mydaus javanensis*), Kijang (*Muntiacus muntjak*), Kancil (*Tragulus javanicus*); 7 species of birds, such as: Punai Besar (*Treron capellei*), Pekaka Emas (*Pelargopsis capensis*), Kipasan Belang (*Rhipidura javanica*), Kangkareng Perut Putih (*Anthrococerus albirostris*), Tiung Mas (*Gracula religiosa*), Burung Madu Sepah Raja (*Aethopyga siparaja*), Pijantung Kecil (*Arachnothera longirostris*); and 2 species of reptile, such as: cobra (*Naja* sp), crocodile (*Crocodylus* spp).

High conservation ecosystem within PT. PSA's operation area is 734.63 ha (4.93 % from the total working area) and the potential high conservation value area amount 1,585 ha (10.65 % from the total working area) with the detail as below:

1. High Conservation Value 1: Rampa (23.31 ha, potential 1,044.45 ha), Pondok Labu (potential 203.87 ha), Sesulung (7.15 ha, potential 224.80 ha) and Binturung (704.17 ha, potential 112.85 ha)
2. High Conservation Value 2: Rampa (potential 813.65 ha), Pondok Labu (potential 11.43 ha) and Binturung (626.65 ha)
3. High Conservation Value 3: Rampa (23.31 ha), Sesulung (7.15 ha) and Binturung (464.63 ha)
4. High Conservation Value 4: Rampa (23.31 ha, potential 3.31 ha), Pondok Labu (potential 142.03 ha), Sesulung (potential 154.93 ha) and Binturung (464.63 ha, potential 102.22 ha)
5. High Conservation Value 5: Binturung (25.12 ha)

Protection steps for rare species and high conservation area that have been conducted by company, such as:

1. Periodic monitoring on wildlife and natural vegetation as presented on the monitoring form for period July – December 2014 for Binturung and Pondok Labu Estate as samples.
2. Vegetation enrichment in bufferzone to reduce the erosion. in Pondok Labu Estate, total vegetation is 356 trees for cultivation period up to 2015.
3. The bufferzone marking in riparian area with a broad of 50 meters.
4. The installation of sign board and protection on HCV area (river, swamp, and forest area). Field verification in HCV swamp forest in Binturung and riparian area shows that the signboards have been well installed.
5. Socialization on HCV area to personnel and local community.

In general, company has undertaken efforts that inline with the applicable regulation based on the Law No. 5 in 1990 regarding the conservation on natural vegetation and its ecosystem, president Decree 32 in 1990 regarding the management for protected area and so forth. Verification in conservation of swamp area in Binturung and Rampa Estate showed that fishing in swamp area has been conducted in a correct way (using traditional hook) and not using the prohibited way such as by electrocuting or poisoning.

Company has delivered socialization for natural vegetation and wildlife protection as well as high conservation area to its personnel and local community, which can be seen from below documents:

- Letter No. 02/NKT-PSA/2011, on 3rd June 2011, subject: socialization for the installation of name board, information board and poster that have been showed to head of Sesulung Village, head of Pondok Labu Village, head of Binturung Village and head of Rampa Village.
- Attendance sheet for socializations that have been delivered to personnel and local community.
- Socialization on high conservation value area's management for local community through community meeting with community from Pondok Labu Village, Sesulung Village, Rampa Village. These meetings have been conducted separately on 15 & 20th August 2014, at estate office and school building in Pondok Labu.
- Record for the installation of HCV warning board and wildlife protection posters.
- Based on field visit in HCV area in Pondok Labu and Binturung Estate, it is known that the HCV board for riparian area and swamp area is in a good condition.

PT. PSA has appointed special officer in charge on monitoring the management of HCV area in each estate (through manager's appointment letter) for survey the plan and the management of species and HCV, such as: 1) Nur Ibnu Haryanto in Binturung Estate; 2) Basori in Rampa Estate; 3) Rahmansyah in Estate Sesulung; 4) Maryanto in Pondok Labu Estate. Special person in charge to monitor the implementation of HCV management in RPE, SSE, PLE, have received HCV training from certified internal trainer, Mr. Suprpto, as presented in the HCV training record in January 2015. Based on the above explanation, **non-compliance No 2014.8 has been fulfilled.**

Status: Complied

5.3

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

PT.PSA has a documented waste management plan as well as the its implementation, which based on the identification result to prevent and reduce pollution. All this documents can be seen on:

- (1) Environment monitoring report for the first three-months in 2014 PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 03rd April 2014. This document has a record for hazardous waste management record for first three-month report in 2014.
- (2) Environment monitoring report for the second three months in 2014 PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 04th August 2014 (accepted by: Rosida). This document has a record for hazardous waste management record for second three-month report in 2014.
- (3) Environment monitoring report for the third three-months in 2014 PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 05th October 2014 (accepted by: Hj. Wardiah). This document has a record for hazardous waste management record for third three-month report in 2014.
- (4) Environment monitoring report for the forth three-months in 2014 PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 09th February 2015 (accepted by: Novita). This document has a record for hazardous waste management record for forth three-month report in 2014.
- (5) Implementation report for the environment management plan and environment monitoring for period from January to June 2014 (Semester I 2014) PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 04th August 2014 (accepted by: Rosida). This report has a record of hazardous waste management for the first and second three-months report in 2014.
- (6) Implementation report for the environment management plan and environment monitoring for period from July to December 2014 (Semester II 2014) PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 09th February 2015 (accepted by: Novita). This report has a record of hazardous waste management for the third and forth three-months report in 2014.

PT.PSA has a working instruction /SOP for hazardous management. Company has SPOs for this issue, such as:

- (1) SOP with code PSA-PLF/K3L/008 regarding the process : storage for hazardous waste. SOP consists of: objective, scope, reference, definition, PPE, and procedure.
- (2) SOP for storing pesticide packages (Document RA 012); point 5.7 the empty packages should be handed to mill's warehouse for safety.
- (3) Working instruction for handling used pesticide packages (Number: 701/IK-PSA-ESH/10) that explains the empty packages should be send to washing station, henceforward to be cleaned (at least 3 times of drained) and the drained water should be collected in water container for reuse on spraying activity. After the packages are totally clean, thus to be sent to the temporary hazardous waste storage station.
- (4) SOP for hazardous and non-hazardous waste management (doc. 040/PSA-PL3/C9; on 1st December 2010). Reference: no. Kep-01/BAPEDAL/09/1995; Kep-05/BAPEDAL/09/1995; Kep-255/BAPEDAL/08/1996. This procedure stated that the entire hazardous and non-hazardous waste, which area generated by mill and estate activity should be temporarily collected in the licensed temporary warehouse (located in the mill) before sale.

PT.PSA has a license to store hazardous waste from related agency, such as: Reagen Decree No. 188.45 / 127 / KUM / 2011 on 08th March 2011 regarding the temporary hazardous waste warehouse license for PT.PSA in Pondok Labu Village Pamukan Selatan Sub-district Kotabaru District Kalimantan Selatan Province. Type of hazardous waste that being kept, such as: used oil, used accu, majun fiber, used bulb. Number of temporary landfill is 1 unit, located in mill's area (Pondok Labu Mill). Coordinates of temporary landfill are: 02° 28' 27,0" LS and 116° 30' 26.0" BT. Size of temporary landfill: 4 m x

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2 m x 3 m. Valid for five years since the issuance (valid until 08 March 2016). The storage duration for hazardous material is: 180 days, with requirement that the generated hazardous waste < 50 Kg/day. The basis of the regulation for this procedure comes from:

- (1) Decree from head of Environment Management Agency No Kep-01/Bapedal/09/1995 on 5th September 1995 regarding the procedure and technical requirement for hazardous waste storage and collection; including treatment and necessary activities that should be taken by PT.PS, such as: Pre-packaging for hazardous waste, the packaging for hazardous waste, and warehouse for hazardous waste.
- (2) Decree from head of Environment Management Agency No: 255 in 1996 regarding the mechanism and requirement for storage and collection of used lubricants oil; including treatment and necessary activities that should be taken by PT.PS, such as: mechanism to store used lubricant oil, and requirement for warehouse building.

PT.PSA's responsibility:

- (1) Hazardous waste may only be handed to licensed hazardous waste collector, transporter or processor, which earned the license from related agency.
- (2) Records : characteristic, type, source, type and number of generated hazardous waste (Ton/Month).
- (3) Records: type, characteristic, and total managed and sold hazardous waste to the third party (Ton/Month).
- (4) Records: type, characteristic, and total of un-managed hazardous waste (Ton/ Month).
- (5) Records: hazardous waste acceptance and deliverance to hazardous waste processor or user.
- (6) Records: treatment for the un-processed hazardous waste.
- (7) Reports the hazardous waste storage activity every six months to Local Environment Agency in Kotabaru.

PT.PSA has a monitoring document/ waste analysis document, in a form of hazardous waste mutation record, such as hazardous waste balance. The record was made every once a month and the result will be reported to related agency every three months. The monitoring record/ waste analysis is available for the last year period.

Based on field observation in IPAL installation, there is no leaks waste. The company also has do stockpiling around the waste liquid (POME) pool and field visits in the housing worker Division 2 of Pondok Labu Estate, domestic waste management done by means of gathering trash in a place prepared and transported to a disposal place once a week.

non-compliance No 2015.13 :

- (1) Hazardous waste marking system is inconsistent. During the field visit to hazardous waste in mill, auditor found the hazardous waste with label that not inline with the requirement from environment ministry decree No. 14 in 2013.
- (2) The infectious hazardous waste in polyclinic Pondok Labu Estate does not have a symbol and label that in accordance with the requirement from environment ministry decree No. 14 in 2013.
- (3) Based on field visit to Binturung Estate, there is a reuse of pesticide package as a water jar to carry the water to disc spraying location, however, the management unit cannot present the monitoring evidence over this used pesticide packages.
- (4) The infectious hazardous waste has not been recorded in monthly hazardous waste balance.

Auditor's observation on 20th March 2015:

PT. PSA has delivered the evidence of improvement on 13rd March 2015 such as:

- (1) Installation of hazardous waste label on the entire generated hazardous waste.
- (2) The infectious hazardous waste in polyclinic of Pondok Labu Estate has been packaged and completed with symbol and label in accordance with the regulation stated in Environment Ministry Decree No. 14 in 2013.
- (3) Monitoring for the entire hazardous waste including the pesticide packages. Monitoring (by issuing the incoming and outgoing balance in a form of supplementary warehouse card, as well as minutes of hand over for packages waste)

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<p>of used pesticide packages, which are being used to carry water for disc spraying activity.</p> <p>(4) The infectious hazardous waste has been recorded in hazardous waste monthly balance.</p> <p>Based on the above explanation, thus the non-compliance No 2015.13 has been fulfilled.</p>		
<p>Status: Complied</p>		
<p>5.4</p> <p>Efficiency of energy use and use of renewable energy is maximized.</p> <p>Company has recorded the utilization of diesel fuel and fossil fuel usage as well as the generated energy. The generated energy from fiber and shell usage (August 2014) 389,960 Kwh. The total renewable energy from fiber is 3,173,492 kg and shell 1,700,085 kg. Monitoring on diesel fuel utilization (August 2014) 14,753 liters, which generated 39,050 Kwh. The average usage of diesel fuel is 0.37 liter/kwh.</p> <p>Field visit to mill shows that company has optimized the fiber and shell utilization (solid waste).</p>		
<p>Status: Complied</p>		
<p>5.5</p> <p>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.</p> <p>Until the S3 surveillance, there is no expansion for new estate area within PT. PSA. The latest cultivated area in 2014 amount 15.66 Ha was the re-utilization of the existing area.</p> <p>Field visit to mill shows that hydrant in sterilizer station and near the boiler is broken. Not sufficient evidence to show that the fire extinguishing tools are in a good condition and well maintained. Non-compliance No 2015.10.</p> <p>Auditor's observation on 20th March 2015:</p> <p>PT. PSA has conducted improvement by sending the evidences on 13th March 2015, such as:</p> <ul style="list-style-type: none"> - Hydrant improvement in sterilizer and boiler station (documentation is available). - Check list for hydrant examination (Checklist Box, Nozzle, and Hydrant hose) on 28th Feb 2015 and APAR on 6th Jan 2015. <p>Based on the above explanation, thus non-compliance No 2015.10 has been fulfilled.</p> <p>PT.PSA has an evidence for the implementation of zero burning approach, for instance the fire prevention and management record, fire monitoring and its report for activity on semester I and semester II in 2014. There is a receipt for fire prevention, management and monitoring report for semester I and semester II in 2014 to plantation agency in Kotabaru District: for Semester I on 21st July 2014 (received by Mia), and for semester on 23rd January 2015 (received by Desi). The report consists of: (1) procedure for fire management, (2) structure for fire extinguisher, (3) Check List for fire extinguisher tools, (4) map of fire prone areas and water source, (5) simulation program for fire extinguisher and its implementation, (6) field fire monitoring report, and (7) Evaluation. On a fire monitoring report it is known that in semester II there was a fire in PT.PSA location, with the unknown source, however PT.PSA has checked and reported this incident to related agency.</p> <p>PT.PSA has a procedure for fire management PM 0800 on 11th July 2012, which regulates the effort to manage fire, including:</p> <ol style="list-style-type: none"> 1. Preparation: the establishment of fire fighting team, preparation and maintenance for water source, make a map of water location, list the prone area, establish warning marks, and establish fire tower, fire extinguisher tools. 		

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2. Fire fighting team: chairman (EM), the existing patrol team, periodic training for fire extinguisher, training for wardens on fire monitoring.
3. Fire control: location is outside the estate area (200-1000 meters away from estate, team makes a report to village administrators), distant from estate < 200 m, team monitors the nearest estate location from fire spot. Fire extinguisher procedure and post-fire treatment.
4. Administration and Reporting: the entire fire accidents should be reported using the format A (within the estate area), and format B (outside estate area and it surrounding), early report to team chairman should be done at least 15 minutes after fire occurrence, minutes of fire will be prepared immediately, furthermore to be signed by head of estate and local administrators, thus the report will be submitted to: head of village, head of sub-district, head of local police office, head of local army office, head of local environment agency, environment institution and other responsible parties.

PT.PSA also has:

- (1) SOP Number PLF/SOP.ESH/14 on 11th January 2011 regarding the emergency response. Part F SOP explains the fire management in work location and work environment.
- (2) SOP Number 7302/PSQM-ESH/14 on 07/08/14 regarding the fire prevention and fire extinguisher.

PT.PSA has fire prevention and fire extinguisher infrastructure and facility, which are available in each estate per semester I 2014.

Company presents the personnel working agreement in 2013- 2015. Working agreement has been approved by relevant agency. Personnel salary in 2015 refers to Kalimantan Selatan Governor Decree (Number 188.44/0633/KUM/2014) with a minimum wage of IDR 1,913,000/month. General Manager of Resources Management has set the lowest wage is IDR 1,913,000, - /month. The basic wage in 2015 is valid from 1st February 2015. The salary was increased in January 2015 and the increasement will be paid along with salary in February 2015.

Based on interview with personnel in Binturung Estate and Pondok Labu Estate, its known that personnel have known the minimum wage and it is inline with the applicable regulation.

Based on field visit, its known that water comes from mill's dam and electricity comes from generator, which is provided by company. Based on interview with personnel at pondok labu housing, the residents mentioned that company has provided sufficient infrastructure and facility.

Status: Complied

5.6

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

PT.PSA has a monitoring report for emission quality that comes from pollution and emission source, such as:

- (1) Environment monitoring report for the first three-months in 2014 PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 03rd April 2014. This document has a record for hazardous waste management record for first three-month report in 2014.
- (2) Environment monitoring report for the second three months in 2014 PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 04th August 2014 (accepted by: Rosida). This document has a record for hazardous waste management record for second three-month report in 2014.
- (3) Environment monitoring report for the third three-months in 2014 PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 05th October 2014 (accepted by: Hj. Wardiah). This document has a record

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for hazardous waste management record for third three-month report in 2014.

- (4) Environment monitoring report for the forth three-months in 2014 PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 09th February 2015 (accepted by: Novita). This document has a record for hazardous waste management record for forth three-month report in 2014.
- (5) Implementation report for the environment management plan and environment monitoring for period from January to June 2014 (Semester I 2014) PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 04th August 2014 (accepted by: Rosida). This report has a record of hazardous waste management for the first and second three-months report in 2014.
- (6) Implementation report for the environment management plan and environment monitoring for period from July to December 2014 (Semester II 2014) PT.PSA. has been submitted to Environment Agency in Kota Baru District, KalSel Province, on 09th February 2015 (accepted by: Novita). This report has a record of hazardous waste management for the third and forth three-months report in 2014.

There is a periodic monitoring report for the quality of emission that comes from emission and pollution source per semester. PT.PSA has the latest record in a form of record of the second semester in 2014 (on 22nd January 2015). The examination was conducted by HIPERKES and work safety bureau, manpower and transmigration agency, provincial government of Kalimantan Selatan (this has not been accredited by KAN). However, the parameter of NH₃-N and TSS effluent in December 2014 (Semester II) has not been evaluated yet. **Non-compliance No 2015.12.**

Auditor's observation on 20th March 2015:

Company presents the evidence of complete and sufficient effluent measurement, which inline with the requirements on 13th March 2015, such as: effluent examination report for December 2014. Based on the eabove explanation, thus the **non-compliance No 2015.12 has been fulfilled.**

PT.PSA has a procedure for emission inventory and measurement, GRK (No. Policy: 700/PSQM-GRK-01/12), list of GRK source, such as:

6.1.1. List of emission sources from estate operation activity:

1. Revision on land cover: difference between time average C stock over the land between original plantation before the land clearing and palm oil.
2. Utilization of current area: fertilizer utilization (N₂O), the change on soil C_{ORG} (CO₂), land management (CH₄), cultivation in swamp area (CO₂ & CH₄).
3. The utilization of diesel fuel for operating the generator and heavy equipment (CO₂).
4. Transportation of FFB from estate to mill (CO₂).

6.1.2. List of emission sources from lam oil mill's operation (mill).

1. The utilization of diesel fuel for operating the generator (CO₂)
2. The utilization of fiber and shell for boiler's operator and generator (CO₂)
3. The utilization of electricity for mill's operation
4. Kernel separation
5. POME waste disposal (CH₄ & CO₂)
6. Transportation of CPO and PKO to refinery station or port (CO₂)

Estate:

Identification on pollution and emission sources. Type of pollution: air pollution and noise (sources: truck, heavy equipment, light vehicle, generator machine, Dongfeng machine). Causes: disposal gas from vehicle and sound from

machine.

Company can not show the evidence of KAN accreditation for examination laboratory at HIPERKES Beureau and work safety, manpower and transmiration agency, Kalimantan Selatan Province. **Non-compliance No 2015.11.**

Auditor's observation:

13th April 2015

There is a governor decree number 8 in 2008 regarding the establishment of organization and work procedure for tehcnical implementation unit and bureau in Kalimantan Selatan Province, based on this decree, HIPERKES and work safety bureau has been acknowledged by the provincial government. **Henceforward, the non-compliance No 2015.11 is closed.**

PT. PSA has a methodology for processing the POME, such as:

- Technical guideline for palm oil mill (No. Policy: 110/POD-FAC/07) part III. The management for effluent. In sub part 3.1.2 the potency of liquid water comes from 3 locations:
 - Waste water condensate from boiling station (Sterilizer)
 - Waste water from clarification station (Clarification)
 - Waste water Hydricyclone/Clay Bath from Kernel station
- Agronomic manual reference (No. Policy: 110/EST-ARM/08) part 8.3 fertilization for palm oil cultivation, liquid waste application (POME) with the application dose:
 - Coastal Soil: 360 liter/tree/year (2x applications)
 - Inland Soil: 550 liter/tree/year (2x applications)
 - Irrigation System: 750 ton/ha/years (3-4x applications)

Based on Flow Chart Material Balance, in 100% FFB will generate 60% POME.

Identification and monitoring record of POME by PT.PSA such as monitoring on:

(1) IPAL (installation for the management of effluent). IPAL Pondok Labu Mill consists of 10 ponds, which have completed with the Layout waste pond. With parts such as:

1. 2 Cooling Ponds with capacity 1,100 m³/ pond,
2. 2 Mixing Ponds with capacity 1,100 m³/ pond,
3. 2 Aerobic Ponds with capacity 6,250 m³/ pond,
4. 2 Anaerobic Ponds with capacity 20,000 m³ (pond 1) and 15,300 m³ (pond 2),
5. 2 Application Ponds with capacity 8,750 m³ (pond 1) and 9,000 m³ (pond 2).

POME sedimentation process by using the anaerobe system and has 6 pump machines.

Circulation pump, which flows the effluent from pond 5 to the next pond, has a pump capacity of 30 ton/hour.

Circulation pump, which flows the effluent from pond 8 to pond 5 and 6 (assistance for liquidating process) has a pump capacity of 30 ton/hour, 1 unit is available.

The application pump flows effluent from pond 10 to Land Application with a capacity of 45 ton/hour (2 units).

1. PT.PSA has a record related to POME identification and monitoring report; in a form of generated liquid waste volume report and effluent that is flowed for the land application activity. There is a record for period January - December 2014.
2. There is a monitoring in a form of IPAL periodic monitoring (daily); being recorded in waste pond examination. Things that area being examined, such as: (1) dike leaks, (2) water level to dike, (3) Scum layer (bouy), (4) pH, (5) condiion

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of application pump, (6) condition of circulation pump, (7) Stand by pump, (8) lighting, (9) pond's fences, (10) grass cut.

Status: Complied

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.

the management of estate, which has a social impact has been identified,. This can be proved by below records:

1. Environment impact analysis report for PT Paripurna Swakarsa (PSA) that has been approved by head of planning bureau, secretary, secretary from capital commission, agriculture department No. 008/ANDAL/BA/II/1995 on 27th February 1995. This document states some positive and negative aspects for social environment, which will be monitored and managed by the company.
2. Evaluation on Social Impact Assessment report, which conducted by company in a cooperation with the third party in 2010, that generated some recommendations for management, such as:
 - Appoint staff/ division in charge for communication with the stakeholder.
 - Make a SOP for external communication, which functioning as guidelines for public relation to communicate with stakeholders.
 - Make a Division or special staff in charge for managing the CD/CSR.

Both documents have an evidence for the implementation of participatory social impact study by involving local community surround estate and other relevant stakeholder.

as an evidence for the implementation of monitoring over social impact, company has a report for the implementation report for environmental management and environmental monitoring, such as the environmental management plan and environmental monitoring plan for first and second semester in 2014. The implementation of environmental management plan and environmental monitoring plan show that the social impact assesment has been conducted participatory by distributing questioner to local community in surrounding estate area (40 respondents) inline with the environmental impac analysis guideline.

Question result thus being processed and analysed in environmental management plan and environmental monitoring plan document, which show that in general there is no conflict in the community, thus the positive impact over the presence of company is outweigh the negative impacts. In order to increase company's performance, then the communication and consultation with local community will be increased and involving ocal community and ensuring their representativeness in periodic social impact monitoring (OFI 2015.1).

As a commitment to empower local community, company has conducted plantation with a plasma scheme in Binturung Village, Sesulung Village and Pondok Labu Village, which all under the management of KKPA Cengal River. In general, the total involved plasma stakeholder are 870 households with details, such as: 260 households from Binturung Village, 272 households from Pondok Labu Village and 338 households Sesulung Village. There is a report in a form of data over the implementation of plasma plantation scheme in KKPA – ASC (Sungai Cengal) with total area 1,249.53 hectare.

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As part of company's attention toward the plasma plantation scheme, PT. PSAA has conducted analysis over HCV area as well as conducted analysis over Social Impact Assessment (SIA) for plasma plantation scheme in KKPA Sungai Cengal with a collaboration with the Bogor Agriculture Institute to identify the entire social aspect from KKPA Sungai Cengal. the HCV analysis document and SIA document are available. NKT over an area of 41.92 hectare or 0.75% from the KKPA area with HCV type 1.3. and HCV type 4.1.

Status: Complied

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.

as a guideline for communication and consultation with stakeholder, company has the SOP for communication and consultation (**PSA/SOP DK**), on 11th April 2011, which consist of: types of communication, the consultation record process and facilities for consultation. Moreover, there is a SOP related to conflict resolution with community on 09th April 2011 which regulates the complaint submission mechanism to company as well as complain response for community.

in order to enhance the effectiveness of communication, company has the list of estate stakeholder, such as: 4 (four) community leader in village and sub-district level, 9 (nine) village and sub-district officials, 17 government office in District level, 3 (three) and 8 (eight) national institution (Jakarta), neighboring companies, and local NGO such as Lamas NGO, Gasak NGO, Anak kaki gunung Sebatang as well as 23 vendors/ institutions.

in order to record community's aspiration, there is a *logbook* for stakeholder aspiration, in a form of incoming and outgoing letter as well as the responses. In Pondok Labu estate, for period 2014-2015 there are 14 incoming letters from village, 13 incoming letters from related institution. Mostly the incoming letters are in a form of proposal and information requests. The entire incoming letter have been well responded. However, based on verification with local community, there is an aspiration letter from community that has been responded by company, but not inline with the SOP for communication and consultation. For instance letter about additional incentive for Mr. Mudim and electric machine operator in Sesulung Village, which has been submitted in October 2014. **Non-compliance No 2015.15**

Auditor's observation:

13th 2015:

There is a letter from Sesulung Estate manager to head of Sesulung Village related to grant request for increasing honorarium for Mr. Mudim & electric operator (letter No 212/SSE-ds.slg/III/2015, on 11th March 2015). Furthermore, there is an evidence that head of Sesulung Village has received the letter on 25th March 2015. Henceforward, **non-compliance No 2015.15 is closed.**

for Binturung Estate, there is a registration book for the incoming and outgoing letter to record the incoming aspiration letter and its response. For period 2014-2015, there are 16 incoming letter from Binturung Village and its surrounding. The entire letters have been well responded.

Regarding to the applicable job description, estate and mill's manager and head of estate/mill's division are person in charge to conduct communication and consultation with local community. Moreover, daily communication is assisted by estate assistant, especially for estate which is close to the surrounding villages.

Company has a policy that each estate/ mill has its own pilot village, which is located near to each estate. The entire

communication and consultation with local community is a responsibility of the pilot estate and mill.

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Status: Complied

6.3

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

Inline with the previous surveillance, company has the SOP for community's complain management, which has been revised (document no. PSA/SOP MPK, revision 01), SOP for communication and consultation has been revised (document no. PSA/SOP DK, revision 01), and SOP for conflict resolution (document no. 056.PSA.PK/C12).

Company has socialized some procedure for stakeholders, for instance the minutes of socialization and attendance sheet in 2013 in each surrounding villages

Based on confirmation from village administrators in surrounding estate, such as Sesulung Village, Rampa Village, Binturung Village and Pondok Labu Village, its known that company has applied the dialogue and discussion mechanism for conflict resolution with local community. For instance the resolution for land tenure with community in Pondok Labu Village and Sesulung Village in 2005.

In order to record the incoming complain and objections, company has a complain and objection record book in each estate.

In 2014, Pondok Labu Estate and Binturung Estate do not have a recorded complain. For period 2013, there are a record for complain/ objection related to the additional electricity active time in SSE housing for 1 hour, such as from Sunday to Friday morning from 03.00 Wita to 05.45 Wita and in the afternoon from 18.00 Wita to 23.00 Wita. Meanwhile for Saturday morning from 03.00 Wita to 06.00 Wita and in the afternoon from 18.00 Wita to 24.00 Wita (on 8th July 2013). Based on interview with personnel in Div 1 SSE, the request for roof has been responded and followed up by company.

Inline with the previous surveillance, there is an SOP for identification and land compensation standard (**001/PSD-L&AS**) on 3rd June 2011, which covers the information about land compensation and the calculation based on standard stated on SOP for information request, which was issued by government of Kota Baru District. Related to the calculation of compensation, company can present the evidence in a form of record, such as: a). Land compensation record, b). Land handover letter including persil map for land handover c). Photos of land handover process.

Status: Complied

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.

Inline with the previous surveillance, company has a procedure for calculating and compensating the legal hand over of land in a form of SOP for identification and land compensation standard (**001/PSD-L&AS**) on 3rd June 2011, which was drafted by PSD and refers to land compensation, which was issued by government of Kotabaru District, there is no revision on the existing procedure.

Until the current surveillance, there is no latest compensation for land handover. Scope of the surveillance remains the

same with the previous surveillance.

Status: Complied

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.

There is a facility and infrastructure for personnel wellbeing (housing, policlinic, worship venue, education center, and sport facilities). All their facilities and infrastructures are in a well-maintained condition and ready to use. These facilities and infrastructures are available in each estate and mill.

Company has drafter the SOP, which regulates the contractor's work Doc. PSA/SOP PKK on 1st December 2010 that has been approved by Estate Manager. This document explains the requirement for contractor, such as: personnel from contractor are mandatory to wear PPE. The personnel from contractor should obey the applicable regulation, drivers from contractor should have a driving license, the entire personnel from contractor must follow the applicable occupational health and safety regulation, keep the sound and safe working environment and in case there are misbehave personnel, thus their contract will be reviewed.

Company presents the working agreement with contractor, for instance for renting heavy equipment No. 024/RPE/SPK-LKL/X/013 on 1st October 2013, on behalf of contractor CV Mandiri Putra Pratama. The working agreement stated the right and responsibility that should be complied by the contractor.

Company also requires contractor to provide the company business profile. For instance company showed the company Profiles on behalf of CV Maghfirah and CV Cengal Muara Makmur. Both documents show company's data, legal document as well as list of personnel and experts.

Company has a commitment related to personnel age. The required age for personnel are at least eighteen years old. This regulation is stated in Child Protection Policy-the CPP No. POD-UM-052/III/2010.

Related to mutual work agreement in 2012-2014 Bab IV work relation, article 16 personnel recruitment. Point 1.2 regarding the general requirement, which should be complied by applicants, such as:

- Indonesian
- At least 18 years old during recruitment or married
- Physical and psychological fit to work.
- Meet the required criteria for the applied position.

Company can present the personnel working agreement in 2013- 2015. Working agreement has been approved by relevant agency. Personnel salary in 2015 refers to Kalimantan Selatan Governor Decree (Number 188.44/0633/KUM/2014) with a minimum wage of IDR 1,913,000/month. General Manager of Resources Management has set the lowest wage is IDR 1,913,000, - /month. The basic wage in 2015 is valid from 1st February 2015. The salary was increased in January 2015 and the increasement will be paid along with salary in February 2015.

Based on interview with personnel in Binturung Estate and Pondok Labu Estate, its known that personnel have known the minimum wage and it is inline with the applicable regulation.

Based on field visit, its known that water comes from mill's dam and electricity comes from generator, which is provided by company. Based on interview with personnel at pondok labu housing, the residents mentioned that company has provided sufficient infrastructure and facility.

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	Status: Complied	
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.		
<p>Company never prohibits the establishment of worker union. Mutual work agreement (2013-2015) explains that company acknowledges the existing worker union (Bab II article 5). Worker union SSE 'pekerja mandiri' has been registered in related agency (SK 568/095/SP/DISSOSNAKERTRANS on 27th September 2012). President of worker union is Mr. Rahmansyah, vice-president (Slamet A), secretary (Andi Awaludin), treasurer (Gunawan) and some other division such as religion, sports and arts, health, public relation, security, advocacy and BPK. Moreover, the worker union in Binturung Estate has been established.</p> <p>The meeting of BNE worker union on 19th September 2014 was discussing the financial report; worker union meeting in December 2014 was discussing the housing facilities. And worker union meeting in Pondok Labu on 21st December 2014 was discussing the suggestion from personnel.</p>		
	Status: Complied	
6.7 Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.		
<p>Company has a commitment related to personnel age. The required age for personnel are at least eighteen years old. This regulation is stated in Child Protection Policy-the CPP No. POD-UM-052/III/2010.</p> <p>The available list of personnel per 31 January 2015 in Binturung Estate shows that company only hires personnel above 18 years old. The recruitment system is using the SAP computerized, which is connected directly with the HRD system in Jakarta, personnel under 18 years old cannot enter the system and personnel identity number would not be issued. Based on interview result with Sprayer, harvester, and mill operator, its known that there are no personnel under 18 years old.</p>		
	Status: Complied	
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.		
<p>Company provides equal opportunity (No. Policy: 724/TQEM-SPMS/09) page 13, on 27th August 2010, such as company's policy on equal opportunity and treatment. Point 1 states that all personnel should be fairly treated and just related to recruitment, promotion, work condition and description, with no discrimination against race, social position, ethnicity, gender, skin color, disability, sexual orientation, organizational membership, political view, religion and age.</p> <p>List of personnel in Pondok Labu Estate per January 2015 showed that personnel mostly were coming from local community surrounding company location, with total 63 personnel. Mostly from dayak ethnic and the remaining personnel come from bugis ethnic, java ethnic and Lombok ethnic. Based on interview result with Sprayer, harvester, and mill operator, its known that personnel come from several ethnicity and local community with no discrimination.</p>		
	Status: Complied	

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6.9

Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

Company has a commitment to protect its female personnel by implementing the preventive regulation against sexual harassment. This commitment can be seen from gender policy, which has been approved by the Head of Plantation Upstream Indonesia in April 2011.

Company shows the protection on reproductive right, which based on mutual work agreement for period 2013 – 2015, Chapter V article 25, which stated that female personnel are entitle to take leave with a full payment for 1.5 months before labor and 1.5 months after labor based on physician calculation. Furthermore, for female personnel who experiences miscarriage, is entitle to take leave 1.5 months after miscarriage based on physician letter. For female personnel who still in the lactating period, company gives dispensation of time to breast feed her child in the office based on direction from the immediate supervisor and article 26 states that female personnel who feel pain during her menstrual period is entitle to tae 2 days leave.

Based on interview with female spraying personnel in Binturung and Pondok Labu Estate, its known that female personnel knew about the reproductive policy, which has been agreed on mutual work agreement.

Company has established the gender committee in each management unit and this has been socializaed. Based on interview with female spraying personnel in Binturung and Pondok Labu Estate, its known that female personnel knew about the established gender committe and they kneew about the complain mechanism in case there is a sexual harrasment or domestic violence by make a report to head of gender committee. There is a complain book in each estate. Until the latest surveillance, there is no complain from female personnel.

Status: Complied

6.10

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

Pondok Labu Mills accepts fruit from other estates, especially from Bina Swadaya Karya (BSK) cooperative, as a plasma estate under the cooperation with KKPA Sungai Cengal. Based on mutual work agreement on 11th August 2008, the entire production of cooperative will be accepted and purchased by PSA with the price that inline with government price and the price that is agreed by both parties (cooperative and PSA).

Based on document verification and interiew with administrator of KKPA S. Cengal, the decision about FFB price fro cooerative is referring to price from ocal governemnt (plantation agency). In December 2014, the FFB price was set based on the asumption of CPO price, which is IDR. 7,667.45, PK price, IDR. 4,116.97 and index K 87.68. In January 2015, was set based on the asumption of CPO price, which is IDR 7,371.47, PK price, IDR. 4,232.43 and index K 86.01.

The entire cntract has been fairly made, legal and transparent as pointed by the agreed mutual work agreement between cooperative Bina Swadaya Karya (BSK) and company to establish and manage the palm oil plantation with a partnership scheme or between KKPA Sungai Cengal and PT Paripurna Swakarsa (PSA). The agreement was made in August 2008 and valid until 25 years old or 30 years old. Both parties has been agreed to manage the palm oil plantation in accordance to responsibility and right of each party.

Based on document's verification and interview with stakeholders, its known that the payemnt for FFB purchase has been disbursed ontime in accordance with the agreement between Bina Swadaya Karya (BSK) cooperative and PT Paripurna Swakarsa (PSA). PT. PSA submitted the progress report of palm oil plantation each semester; and the payment will be

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made every next 3 (three) month after deducted by credit and the interest, maintenance cost including harvesting, transportation and other cost.

the payment to KKPA S. Sungai Cengal has not been disbursed optimally t this moment, because the calculation for production cost is still higher then the sale price. The FFB price that comes to mill has been recorded and calculated and the sale price has been informed to members.

Status: Complied

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Company has presented the evidence of its contribution on local development, such as:

1. Record for the establishment of plasma plantation scheme for local community with total 260 households from Binturung Village, 272 households from Pondok Labu Village and 338 households Sesulung Village. There is a report in a form of data over the implementation of plasma plantation scheme in KKPA – ASC (Sungai Cengal) with total area 1,249.53 hectare with the progress of plasma plantation scheme per 25th February 2014 was 383.56 hectare in Binturung Village, Plasma in Pondok Labu Estate was 402.74 hectare and Plasma in Sesulung village was 463.23 hectare (in 2014, there is an area that under the land clearing process)
2. Contribution toward local development through tax payment and local retribution, such as:
 - Retribution payment (charity from third party) CPO for district government amount 48,481,139.00 in 2014 on 4th July 2014
 - Retribution payment (charity from third party) CPO for provincial government amount 16,153,713.00 in 2014 on 4th July 2014
 - Retribution payment for surface water amount IDR. 6,298,740,- in 2014 has been paid on 10th March 2014. Water 104,979 m3 with a basic price IDR 600,-
 - Tax and building tax payment in 2014 amount IDR 2,294,314,536,- has been pain on 16th July 2014
3. Contribution for local infrastructure building, such as:
 - Road improvement and maintenance through proficiency of heavy equipment
 - Village hall construction in Sesulung Village with the total amount IDR. 161,000,000,-
 - School establishment (junior high school) inside estate area, which empowered local community. Company has provided the school bus facility for personnel and local community.
4. Contribution toward local economic development, through empowering local business as contractors and vendors. Company has a record for local economic empowerment by conducting local economic transaction. sample of local economic empowerment, local purchase, local contractor, such as:
 - Working agreement number. 07/Div.III/SPK-Int/XII/2013 on 31st December 2013 between company and local contractor named Hamsyah for empty fruit arrangement work in estate.
 - Working agreement number. 09/Div.IV/SPK-Int/XII/2013 on 26th December 2013 between company and local contractor named Ardiansyah for maintenance activity.
 - Working agreement number. 104/SSE/SPK-LKL/VII/13 on 1st July 2013 between company and local contractor named CV. Mitra Anugerah for the establishment of CHC trench.
 - Rice procurement for personnel rice allowance fro local vendors, for instance can be seen on local purchase Order No. 4501252902 on 11th January 2014 from local vendor, named H. Bolon
 - Rice procurement for personnel rice allowance fro local vendors, for instance can be seen on local purchase Order No. 4501252887 on 11th January 2014 from local vendor, named Misra
5. Corporate Social Responsibility disbursment for local community in surrounding estate area for several acitivites, such as healthy, education, economy, social culture, including cash grant for mosque warden, cash donation for the poor,

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proviency of heavy equipment for road improvement, meat grants and so forth.
for Binturung estate, the realization for CSR in 2013-2014 was amount IDR 91,651,647,- meanwhile the budget for 2014 – 2015 is amount 77,190,000,-.

Status: Complied

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.

Until the S3 surveillance, there is no expansion for new estate area within PT. PSA. The latest cultivated area in 2014 amount 15.66 Ha was the re-utilization of the existing area.

In accordance with the previous explanation, company has conducted the positive and negative impact analysis that can be seen from:

1. The environment impact analysis document for PT Paripurna Swakarsa (PSA) that have been proved by head of planning bureau, secretary, secretary from capital commission, agriculture department No. 008/ANDAL/BA/II/1995 on 27th February 1995. This document states several positive and negative impacts for social environment, which will be monitored and managed by company.
2. Social Impact Assessment report that has been conducted by company in a collaboration with the third party in 2010

As part of company's attention toward the plasma plantation scheme, PT. PSAA has conducted analysis over HCV area as well as conducted analysis over Social Impact Assessment (SIA) for plasma plantation scheme in KKPA Sungai Cengal with a collaboration with the Bogor Agriculture Institute to identify the entire social aspect from KKPA Sungai Cengal. the HCV analysis document and SIA document are available. NKT over an area of 41.92 hectare or 0.75% from the KKPA area with HCV type 1.3. and HCV type 4.1.

Status: Not Applicable

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.

For period February 2014 - February 2015, there is no expansion for new area neither the replanting. Based on field visit, there was no replanting activity. Company has a map for soil type and topography.

Until the audit activity, there is no expansion for new area neither the replanting in areal PT PSA. PT PSA has a map for soil type and topography for estate operation area.

Status: Not Applicable

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.

Based on identification document over the existence of *High Conservation value* and field visit, there was no new cultivation activity in November 2005 within the primary forest area or each area that categorized for maintaining and enhancing one or more *High Conservation value* area.

	Status: Complied
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.	
There is no expansion for new area neither the replanting within PT PSA's area. Thus there is no overcultivated in a sloping or marginal area for estate area's expansion.	
	Status: Not Applicable
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.	
There is no expansion for new area neither the replanting within PT PSA's area. Thus there was no new cultivation on local community land.	
	Status: Not Applicable
7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
There is no expansion for new area neither the replanting within PT PSA's area. Thus there was no new cultivation on local community land.	
	Status: Not Applicable
7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
There is no expansion for new area neither the replanting within PT PSA's area. In order to anticipate fire, PT PSA has had the fire fighting infrastructure and facilities. Henceforward the fire fighting team has received training.	
	Status: Not Applicable
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity	
8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
PT. PSA has a monitoring action plan based on the consideration over environment and social impact analysis and evaluation for estate and mill's activity. The action plan, such as: (1) environment management plan and environment monitoring plan that have been approved in 1994. Company's follow up action over this analysis was by conducting the management over physical-chemical impact, biology, social-economy, culture, community's health and environment. All these actions have been reported to the related government office every 6 months. (2) report for social impact analysis, which has been drafted in 2010. This social impact analysis result thus been followed up by conducting socio-economic survey for local community every one a year. The generated information such as the impact of bio-physical and social as well as health impact.	

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(3) environment management report every three-month (from first to fourth three-month report) in 2014. These reports have a result from effluent analysis, which was conducted in the laboratory to analyse the effluent, ambient air, air emission, smell, vibration as well as the management for hazardous waste. This has been conducted and reported to related government offices every three months.

there is a record for social and environment impact analysis which was generated by company's activity (refers to the previous indicator 5.1.1.). the implementation of social and environment impact analysis is stated in environment monitoring plan report and environment monitoring plan report, which including the environment and social aspect, such as the reduction of waste, reduction of pollution and emission as well as the social impact.

Company also has the internal audit mechanism every once a year to ensure the consistency of environment and social SOP's implementation in estate and mill's activity in term of its sustainable improvement. Company has presented the improvement evidence against audit's findings.

Based on field visit to agrochemical warehouse in Pondok Labu Estate, there were pesticides, which categorized as type 1A WHO such as **Brodifakum**. Based on document's review on pesticide usage, pesticide with an active brodifakum material has not been used. For controlling rat attacks, company uses the natural predator such as *Tyto alba*

Company has made some improvements in regard to the findings from previous RSPO surveillance. Company also has the internal audit mechanism every once a year to ensure the consistency of environment and social SOP's implementation in estate and mill's activity in term of its sustainable improvement. Company has presented the improvement evidence against audit's findings.

Status: Complied

3.2. Summary of Assessment Report of Supply Chain

Clause	(Module D) CPO Mills - Segregation Requirements
1	Documented Procedures
1.1	<p>The facility 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:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard. <p>Revision over SOP related to the SCCS No. Policy: RSPO/65/SCPP/PSA, Rev. 01, dated 29th January 2013 into RSPO/501/SCCS/PSA, rev 2 on 28th March 2014 has been referred to the SCCS RSPO Supply Chain Certification Standard, Final Document November 25th, 2011. Furthermore, for persons in charge are stated in part 5, such as the Factory Manager, assistant PSQM, supervisor/assistant Lab, As/ Sr. As/ bulking manager with responsibility and duty for SCCS.</p>
	Status: Complied
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> <p>PSA starting from 1st July 2014 to 16th February 2015 is accepting fruit from nucleus estate (certified) amount 162,278 Ton and plasma estate (non-certified) amount 885,340 kg. Those FFB are accepted and reorded separately by using the RSPPO CERTIFIED AND NON CERTIFIED symbols on the weighing ticket and fruit delivery order. For instance: the acceptance of certified FFB on 14th February 2015 amount 6,760 kg from Pondok Labu Block C13/D15; and the acceptance of Non-certified fruit on 16th Feb 2015 amount 5,990 kg from smallholder in Cengal River.</p>
	Status: Complied
2	Purchasing and goods in
2.1	<p>The facility shall verify and document the volumes of certified and non-certified FFBs received.</p> <p>PSA starting from 1st July 2014 to 16th February 2015 is accepting fruit from nucleus estate (certified) amount 162,278 Ton and plasma estate (non-certified) amount 885,340 kg. Those FFB are accepted and reorded separately by using the RSPPO CERTIFIED AND NON CERTIFIED symbols on the weighing ticket and fruit delivery order. For instance: the acceptance of certified FFB on 14th February 2015 amount 6,760 kg from Pondok Labu Block C13/D15; and the acceptance of Non-certified fruit on 16th Feb 2015 amount 5,990 kg from smallholder in Cengal River.</p> <p>The evidence that can be presented by mill related to certified and non-certified FFB's receiving and processing such as:</p> <ul style="list-style-type: none"> fruit acceptance letter, is mared with CERTIFIED and NON CERTIFIED sysmbols, for instance: on 13th February 2015 from KKPA Sungai Cengal amount 5,990 Kg (Non-Certified FFB) and Rampa Estate (certified FFB) amount 5,080 kg. Daily production report, from fruit acceptance, process and cpo production, for instance on 16th February 2015. The

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<p>certified FFB amount 768,390 kg and for the non-certified 14,380 kg, for the generated CPO amount 171,152 kg and 3,203 kg non-certified CPO 617 kg non-certified PK.</p> <p>- Monthly summary report or record for Sustainable FFB, CPO and Kernel, which are prepared monthly and being summarized annually. The form is divided into certified product and non-certified product.</p>	
	Status: Complied
<p>2.2</p> <p>The facility shall inform the CB immediately if there is a projected overproduction.</p> <p>From 16th March 2014 to 16th February 2015, mill had generated CPO amount 64,319.20 kg; PK 12,963.11 kg from certified CPO that can be claimed 65,258 Ton or under the standard amount that can be claimed.</p>	
	Status: Complied
3	Record keeping
<p>3.1</p> <p>The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</p> <p>The entire document related to certified and non-certified fruit acceptance, production process up to CPO production thus deliverance to bulking station will be recorded and stored in daily production report in office archive. Mill presents the record for previous years, such as in 2012, 2013, 2014, Feb 2015 and all of this report are the updated version.</p>	
	Status: Complied
<p>3.2</p> <p>Retention times for all records and reports shall be at least five (5) years.</p> <p>The entire document related to certified and non-certified fruit acceptance, production process up to CPO production thus deliverance to bulking station will be recorded and stored in daily production report in office archive. Mill presents the record for previous years, such as in 2012, 2013, 2014, Feb 2015 and all of this report are the updated version and being kept for 5 years (in line with attachment-5 regarding the declaration stated in procedure SCCS RSPO/501/SCCS/PSA rev 02 on 28th March 2014.</p>	
	Status: Complied
<p>3.3</p> <p>The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p> <p>Mill presents the record and balance from the entire certified and non-certified FFB, CPO production, Kernel production and monthly dispatch, which are summarized in a daily, monthly and annually report. Company presents the data for period Jan 2015 until Feb 2015.</p>	
	Status: Complied
<p>3.4</p> <p>The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.</p>	

Purchase and sale contract area available in capital office and there is no sample in Pondok Labu Mil. Thus auditor could not trace the supply chain model that was being used on that contract. Company has insufficient evidence to demonstrate the sample of minutes of delivery/ delivery order that stated the Mass Balance model. **Non-compliance No 2015.16**

Sample of documents:

- Minutes of delivery of CPO product on 8th February 2015, number 025/BAP/CPO.PLF/II/2015
 - Document of CPO transportation from mill — Bulking — PT Golden Hope Nusantara (buyer) on 8th February 2015
 - Document of contract realization for kernel from mill— PT Batara Elok Semesta Terpadu (buyer) on 29th August 2014
- The sale of CPO and Palm K 'Mass Balance' product cannot be traced from the delivery of CPO & Palm Kernel product, trade agreement.

Observation on 13th March 2015

The sale of CPO and Palm Kernel product can be traced very well, such as through contract document, minutes of delivery, weighing ticket and invoice (which stated the used supply chain model), which is the mas balance supply chain model.

Related document for CPO delivery, such as:

- CPO weighing ticket (doc 046034) 9th January 2015
- Minutes of CPO delivery (doc 021/BAP/CPO.PLF/II/2015) on 10th January 2015
- Invoice (00633/PSA/I/2015) on 26th January 2015

Based on the above explanation, **thus the non-compliance No 2015.16 can be closed.**

The delivery document for CPO and Inti Kernel product, such as the weighing ticket has been marked with the 'Mass Balance' supply chain symbol.

For instance, weighing ticket for CPO number 47052 25/2/2015 and weighing ticket IKS 47011 25/2/2015.

Status: Complied

4

Sales and goods out

4.1

The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information:

- (a) The name and address of the buyer
- (b) The date on which the invoice was issued
- (c) A description of the product, including the applicable supply chain model (Segregated)
- (d) The quantity of the product delivered
- (e) Reference to related transport documentation

Company can not ensure the issued INVOICE for RSPO certified product has stated the name and address of buyer, date of invoice, description of product, including the applicable supply chain model (Segregation), total dispatched product. For instance value added tax for purchasing CPO with the Mass Balance supply chain by PT. Golden Hope Nusantara with an address at MH Thamrin Kep 28-30 Gondangdia, Menteng, Jakarta Pusat on 26th January 2015 amount 1,989,666 Kg

Status: Complied

5

Processing

5.1

<p>The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material⁹; up to 5 % contamination is allowed.</p> <p>Company records the RSPO certified – non-certified product separately and updates it every three months. The accepted product in the mill will be marked with “certified” and “Non certified product”.</p> <p>PSA from 1st July 2014 to 16th February 2015 accepts fruit from nucleus estate (certified) amount 162,278 Ton and other estates amount 885,340 kg. Both FB are accepted and recorded separately by using the RSPO CERTIFIED and RSPO NON-CERTIFIED symbols on weighing ticker record and fruit delivery order. For instance: the acceptance of certified FFB on 14th February 2015 amount 6,760 kg from Pondok Labu Block C13/D15; and the acceptance of on-certified FFB on 16th Feb 2015 amount 5,990 kg from smallholder.</p>	
	Status: Complied
<p>5.2</p> <p>The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.</p> <p>Company records the RSPO certified – non-certified product separately and updates it every three months. The accepted product in the mill will be marked with “certified” and “Non certified product”.</p> <p>PSA from 1st July 2014 to 16th February 2015 accepts fruit from nucleus estate (certified) amount 162,278 Ton and other estates amount 885,340 kg. Both FB are accepted and recorded separately by using the RSPO CERTIFIED and RSPO NON-CERTIFIED symbols on weighing ticker record and fruit delivery order. For instance: the acceptance of certified FFB on 14th February 2015 amount 6,760 kg from Pondok Labu Block C13/D15; and the acceptance of on-certified FFB on 16th Feb 2015 amount 5,990 kg from smallholder.</p>	
	Status: Complied
<p>5.3</p> <p>In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:</p> <ul style="list-style-type: none"> • The crush operator conforms to these requirements for segregation • The crush is covered through a signed and enforceable agreement <p>NA- Mill does not issue the generated palm kernel for PKO or Palm Kernel Crushing Plant. The generated Pal kernel will be dispatched to other places or to bulking station, henceforward will be sold to buyer.</p>	
	Status: NA
6	Training
<p>6.1</p> <p>The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems</p>	

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Company has delivered training on 12th March 2014, which was attended by key personnel from mill and estate attendance sheet is available). Memorandum from Head of PSQM on 17th March 2014 stated that the used supply chain model is the mass balance.

the latest SCCS training was conducted on 12th March 2014, which was attended by 22 participants from mill and estate. The SCCS training was not conducted periodically in order to ensure personnel's understanding over the standard requirement (period 2014); and there are several key personnel in PLF Mill who did not able to present the evidence that they have attended the SCCS training, for instance head of book keeper and weighing operator. Ismail Marzuki (weighing operator), Hadriansyah (head of book keeping). **Non-compliance No 2015.17**

Observation on 13th March 2015

Training/Refreshment SCCS has been conducted on 4th March 2015 by involving key personnel from mill, including weighing operator, head of book keeping, transportation supervisor. Based on the above explanation, thus **non-compliance No 2015.17 has been fulfilled.**

Status: Complied

7

Claims

7.1

The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.

RSPO guidelines for Communication and Claims related to certify products have been implemented in SCCS procedure (declaration number 7) and this guideline can be presented by mill. PSA does not use the RSPO symbol for the mass balance supply chain model until now.

Status: Complied

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

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
S3	The company does not use logo on its product.	√
	Status:	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
S3	The company does not use logo on its product.	√
	Status: NA	
3.	Implementation of Certificate and Logo is not used on product	X or√
S3	The company does not use logo on its product.	√
	Status: NA	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
S3	The company does not use logo on its product.	√
	Status: NA	

3.4. Summary of RSPO Partial Certification.

The Management Unit name, under subsidiaries:		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.	√
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.	√
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.	√
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.	X or√
	The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.	√
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.	X or√
	The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.	√
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.	X or√
	The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.	√
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	The entire units operating under the SIME DARBY organization (subsidiary) carry out the certification process according to TIME BOUND PLAN.	√

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3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.
3.5.1.1 Identification of Findings, Corrective Actions and Observations at Surveillance 2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.1	Major 4.4.1	<p>Protection over surface water quality and quantity</p> <p>Monitoring and measurement over water quality in reservoir, inlet river in Division I Sesulung and Outlet River Separe, which is passing by the mill.</p> <p>However, based on interview with head of pondok labu village, community using the water from river Biuku, which its has not been assessed and evaluated.</p> <p>Moreover, the measurement result over reservoir's water quality in Div. I, Div. II, and Div. III (on 16th Jan 2014) shows that one of its parameter exceeded the standard threshold base on Permenkes 416/1990 (annex.2) and there is nether neither curative nor preventive actions.</p>	Estate	Major	April 30, 2014	Company should take some protection actions to protect surface water quality and quantity especially for water's quality in order to maintain the quality of reservoir's water.	<p>Root cause: RKL and RPL recommendation matrix as well as AMDAL document not regulate the monitoring and measurement over biuku water's quality</p> <p>Corrective Actions: Company sent the water sample from biuku river to examination laboratory in Banjarbaru. Examination laboratory in research center and industrial standardization and trade has accepted the sample on 14 March 2014. STB/hand over note for sample is available. Company has evaluated the examination result</p> <p>From reservoir in RPE Div. I, Div. II, and Div. III. Company sent the improvement evidence such asevaluation report on 15 April 2014</p> <p>Preventive Actions: Make a schedule for water quality examination including examination for biuku river's water.</p> <p>Pointed Mr. Suprpto Isup as person in charge to conduct the evaluation over the</p>	Closed,	28 April 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>examination report (LHU) and monitoring result.</p> <p>Maintain water quality in order to be inline with its natural condition and avoid pollution.</p> <p>Conducting socialization for personnel in order to build awareness in community to process the water properly before consumed.</p>		
2014.02	Minor 4.6.2 Minor 4.7.2	Medical examination for spraying officer Based on medical examination, there are 7 personnel with CHE (chemical) examination result above the normal threshold (4,260-11,250 U/L), for instance Ms. Sumiyati D (14,229 U/L) and Sumiati C (15,479 U/L). But until the surveillance, company not conducting evaluation or follow-up actions toward these personnel	Estate	Major	April 30, 2014	Company should present its consistency on managing the used persticide package that inline with reccomendation from environment agency and SOP for hazardouse waste management.	<p>Root cause:</p> <p>Limited monitoring on hazardous waste especially, which comes from used agrochemical packages.</p> <p>Corrective Actions :</p> <p>Waste from used pesticide package has been managed in line with recommendation from BLH and SOP for hazardous waste management, for instance the agrochemical packages in sesulung estate have been washed and damaged in bottom area before transported to licensed landfill (the evidence is documented on 1st April 2014, minutes of LB3 withdrawal and photos area available)</p> <p>Preventive Actions:</p> <p>Conducting socialization on hazardous</p>	Closed	15 April 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>waste management</p> <p>Delivering the hazardous waste based on SOP and applicable permits.</p> <p>Periodic transportation for hazardous waste from estate every 2 weeks.</p>		
2014.3	Major 4.6.4	<p>Waste from used pesticide packages</p> <p>The management for agrochemical waste is not inline with the recommendation from environment agency and SOP for hazardous waste management, such as:</p> <ol style="list-style-type: none"> Waste from used pesticide packages in sesulung estate not using 3 times washing approach and not damaged in its bottom area. Utilization over used pesticide package has no permit from related agency. 	Estate	Major	April 30, 2014	<p>Company should present its consistency on managing the used pesticide package that inline with recommendation from environment agency and SOP for hazardous waste management.</p>	<p>Root cause:</p> <p>Limited monitoring on hazardous waste especially, which comes from used agrochemical packages.</p> <p>Corrective Actions :</p> <p>Waste from used pesticide package has been managed inline with recommendation from BLH and SOP for hazardous waste management, for instance the agrochemical packages in sesulung estate have been washed and damaged in bottom area before transported to licensed landfill (the evidence is documented on 1st April 2014, minutes of LB3 withdrawal and photos area available)</p> <p>Preventive Actions:</p> <p>Conducting socialization on hazardous waste management</p> <p>Delivering the hazardous waste based on</p>	Closed	15 April 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							SOP and applicable permits. Periodic transportation for hazardous waste from estate every 2 weeks.		
2014.4	Major 4.7.2	SMK3 organization SSE P2K3 secretary (Mr.Suwarto) doesn't have K3 expert certificate.	Estate	Major	April 30, 2014	Company should be able to present the evidence that the SSE P2K3 has had the K3 expert certificate.	<p>Root cause: P2K3 secretary tat has K3 expert certificate had been moved to another unit.</p> <p>Corrective Actions: There is a mutation in P2K3 SSE, where former secretary, Mr. I Made Admika (who has the K3 expert certificate) had been replaced by Mr. Suwarto, (13.2284/AK3/U/VII/2013).</p> <p>The DISOSNAKER Kotabaru has known the change in P2K3 structure (inline with SK no: 182/SSE-disosnakertrans/III/2014/s on 27th March 2014. This change has been reported and stated on latest P2K3 report.</p> <p>Preventive Actions: Conducting monitoring over establishment of P2K3 structure which inline with regulation.</p>	Closed	28 April 2014
2014.5	Minor 4.7.4	Record over training and K3 program's training. Based on observation and interview with community in RPE, it's known that at	Estate	Minor	Surveillance 3	Company must be able to present the evidence over medical examination for welders.	<p><i>Root Cause:</i> Welding expert of RPE has resigned during observation (<i>resign</i>).</p> <p><i>Corrective Action:</i></p>	Closed	August 18 th 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		present, the welders have not received training to earn welder's certificate.					<p>According to the information, welding expert (Darwis) was mutated and replaced with Sajuli (certified welding expert) of RPE (566.1118/pelatihan K3/X/2012). Mutation process was starting on March 1st 2014. Mr Darwis was mutated to be mechanic.</p> <p><i>Preventive Action</i> Unit shall monitor the wedding expert.</p>		
2014.6	Minor 4.7.6	<p>Compliance toward P3K tools.</p> <p>Field verification shows the P3K tools are not provided/ sufficient in some working area, such as in fertilization and harvesting area (SSE and RPE), WTPwarehouse and LB3 landfill (mill).</p>	Estate and Mill	Minor	Surveillance 3	Company must conducting socialization over HCV existence and its mangement to personnel and community.	<p><i>Root Cause:</i> Supply of first aid in POM and Estate was emptied due to the process of purchasing.</p> <p><i>Preventive Action:</i> Company has handed over the first aid kit in RPE & SSE to manurer, harvester, WTP storage, and mill storage (official record and documentation of first aid kit hand over are available). First aid kit is given to main foremen (3 foremen), harvesting foremen (8 foremen), manuring foreman (1 foreman), spraying foreman (1 foreman). Hazardous waste and WTP storage within mill are has been provided with first aid kit.</p> <p><i>Preventive Action</i> First aid kit will be monitored routinely.</p>	closed	August 18 th 2014
2014.7	Minor 5.2.1	<p>HCV Socialization</p> <p>According to the field visit to Sesulung,</p>	Estate	Minor	Surveillance 3	Company must socialize the existence and management	<p>Root Cause: Lack of HCV socialization to the community</p>	Closed	August 21 st 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		Rampa, and Pondok Labu Village, community of the villages is not aware of the HCV management and existence yet.				of HCV area to the community and employee.	<p>and lack of HCV socialization.</p> <p>Corrective Action: Company has socialized HCV to the community of Sesulung Village on June 21st 2014 in the office of chief of Sesulung Village. The socialization encourage the community to protect and preserve HCV area for 23.31 ha. Furthermore, there is <i>sign board</i> and boundary of HCV area and boundary of HCV isolation area. The HCV management and monitoring has been reported to the associated agency.</p> <p>Observation on August 21st 2014. HCV area management has been socialized to the community of Rampa Village, Pondok Labu Village, and Sesulung Village through assembly and signboard installation. Assembly with the community of Pondok Labu Village, and Rampa Village was held separately on August 15th – 20th 2014. The assembly was held in estate office and the hall of Pondok Labu elementary school (evidence of corrective action: minutes of meeting, documentation and socialization).</p> <p>Preventive Action : Company appoints PIC for socializing HCV on behalf Mr Suprpto.</p>		

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.8	Minor 5.2.2	Special/ trained officer to monitor and manage the HCV Not enough evidance on the presence of special/trained officer in company's organogram to monitor and manage the HCV in SSE, RPE, dan PLE.	Estate	Minor	Surveil lance 3	Compnay must present the evidence of special/ trained officer to monitor and manage the HCV area in SSE, RPE, dan PLE	<p>Root Cause: The HCV officers of SSE, RPE, and PLE are new officers.</p> <p>Corrective Action: PT. PSA has appointed officer to manage HCV in each estate (through letter of appointment approved by manager) to monitor plan and management of species and HCV. The following officers are:</p> <ol style="list-style-type: none"> 1. Nur Ibnu haryanto in Binturung Estate, with letter of appointment number 001/BNE-int/SK/XII/2014 dated December 1st 2014, 2. Basori in Rampa Estate with letter of appointment number 016/RPE/1/2013 issued by RPE Manager on January 3rd 2013. 3. Rahmansyah with letter of appointment number 002/SSE-intr/V/2014/S issued by Sesulung Manager on December 1st 2014 4. Maryanto with letter of appointment number 005/PLE-KTR/2014/S issued by Pondok Labu Estate Manager on July 1st 2014. <p>Officers to monitor HCV management in RPE, SSE, PLE have been trained (HCV training) by the certified internal trainer on behalf Suprpto. Evidence of training is in</p>	Closed	March 18 th 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>form of record of HCV training on January 2015.</p> <p>Preventive Action:</p> <p>Training in term of HCV monitoring and management shall always be held regularly shall be identified on the program of training.</p>		
2014.9	<p>Major 5.3.2</p> <p>Minor 5.6.2</p>	<p>Waste Management</p> <ul style="list-style-type: none"> Field verification in waste water installation (IPAL) in Pondok Labu mill shows a waste leakage, which comes from mill's activity, such as: <ol style="list-style-type: none"> Effluent leakage from land application pump toward trench and water's conduit. Effluent leakage from domestic waste reservoir to trench and estate as well as wate's conduit. Visit to personnel housing shows the organic and un-organic domestic waste have not been maanged inline woth sop for non-hazardous waste management (burned and not sent to landfill) Company not able to present the evidance of hazardous waste disposal that inline with the 	Estate and Mill	Major	April 30 , 2014	Company should present the evidance of waste disposal which is socially and environmentally accepted.	<p>Root cause:</p> <ul style="list-style-type: none"> Limited monitoring toward waste ponds Person in charge in the field not fully understands the maintenance for domestic waste ponds. Curative action: <p>There is an improvement over pump and establishing trap for reservoir.</p> <p>There is an improvement in reservoir pond to store domestic,</p> <p>Conducting the socialization for waste disposal and ban waste burn in housing location.</p> <p>Make a schedule for waste disposal to landfill (photos are available)</p> <p>Preventive Actions:</p> <p>Maximize the monitoring activity over waste ponds</p>	Closed	4 April 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		applicable regulation especially PP 18 in 1999.					Consistently manage the domestic waste disposal.		
2014.10	Minor 6.1.1	<p>RKL-RPL implementation with community's participations.</p> <p>Company has a record for periodic environment management and monitoring.</p> <p>However, the participatory environment management and monitoring as well as social impact monitoring implementation can't reduce community's restlessness, for instance: community's restlessness due to absence of plasma plantation scheme in Rampa village, issue of land ownership after the replanting activity in Pondok Labu village and restlessness on pollution due to plantation activity in Rampa village.</p>	Estate and mill	Minor	Surveillance 3	<p>Company should present the evidence over participatory environment management and monitoring</p>	<p>Root Cause : There is no impact monitoring in form of questionnaire or interview with the community.</p> <p>Corrective Action : Company has monitored and managed environment by referring to the document of environment management and monitoring plan and EIA implementation. For example, monitoring of social impact is conducted participatively, meet the community, listening to the information from the impacted community. Company has met the representative of community on behalf Mr Husni, Mr Ibrahim, Mr Syafrudin and Mr Zaenal on August 15th 2014 to discuss issue of community restlessness in term of unavailability of scheme smallholder or Rampa Village and the contamination of fertilizer for their fishpond caused by manuring program.</p> <p>The monitored social impact on 2014 were:</p> <ul style="list-style-type: none"> • Openness on job opportunity • Increase of income • Social restlessness • Existence of scheme smallholder. 	Closed	August 21 st 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Evidence of corrective action on the report of environmental management and monitoring plan in 1st semester of 2014 including the attached questionnaire.</p> <p>Preventive Action :</p> <p>Company shall always monitor the questionnaire and interview for the social impact monitoring annually.</p>		
2014.11	Minor 6.2.2	<p>Aspiration's response record.</p> <p>There are some aspirations from community that have not been properly (not inline with communication and consultation sop) responded by company, for instance:</p> <ol style="list-style-type: none"> 1. letter No. 094/394/RC-SR/XII/2013 regarding the allowance request for honorarium teacher (letter on 28 December 2013). 2. letter No. 094/392/RC-Bant/XII/2013 regarding the clarity over soccer field construction (letter on 28 December 2013). 3. letter No. 094/393/RC-Bant/XII/2013 reagrding the clarity fo rice support for poor people in Rampa village (letter on 28 December 2013). 	Estate	Minor	Surveil lance 3	<p>Compnay must present the response record over community's aspiration that inline with communication and consultation SOP.</p>	<p>Root Cause:</p> <p>The letter is still on progress and no realization conducted. Therefore, it could cause village dissatisfaction (negative perception).</p> <p>Corrective Action:</p> <p>Company has responded the information request through letters as follows:</p> <ol style="list-style-type: none"> 1. Company has sent letter number 095/RPE-Desa/III/2014/S dated March 24th 2014 to GM in term of approval of honorarium teacher allowance in Rampa Vilage on March 24th 2014. 2. Management unit has sent letter number 094-RPE-Desa/III/2014/S in term of Pamukan Estate GM approval on assistance request of soccer field construction on March 24th 2014. 3. Management unit has sent letter number 093/RPE-Desa/III/2014/S in term of certainty of rice assistance for the poor or 	Closed	August 18 th 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>proletar in Rampa Village on March 24th 2014.</p> <p>Auditor Verification on August 18th 2014 Company has shown the respond over the letter of aspiration sent by community. It has complied the SOP of communication and consultation. For example:</p> <ol style="list-style-type: none"> 1. Letter number 093A/RPE-Bantuan Desa/III/2014/S in term of assistance request for rice for the poor in Rampa Village. The letter was sent on March 8th 2014. 2. Letter number 097A/RPE-Bantuan Desa/III/2014/S in term of respond over kindergarten teacher honorarium assistance request in Rampa Village. The letter was sent on March 8th 2014. <p>Preventive Action : Each of the information request sent by stakeholders shall be responded in writing.</p>		

3.5.1.2 Opportunity for Improvement at Surveillance 2 Assessment

No	Ref Std	Descriptions
1	Minor 4.3.1	<p>Map of sandy area</p> <p>It needs to consider or make a map for sandy soil and mineral soil area, which have been identified in estate location, for instance in SSE near Division IV SSE</p>

No	Ref Std	Descriptions
		(heading to south) to distinguish the minimum treatment and control erosion and land degradation by applied empty fruit bunch in these area.
2	Major 6.9.1	Socialization record over sexual harrasment policy. Company is encouraged to conduct the effective socialization on sexual harrasment policy and reproductive right for its personnel.
3	Point 6.1. SCCS Ver Nov 2011	PSA (MILL) using the adopted RSPO Executive Board on Sept 28, 2009 as a reference for RSPO guidelines for Communication and Claims despite the latest version on March 31, 2011. Company should present the evidence that they use the latest version.

3.5.1.3 Noteworthy Positive Components at Surveillance 2 Assessment

No	Ref Std	Descriptions
1		Company's commitment to implement the principle for sustainable palm oil management and shows its commitment to sustain the RSPO certificate, which earned by curative actions over the entire non-compliance from previous surveillance.
2		earn "blue" level in PROPER assessment by environment agency in 2013.

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
5.1	Major 1.2.1	<p>Providing information on guiding committee of occupational health and safety</p> <p>Binturung Estate and Pondok Labu Estate has reported the guiding committee of occupational health and safety report to related agency, however the report has not been made periodically (every three months) in accordance with the applicable regulation.</p>	Estate	Non-compliance	20th April 2015	Company must ensure that the implementation of guiding committee of occupational health and safety is inline with the applicable regulation, including the periodic report.	<p>Root Cause: Lack of understanding on regulation from unit management, thus the report usually not periodically submitted.</p> <p>Curative Actions: PLE and BNE had submitted the guiding committee of occupational health and safety report for first three-month in 2015 to social and manpower agency based on the applicable regulation</p> <p>Preventive Actions: PIC on guiding committee of occupational health and safety report is the secretary in each unit.</p> <p>Auditor's observation: 13 April 2015 There is a receipt of guiding committee of occupational health and safety report that has been submitted manpower agency in Kota Baru for period January - March 2015 on 30th March 2015. With the above explanation, thus non-compliance No 2015.01 has been fulfilled, henceforward will</p>	Closed	13 th April 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							become the object of observation on the next surveillance (Surveillance-4)		
5.2	Major 2.1.1	Evidence of compliance toward regulation Based on interview with contractual personnel, named Ismail Marzuki (personal in Pondok Labu Mill), its known that he has not received his contract extension even though his current contract has been expired since 12th December 2014. This finding is not inline with the applicable regulation (Law 13 in 2003 and Ministry of Man Power Decree No 100 in 2004).	Estate and Mill	Non-compliance	20th April 2015	Company must present the evidence that the entire regulation should be implemented, including the work agreement with personnel.	Root Cause: Contract extension has not been updated. Curative Actions: 12th March 2015: Company has extended the work agreement with its personal by issued contract number 058/PSA/PLF/PKWT/2-2015 on 15th February 2015 and will expire on 15th April 2015. Preventive Actions: Evaluation on PKWT personnel. Auditor's observation: 13th April 2015: Work agreement between company and Mr. Ismail Marzuki has been renewed with work agreement number (58/PSA/PLF-PKWT/2-2015) on 15th February 2015, this agreement is valid until 14th May 2015 (3 months). With the above explanation, thus non-compliance No 2015.02 is closed.	Closed	13 th April 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
5.3	Major 2.2.1	<p>Bussines Title</p> <p>There is an area of 1,109.97 ha, which has not have the bussines title. This area located at Block C34 – D012 and D013 Pondok Labu estate and side by side with local community's estate and complex of Pondok Labu Village. The plamoilplantation on this area has produce palm oil fruit.</p> <p>Company had received technical advise from forestry agency (doc 522/147/TGH/2014, 4/3/2014) and technical advise mining agency (545/268-BP/DPE). however, there is no follow up action to register this area's bussines title after the reccomendation from Natioal Land agency in Kotabaru through letter number 59/200.3/III/2014, on 5th March 2014, there are 4 main points which are explained on this reccomendation letter.</p>	Mill and Estate	Non-compliance	20th April 2015	<p>Company must present the evidance that the bussines title has been registered for the 1,109.97 hectar area, especially hr efollow up action over the reccomendation from National Land Agency of Kotabaru on 5th March 2014.</p>	<p>Root Cause:</p> <p>National Land Agency remakes the reccomendation for the solution of unclear bussiness title.</p> <p>Curative Actions:</p> <p>12th March 2015:</p> <p>Company has sent a letter from Estate Manager Pondok Labu to PSD Departemen and carbon copy to HPUI.</p> <p>Preventive Actions:</p> <p>Conducting coordination with PSD team intensively.</p> <p>Auditor's observation:</p> <p>16th April 2015:</p> <p>A positive progress on registering HGU has been presented by company, as a follow up from the coordination with national land agency in 2014. The director of PSA has responded the letter from head of National Land Agency in Kalimantan Selatan with the letter number 227/PSA/UM/PSD/IV/2015, dated 15th April 2015, which was</p>	Closed	16th April 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							submitted by the director of PT PSA. On this etter, company is asking advice regarding the required supplementary documnts for registering the bussiness title for the unclear status of 1,119.97 hectar area.		
5.4	Major 2.2.2	Maintenance over legal boundary of busines title. No sufficient evidance provided to show that the entire HGU stakes (big and small size) are in a well maintained condition. Field verification in Pondok Labu Estate shows that stake number 14 is in a poor condition, stake number 62 and 63 are missing.	Estate	Non-compliance	20th April 2015	Company must present the evidence that the bounday stake has been legally demarcated and well maintained.	Root Cause: The management of stake is not consistent. Curative Actions: 12th March 2015: Company has repaired 42 stakes, minutes of reparation is availabel Company will updating the monitroing over the HGU stake. Preventive Actions: Company appoints Mr. Maryanto as a safety officer in charge for checking the condition of HGU stakes. Auditor's observation: 13th March 2015: HGU stake (small size) number 62 and 63 have been demarcated. moreover, 40 HGU small stakes have been installed in Pondok	Closed	13th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							Labu on 10th March 2015. minuts of meeting and monitoring over HGU stakes area available.		
5.5	Minor 4.4.1	Water and water source management. Niko water source (Division I Block C20 Estate Binturung), water source Sopan Tempuro (Division I Block C18 Estate Binturung) are utilized by local community for drinking water, especilly in dry season. Howwever, there is no evidance shows the management and monitoring over these water sources.	Estate	Non-compliance	Surveillance 4	Company must present the evidence of management and monitoring over these water sources.	Root Cause: Lack of understanding on water management system. Curative Actions: 12th March 2015: Sopan Tempuro and Niko Water source have been analysed in accredited laboratory Company has conducted the management over water source by installing HCV sign board and establish ring surround Niko water source and establish boundary on Tempuro water source Preventive Actions: Conducting monitoring on HCV document Auditor's observation: 20th March 2015: Company has presented the evidance of water soource management and water quality moniroing through the examination	Closed	20th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							of water's quality. The examination on water sample from niko water source, sopan tempuro water source, and binturung river have been conducted by the KAN accredited laboratory, such as PT. Sucofindo in Banjarmasin on 13th March 2015.		
5.6	Minor 4.7.2	The implementation of OHS Management System Company cannot resent the follow up evidence over the examinaton rsult for personnel with a high risk wrking condition, for instance fo Mr. Juma Ati (Binturung Estate) and Tuah Rusani (Pondok Labu Estate).	Estate	Non-compliance	Surveillance 4	Company must ensure the implementation of OHS Management System has been inline with the applicabel regulation.	Root Cause: The absence of physician in company Curative Actions: 12th March 2015: The evaluation on medical examination from Prodia Laboratory. Preventive Actions: The appointment of PIC to evaluate the examination, such as AK3U in each unit. Auditor's observation: 19/03/2015: The improvement has been sent in a form of mutation letter number 01/PLE-Int/III/2015 on 01st March 2015, which explains that Mr. Tuah Rusani has been mutated to	Closed	24 th April 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							<p>maintenance team.</p> <p>24th April 2015: Company presents the re-examination by company's physician (Dr. Andika Wirza) for Mr. Tuah Rusani to check his lungs and company's physician mentioned that he is in a good condition and fit to work in the previous working division. With the above explanation, thus non-compliance no 2015.06 have been fulfilled henceforward will become the object of observation for the next medical examination.</p>		
5.7	Minor 4.7.4	<p>SIO Operator Based on interview with tractor operator, named Selamat, shows that he has received training for heavy equipment operator, however, company can not present the license for this operator. Based on field visit, company can not present the valid operator license for the entire boiler operator in mill.</p>	Mill and Estate	Non-compliance	Surveillance 4	Company must ensure the implementation of SMK3 has been inline with the applicabel regulation, especially for the operator license.	<p>Root Cause: Lack of understanding on the regulation.</p> <p>Curative Actions: 12th March 2015: For the tractor operator in BNE, the management of BNE has issued the mutation letter for Mr. Selamat and appointed Mr. Miskariyanto (has the operator license) as the technical operator</p>	Closed	20th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							<p>For mil, company has appointed Mr. Eko Prasetyo and Mr. Supangat as the boiler operator (has a valid operator license).</p> <p>Preventive Actions: Conducting monitoring on the checklist of operator license. PIC is head of section/ administration unit</p> <p>Auditor's observation: 20th March 2015 There is a mutation letter (02/BNE-Int/III/2015/s) on 01st March 2015 which explain that Mr. Selamat has been mutated from tractor operator to water steam engine operator and the tractor position replaced by Mr. Miskariyanto with the mutation letter No 03/BNE-Int/III/2015/s on 01st March 2015. Mr. Miskariyanto has earned the lift vehicle operator with operator license number SIO 13.25378-OPK3-PAA/VIII/2013 which is valid until 30th August 2018. The management unit has proposed training for operator who has not have the license to related</p>		

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							<p>institution through letter number No 128/Est-ext/III/2015/s on 10th February 2015.</p> <p>The management unit has appointed the valid license for boiler steam engine operator for instance operator license for Mr. Eko Prasetio with license for steam machine operator class I 4516.OPK3-PUBT-B.1/VII/2013, which is valid until 09th July 2018 and on behalf of Mr. Supangat with license for steam machine operator class I No 13.P.10.087 OPK3-PUBT-B.I/VI/2013, which is valid until 17th June 2018.</p> <p>Work in the previous working division. With the above explanation, thus non-compliance no No 2015.7 has been fulfilled.</p>		
5.8	Minor 4.7.6.	Managing obstruction from immobile source Based on field visit to Mill, auditors found personal in boiler unit, who worked without using PPE (ear muff/ear plug).	Mill	Non-compliance	Surveillance 4	Company must ensure the personnel in boiler unit used the required PPE.	Root Cause: Lack of awareness related to occupational health and safety. Curative Actions: 12th March 2015:	Closed	20th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							<p>Conducting safety briefing (attached minutes of briefing) Minutes of PPE's handover / earmuff to personnel.</p> <p>Preventive Actions: Conducting monitoring through observation card by the entire supervisor and assistant (SIME Card) PIC (Safety Officer).</p> <p>Auditor's observation: 20th March 2015 There is a minute of PPE's handover for instance earmuff handover to Rusdi from division process I on 31st January 2015. Company has delivered the safety briefing and socialization on the benefit of wear PPE especially the earmuff on 16th February 2015, which was followed by 35 personnel, from staff, supervisor from some divisions. Based on the above explanation, thus non-compliance No 2015.8 has been fulfilled and the implementation will become the object of observation for the next surveillance (Surveillance-4).</p>		

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
5.9	Minor 4.7.8	Reporting over work accident. Work accident report for period January – June 2014 (Binturung Estate) and July - October 2014 (Pondok Labu) have not been submitted to related agency.	Estate (Binturung and Pdk Labu)	Non-compliance	Surveillance 4	Company must ensure the periodic report submission for work accident to related agency.	Root Cause: Lack of understanding on regulation Curative Actions: The work accident report has been submitted along with the first three-month guiding committee of occupational health and safety report in 2015 Preventive Actions: Person in charge on guiding committee of occupational health and safety report is he secretary of guiding committee of occupational health and safety report in each unit. Auditor's observation: 13th April 2015 There is an accident report for period January - June 2014 (Binturung Estate) and July - October 2014 (Pondok Labu) as well as work accident report for period January - March 2015 to the manpower agency in Kota Baru District on 30 th March 2015. With	Closed	13 th April 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							the above explanation, then the non-compliance No 2015.09 has been closed and the implementation will be observed on the next surveillance (Surveillance-4).		
5.10	Minor 5.5.1.	Fire extinguisher facilities Field visit to the mill shows there are broken hydrants in sterilizer station and near to boiler. Lack of evidence that the entire facilities for fire extinguisher have been well maintained.	Mill	Non-compliance	Surveillance 4	Company should present the monitoring evidence over fire extinguisher facilities. For instance hydrant/APAR has been well maintained and well functioning.	Root Cause: The imperfect of hydrant monitoring process. Curative Actions: 12th March 2015: Repair hydrant in sterilizer station and the one located near the boiler (documentation is available) Check the monitoring list of hydrant and APAR. Preventive Actions: Regular inspection, PIC ESH (Suprpto) and SO Auditor's observation: 20th March 2015: PT. PSA has repaired and sent the evidences on 13th March 2015, such as: Hydrant repair in sterilizer station and boiler (documentation is available).	Closed	20th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							Check the monitoring list of hydrant and APAR (Checklist Box, Nozzle, and Hydrant hoze) on 28th Feb 2015 and APAR on 6th Jan 2015. Based on the above explanation, then non-compliance No 2015.10 has been fulfilled.		
5.11	Minor 5.6.1	Measuremet on air's quality (emision and ambient). Company cannot present the evidance of KAN accreditation from manpower and transmigration agency in Kalimantan Selatan Province over the laboratory, which examines the air's quality (emission and ambient).	Mill	Non-compliance	Surveillance 4	Company can present the KAN accreditation evidance for the laboratory, which examines the air's quality (emission and ambient).	Root Cause: Lack of understanding on the standards for appointing laboratory. Curative Actions: 12th March 2015: Has been completed with the Governor Decree of Kalsel related to Hiperkes Laboratory. Governor Decree Number 8 in 2008 regarding the establishment of organization and work procedure for the technical implementing unit agency and bureau in Kalimantan Selatan Province Preventive Actions: Issued the information request letter to Hiperkes related to KAN cetrtificate.	Closed	13 th April 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							Auditor's observation: 13th April 2015 There is a Governor Decree Number 8 in 2008 regarding the establishment of organization and technical implementation unit and bureau in Kalimantan Selatan Province, based on the governor decree, HIPERKES and work safety bureau has been acknowledged by provincial government. Then the non-compliance No 2015.11 has been fulfilled.		
5.12	Minor 5.6.2	The quality examination of effluent. Parameters NH ₃ -N and TSS for effluent in December 2014 (Semester II) have not been examined.	Mill	Non-compliance	Surveillance 4	Company can present the complete examination evidence over the effluent is inline with the requirement.	Root Cause: There is no requirement for parameter TSS and NH ₃ N stated on the environment document (permit for effluent) in Pondok Labu mill, such as: Debit, BOD, COD, pH, oil and fat, pb, cu, cd, zn Curative Actions: 12th March 2015: The analysis evidence and permit for effluent in Pondok Labu Mill. Preventive Action: conducting monitoring over the examining	Closed	20th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							<p>parameter based on environment permit and the applicable regulation. PIC Margono (PSQM)</p> <p>Preventive Actions: Always consider the examining parameters have been inline with the parameters reference, such as Ministry of Environment Decree No. 28-29 in 2003 and Kotabaru Reagent Decree No: 188.45/445/KUM/2011.</p> <p>Auditor's observation: 20th March 2015: Company has sufficiently and completely the evidence of effluent quality, which has been inline with the applicable regulation on 13th March 2015, including: the examination result for effluent in December 2014. Based on the above explanation, thus the non-compliance No 2015.12 has been fulfilled.</p>		
5.13	Minor 5.3.1	Hazardous waste including pesticide packages, used oil, and other disposals were thrown based on the applicable regulation.	Mill and Estate	Non-compliance	Surveillance 4	<p>Company must present the evidence of:</p> <p>(1) The marking</p>	<p>Root Cause: Unit has not understood about the hazardous waste regulation.</p> <p>Curative Actions:</p>	Closed	20th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
		<p>The marking of hazardous waste has not done consistently. During the field visit in hazardous waste landfill, auditors found the hazardous waste, which were not labelled based on Ministry of Environment regulation No. 14 in 2013.</p> <p>The infectious hazardous waste in Poliklinik Pondok Labu Estate does not have the symbols and labels based on Ministry of Environment regulation No. 14 in 2013.</p> <p>Based on field visit to Binturung Estate, there are used pesticide packages waste, which are used as a water jar to carry water to te spraying area, however the management unit has not presented the monitroing evidance over the used pesticide pckages.</p> <p>The infectious hazardous waste has not been recorded in the monthly hazardous waste balance.</p>				<p>of hazardous waste has done consistently.</p> <p>(2) The infectious hazardous waste in Poliklinik Pondok Labu Estate have the symbols and labels based on Ministry of Environment regulation No. 14 in 2013.</p> <p>(3) Monitoring over the hazardous waste, including the used pesticide packages.</p> <p>(4) Infectious hazardous waste has been recorded in the monthly hazardous waste</p>	<p>12th March 2015: Marking and labelling the entire hazardous waste in mill. The infectious hazardous waste in Pondok Labu should have the hazardous waste symbols and labels For the used pesticide packages in Binturung has had the monitoring for used package waste</p> <p>Preventive Actions: Conducting the inspection to make the hazardous waste management inline with the regulation. PIC Suprpto (ESH).</p> <p>Auditor's observation: 20th March 2015: PT. PSA has dellivered improvement by sending the improvement evidance on 13th March 2015, such as: Installing hazardous waste label to the entire generated hazardous waste. The infectious waste in policlinic Pondok Labu Estate has been packaged and completed with symbols and labels based on the</p>		

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
						balance.	ministry of encironment decree No. 14 in 2013. Monitoring over the entire hazardous waste including the used pesticide package. Monitoring (by issuing the incoming and outgoing supplementary weighing card, as well as the hand over of the used pesticide packages) the utilization of used pesticide packages, which were used to carry water in spraying area. The infectious hazardous waste has been recorded in the monthly hazardous waste balance.		
5.14	Major 5.1.2	The document of environemnt management plan and environment monitoring plan. The document of environement management plan and environment monitoring plan for semester 1 and 2 in 2014 has not provided the sufficient information, related to: Data over the erosion and sedimentation observation for semester 2 in 2014.	Mill and Estate	Non-compliance	20th April 2015	Company should present that the document of environemnt management plan and environment monitoring plan has been inline with the applicable environment impact analysis.	Root Cause: Unit does not adequately understand the environment management plan and environment monitoring plan as a guideline for drafting the environemnt management plan and environment monitoring plan per semester. Curative Actions: 12th March 2015: - Data has been completed for the erosion	Closed	20th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
		There is no available data for soil fertility (physical and chemical) based on the soil and leaf analysis. Monitoring data on the water and sedimentation quality in Binturung River.					<p>monitoring in 2014 as well as data for sedimentation monitoring for Binturung River.</p> <ul style="list-style-type: none"> - Data in the environment management plan and environment monitoring plan has been completed with the leaf and soil analysis. - <p>Preventive Actions: Conducting the review on environment management plan and environment monitoring plan document every semester. PIC Margono (PSQM)</p> <p>Auditor's observation: 20th March 2015: Company has presented the improvement evidence in its environment management plan and environment monitoring plan report based on the guideline in environment impact analysis, such as stating:</p> <ul style="list-style-type: none"> - The monitoring on soil fertility based on soil and leaf analysis - Monitoring over the sedimentation in erosion prone area for semester 2 in 2014 		

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							- monitoring over water quality and sedimentation in Binturung River for periode semester 2 in 2014. with the above mentioned improvement, non-compliance can be (closed) and the consistency of its implementation will become the object of observasion		
5.15	Minor 6.2.2.	Documentation of local community's aspiration. There are aspirations from local community, which have not responded by company based on the SOP fro communication and consultation, such as the assistance request letter for additional insentif for Mr. Mudim and electric machine operator in Sesulung Village that has been submitted in October 2014.	Estate	Non-compliance	Surveillance 4	Company must present the evidence of response for the entire written aspiration as part of company's commitment and its social responsibility.	Root Cause: The implementation of SOP for communication is not consistent. Curative Actions: Issued the response letter for Sesulung Village. Preventive Actions: Monitors the incoming and outgoing letter. PIC (hed of division/administration unit) Auditor's observation: 13th April 2015: There is a letter from Manager Sesulung Estate to Sesulung Village related to the requires to increase incentive for Mr. Mudim and electric machine (letter No	Closed	13 th April 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							212/SSE-ds.slg/III/2015, on 11 th March 2015) and there is an evidence that letter has been accepted by head of Sesulung Village on 25 th March 2015. With this evidence, thus non-compliance No 2015.15 has been closed.		
5.16	SCCS.3.4 Ver Nov 2011 (Module E)	Treacability for Sustainable Product Lack of evidence that the company has demonstrated the sample of minutes of delivery and DO, which stated the used Mass Balance supply chain model. the sale of CPO and Palm Kernel with 'Mass Balance' system is untreacable. The delivery order on CPO & Palm Kernel from mill, minutes of delivery and DO doc did not stated the used supply chain model.	Mill	Major	30 Days	The used supply chain model 'Mass Balance' should be treacable in related documents, such as minutes of delivery, delivery order and so forth.	SCCS.3.4 Ver Nov 2011 (Module E) Observation on 13 th March 2015 delivery order for CPO and Inti Kernel for instance the weighing card has been marking with the mass baance supply chain model. For instance, CPO weighing card, number 47052 25/2/2015 weighing card IKS 47011 25/2/2015. CPO and Palm Kernel sale can be traced, such as in contract document, delivery order, weighing card and invoice (stated the used supply chian model), which is the mass balance. CPO delivery order, such as: CPO weighing card (doc 046034) 9/1/2015	Closed	20th March 2015

3.5.2.1 Identification of Findings, Corrective Actions and Observations at Surveillance 3 Assessment

CAR No.	Ref. Std.	Non-compliance	Location	Grade	Deadline	Corrective Actions	Observation	Status	Compliance Date
							minutes of CPO delivery (doc 021/BAP/CPO.PLF/I/2015) on 10th January 2015 Invoice (00633/PSA/I/2015) on 26th January 2015		
5.17	SCCS 5.1 Ver Nov 2011 (Module E)	SCCS Training The latest SCCS training had been conducted on 12th March 2014, which was attended by 22 participants from mill and estate. the SCCS training has not been conducted periodically in order to ensure the understanding of personnel on the standard procedure (period 2014); and there are some key personnel in Mill PLF who can show the evidence that they have attended the SCCS training, for instance head of book keeper and weighing operator. Ismail Marzuki (weighing operator), Hadriansyah (head of book keeper).	Mill	Major	30 Days	Company must deliver the training for the entire staff as required by the SCCS requirement.	SCCS 5.1 Ver Nov 2011 (Modul E) Observation on 13th March 2015 Training/Refreshment SCCS has been done on 4th March 2015 by involving the key personnel in mill. Participants of this event such as: weighing operator, head of book keeper, purchasing, transportation supervisor.	Closed	13th March 2015

3.5.2.2 Opportunity for Improvement at Surveillance 3 Assessment

No	Ref Std	Descriptions
1	Minor 6.1.1	Company should improve the performance of communication and consultation with local community in order to ensure the representativeness of local community in the periodic social impact monitoring process.
2	-	The condition of Flow Meter has not been stated in the waste pond evaluation form.
3	Major 4.7.1.	The P2K3 report can be enriched or improved with the information from the implementation of P2K3 responsibility and function, including the result from previous meetings.

3.5.2.3 Noteworthy Positive Components at Surveillance 3 Assessment

No	Ref Std	Descriptions
1	-	Company's commitment to implement the sustainable palm oil management principle is to present company's commitment to keep the RSPO certificate
2	-	Personnel's competency in each division are relatively good.
3	-	Company has earned the PROPER certificate with "Blue" predicate in 2013 and 2014

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


Issues from Stakeholder	Management's Response	Auditor's Response
Forestry Agency in Kota Baru District The consultation result with the forestry agency in Kotabaru shows that there is no issue related to the status of PT PSA area.	There is no issue related to the status of area in sekayu esatate and betung estate, thus these aras will be sustained.	Has ben inline with the criteria 2.2 and company have to sustain the positive work performance and implements the suatrainable improvement.
Environment Agency in Kota Baru District a. The effluent report has been periodically reported. b. The hazardous waste report has been periodically reported c. The environmental monitoring plan and environmental management plan has been periodically reported.	Effluent repot, hazardous waste report, and environmental monitoring plan and environmental management plan report have been submitted periodically.	Has been inline with the criteria 4.4; 5.1; 5.3 and company have to sustain the positive work performance and implements the suatrainable improvement.
Plantation Agency in Kota Baru District a. LKUP has been submitted in one group consecutively: i. Semester I on 12 th August 2014. ii. Semester II on 15 th January 2015. b. The operational assessment shows a good result with the mark range from 65 to 74. c. Business title for the entire estate before 2007. d. PT.PSA has a troubled plasma plantation scheme with local community, especially with the participant candidate for this scheme. e. The existence of plasma plantation scheme is not inline with the aspiration from community, because the scheme was managed by the cooperative. f. There is information, which mentions that the profit sharing has not been done equally. g. CSR shows a good performance. h. Fire extinguisher facility and infrastructure are adequate. i. No intrusion from local community.	The management unit will manage the plantation based on the applicable regulation and maintains the favorable environment with the local community.	Has been inline with the criteria 2.1; 2.2; 6.2; 6.3 and 6.4 and company have to sustain the positive work performance and implements the suatrainable improvement.

Issues from Stakeholder	Management's Response	Auditor's Response
j. The management unit has submitted the environment management plan and environment monitoring plan to plantation agency.		
Local community in plantation area <ol style="list-style-type: none"> 1. Murtada (secretary of Sesulung Village) 2. Firdaus (LPM head of Sesulung Village) 3. Asrol Sani (BPMD head of Sesulung Village) 4. Husni Mubarak (head of Rampa Village) 5. Kusbiantoro (head of government unit) 6. Asynim (head of administration) 7. Radiman (head of Pondok Labu Village) 8. Depen (ethnic leader in Pondok Labu Village) 		
Consultation result: Positive notes: <ol style="list-style-type: none"> 1. In general, the relationship between company and local community runs well. 2. The granted assistances, such as: <ul style="list-style-type: none"> - Heavy equipment assistance base on community's request from the entire villages - There was a grant amount IDR 50 million in Sesulung for purchasing generator - Assistance for modin honoariu for the entire villages - Rice allowance for elderly people - Improvement of fish pond in Rampa Village - School bus and school establishment in each village - Dam establishment in Binturung and Pondok Labu, - Transportation for paramedics in Pondok Labu, - Market, etc. 3. Company attending the musrembang discussion in all villages 	Positive notes: <ol style="list-style-type: none"> 1. Relationship between company and local community will be sustained and improved. 2. Assistance for local community will be sustained according tto the approved budget and plan. The realization of CSR in 2012-2013 for establishing office building in Sesulung Village amount IDR. 161.000.000,- 3. Company's participation in musrembang discussion will be implemented. 4. Local recruitment will be cnducted based on company's need of manpower. 5. Land conflict with local community will be settled in a persuasive approach, the management of busines tite will be based on the apicable regulation. 	<p>Company has conducted the social impact in a partiipatory ways by invoving ocal community and oher related stakeholders.</p> <p>the monitroing result such as questioner has been analysed in environmental management plan and environmental monitoring plan, and shows that I general thre is no conflict with local community and the positive impact from company's operation is outweight the negative impact.</p> <p>Company has contributed toward local development, such as:</p> <ol style="list-style-type: none"> 1. Establishing the plasma plantation scheme with total 1,249.53 hectare with the progress until 25th February 2014 was 383.56 hectare in Binturung Village, and plasma plantation scheme in Pondok

Issues from Stakeholder	Management's Response	Auditor's Response
<p>4. Creating employment opportunity</p> <p>5. No land conflict between company and local community, however local community argue that when the business title of company has been expired, then the plantation should be handed back to local community</p> <p>6. There is no indication of environment pollution from mill's activity</p> <p>7. Communication runs well especially in Pondok Labu and Rampa. Problem solving can be done quickly.</p> <p>Negative notes:</p> <p>1. Most of assistance requests from Sesulung Village and Binturung Village have been only considered and less implemented</p> <p>2. In Sesulung Village, there is a indication of the declining water quality due to generated waste from mill and estate operation. For instance: waste from NO tranches, Separe River, Small Separe River. The declining of water quality has been reduced the quantity of fish thus restraining local community livelihood.</p> <p>3. There are plasma plantation scheme in three villages (Binturung, Pondok Labu, and Sesulung). The member of plasma are registered in Bakau Cooperative, which covers some villages. However Binturung Village, Sesulung Village, and Pondok Labu Village were disappointed with the cooperative's performance because the lack of transparency particularly in cost issue, land distribution and profit sharing.</p> <p>4. Communication between company and local community not optimally implemented. There is no more social event between company and local community.</p> <p>5. Community requests the transparency on the annual corporate</p>	<p>6. Environment management will be conducted in line with the applicable regulation and environment permit.</p> <p>7. Communication with local community will be conducted based on the applicable SOP.</p> <p>Negative notes:</p> <p>1. Heavy equipment assistance like Grader, Compactor, TLB including Excavator for dam establishment.</p> <p>2. Environment management including separate river has been monitored periodically. The decreasing fish production has been periodically monitored. The reduction of fish production was not come from company's operational activity. This can be proved by no pollution indication from mill's activity based on positive notes, point 6.</p> <p>3. The plasma plantation management has been conducted by company, such as KKPA Area of Cengal River Estate. The nucleus estate has not interfere the management of KKPA ASC estate.</p> <p>4. Communication with local community will be sustained and improved.</p> <p>5. The CSR program has been drafted based on the applicable procedure in each unit and has been approved by the CSR team in Jakarta. However,</p>	<p>Labu Village is 402.74 hectare and plasma plantation scheme in Sesulung Village is 463.23 hectare</p> <p>2. Contribution toward local infrastructure such as village hall in Sesulung Village, School establishment, road improvement and maintenance by providing the heavy equipment.</p> <p>3. Contribution toward local economic development has been presented through the involvement of local enterprises as a vendor and contractor.</p> <p>4. The disbursement of corporate social responsibility for local community. The decision making process has been conducted periodically, starting from the assistant level to the top management.</p> <p>The examination over the quality of surface water and river have been conducted periodically every semester, hence the quality of water based on BML ministry of environment decree No. 51 in 1995. Company has conducted the water management and maintained water source, which is recorded in the environmental management plan and environmental monitoring plan. Company established the IPAL installation and created WTP</p> <p>Complaint resolution and claim/ land tenure has been facilitated in the SOP for conflict resolution (056.PSA.PK/C12). Company is prioritizing the FPIC to settle complaints and land tenure.</p>

Issues from Stakeholder	Management's Response	Auditor's Response
<p>social responsibility disbursement.</p> <p>6. There is a land area of 150 hectare in Sengongot village (near to Block N.M) which has not got a permit from local community to be managed by company because the first agreement in 2007, this area should be a back-up area. However, company already operates on this area. Community has forbidden company to manage this area.</p> <p>7. Community sent a assistance request letter to company to increase insentive for Mr. Modin and electricity guard, however this request has not been responded by the company, since October 2014</p> <p>8. The school bus is in a bad condition and prone to accident. Moreover, there was an accident because the car was not able to handle to road condition and caused injury like bone-fracture.</p> <p>9. The impleentation of CSR program usually delay, community should request it first before the company release the program.</p> <p>10. The discussion on musrenbang usually hard to be implemented, for instance: the request of electricity cabel in Binturung Village, and river's cleaning.</p> <p>11. Communication with local community does not run smoothly, especially in Sesulung and Binturung Village.</p> <p>12. Company has contributed to the damage on the road in Binturung Village. When the road in a good condition, many company's car will use this road, but when the road broken, there is no contribution from company to repair it. Especially the road in Binturung Village, which passes by three estate.</p> <p>13. Community in Pondok Labu feels that the bureaucratic system between the unit management in the field and the unit management in capital office is troubled.</p> <p>14. Complains from personnel in Rampa, such as: sunday is day off but the salary is deducted, and this decision comes from the</p>	<p>the management will be improved based on the existing budget each year.</p> <p>6. Areal Block N 30-33 in Sengongot estate has an HCV area with a broad of 23.3 hectare and this area has a potensial 149 hectare of HCV. This issue has been being icussed and company made a socialization for this issue, which was conducted by the PSD department.</p> <p>7. Request letter to incrase the insentive from Mr. Mudim and electricity guard has been accepted on 13th January 2015 and company has responded the request. The current payments are IDR. 500.000,-/month for Mr. Modim and iDR. 650.000,-/month for electricity guard.</p> <p>8. When the school bus broken, company ususally replace it with another bus company fully committee with the provicincy of school bus and improving the occupational health and safety in its operation area.</p> <p>9. The implemented CSR program has been implemented based on the management plan.</p> <p>10. Aspiration from the Musreimbang discussion will be submitted to the higher mangement level.</p> <p>11. Commnication from Sesulung Estate dan Binturung Estate to the pilot villages will be well implemented.</p> <p>12. Road improvement has been well implemented, especially by the Binturung Estate unit, assitance in 2014-2015 and further the CSR program in 2015-2016</p> <p>13. This problem will be followed up.</p>	

Issues from Stakeholder	Management's Response	Auditor's Response
<p>assistant.</p> <p>15. The plasma plantation des not have its own vehicle, thus make the cost inefficient.</p> <p>Aspirations/ Expectations</p> <ol style="list-style-type: none"> 1. The expectation is, the recruitment proces for can be done easily 2. Some local communitis are expecting that they can participateon the trade of dirty oil from IPAL 3. The need to improve the CSR because it seems not efficiently enough, especially in Sesulung and Binturung Village, in comparison to the mining company, which periodically gives assistance even though there is no minging in sesulung village. The management of CSR program is considered not transparantly, and community are expecting that the management of CSR should be done by the community per se. 4. Company is empowering local contractor, however the SPK is not in balance to the number of contractors. The project has been distributed and lot of CV has been collapse because the margin between the project and administration cost to register legal status of CV is uneven. 	<ol style="list-style-type: none"> 14. Payment during day off has been inline with the applicable regulation 15. The management of plasma planttion scheme is conducted by the management of KKPA ASC estate. <p>Aspirations/ Expectations</p> <ol style="list-style-type: none"> 1. The recruitment process has been conducted based on copany's need. Company ara welcoming local community who has a capablity and competency based on the requirement. 2. The management of dirty oil is conducted by capital office, the field office has no right to do the sale 3. Each year, the field office has submitted the agreed CSR program and has ben well implemented 4. Local project is decided by the management unit by involving and giving opportunity for local community. 	

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Paripurna Swakarsa Management Representative</p>  <p><u>Mohammad Pirabaharan</u> Tuesday, May 5th 2015</p> </div> <div style="text-align: center;"> <p>PT Mutuagung Lestari Lead Auditor</p>  <p><u>Bukti Bagja</u> Tuesday, May 5th 2015</p> </div> </div>

Appendix 1: List of Stakeholder Contacted in the RSPO Certification Process					
No	Institution/NGO/Community	Address	Phone/Email	Form of Contact	Date of Contact
1	Kotabaru District Forestry Agency.	Kota Baru District, South Kalimantan Province, Indonesia	-	Interview	February 17 th 2014
2	Kotabaru District Environment Agency	Kota Baru District, South Kalimantan Province, Indonesia	-	Interview	February 17 th 2014
3	Kotabaru District Plantation Agency	Kota Baru District, South Kalimantan Province, Indonesia	-	Interview	February 17 th 2014
4	LPM, BPMD, Sekertaris Desa Sesulung	Kota Baru District, South Kalimantan Province, Indonesia	-	Interview	February 17 th 2014
5	Chief of Rampa Village	Kota Baru District, South Kalimantan Province, Indonesia	-	Interview	February 17 th 2014
6	Head of Government Affair, Head of General Affair, and Chief of Rampa Village	Kota Baru District, South Kalimantan Province, Indonesia	-	Interview	February 17 th 2014
7	Costumary Figure and Chief of Pondok Labu.	Kota Baru District, South Kalimantan Province, Indonesia	-	Interview	February 17 th 2014
8	Sawit Watch	Jakarta	info@sawitwatch.or.id	Comunication Via Email	February 9 th 2015
9	Wahana Lingkungan Hidup	Jakarta	informasi@walhi.or.id	Comunication Via Email	February 9 th 2015
10	WWF	Jakarta	wwf-indonesia@wwf.or.id	Comunication Via Email	February 9 th 2015
11	Save Balikpapan Bay Foundation	Balikpapan	herryadi@balikpapanbay.or.id	Comunication Via Email	February 9 th 2015

Appendix 2. Assessment Program

DATE		16 - 21 February 2015						
PROGRAM		PROCESSES / CLAUSES TO BE AUDITED			AUDITOR			
PLANNED TIME	ACTUAL DURATION				BB	MM	MR	AW
Monday, February 16 th 2015								
07.00- 10.00	07.00- 10.00	JAKARTA → BALIKPAPAN			✓	✓	✓	✓
12.00-...	12.00-...	BALIKPAPAN → PT.PSA						
Tuesday, February 17 th 2015								
		Stakeholders consultation to Related Government Institution to Kotabaru District Government and local NGO						✓
08.00 – 08.30	08.00 – 08.30	Opening meeting			✓	✓	✓	
08.30 – 12.00	08.30 – 12.00	Field Observation to Binturung Estate						
		• Manuring, Spraying, Harvesting, best agricultural practices					✓	
		• Worker Welfare (payments, complaint mechanism)\				✓		
		• Hazardous Waste Material (B3) management			✓			
		• Legal operational and Conservation Area				✓		
		• Worker facilities (housing, health clinic, clean water, etc)						
		and						
		• Land Fire facilities, Storage, ect..			✓	✓	✓	✓
14.00-17.00	14.00-17.00	RSPO & ISPO Document Review and Review of Previous Visit Non-conformance and field observation clarification						
Wednesday, February 18 th 2015								

08.00 – 12.00	08.00 – 12.00	Field Observation to Pondok Labu Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism)\ • Hazardous Waste Material (B3) management • Legal operational and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect.. Stakeholders consultation to Company surrounded village and community leader (confirmation for meeting venue) Pondok Labu POM. WWTP (IPAL), Operational, K3 (OHS), Supply Chain , Hazardous Waste Material (B3) management	✓		✓	
14.00-17.00	14.00-17.00	RSPO Document Review and Review of Previous Visit Non-conformance and field observation clarification	✓	✓	✓	✓
Thursday, February 19th 2015						
-	-	Internal document review	✓	✓	✓	✓
Friday, February 20th 2015						
08.00 – 12.00	08.00 – 12.00	RSPO Document Review and Review of Previous Visit Non-conformance	✓	✓	✓	✓
14.00-15.00	14.00-15.00	Closing Meeting				
16.00-...	16.00-...	PT.PSA → BALIKPAPAN				
Saturday, February 21th 2015						
09.00-....	09.00-....	BALIKPAPAN → JAKARTA	✓	✓	✓	✓

Appendix 3. Glossary

ANDAL	:	Environmental Impact Analysis
B3	:	Hazardous Waste
BOD	:	Biological oxygen demand
CD	:	Community development
CPO	:	Crude palm oil
CFA	:	Comment for action
HCV	:	High conservation value

HGU	:	Land Use Title
HPO	:	Head Plantation Operation
IUP	:	Plantation Business Permit
LNI	:	Lanting estate
K3	:	Kesehatan dan Keselamatan Kerja (Occupational Health and Safety)
RDE	:	Randi Estate
RKL	:	Rencana kelola lingkungan (Environmental Management Plan)
RPL	:	Rencana pemantauan lingkungan (Environmental Monitoring Plan)
SLE	:	Selabak Estate
SLF	:	Selabak Factory
SNE	:	Sangkoh Estate
SPK	:	Surat perjanjian kerjasama (Working Agreement)
S2	:	Surveillance 2
PSD	:	Plantation Service departement
PKB	:	Perjanjian kerja bersama (Working Agreement)
POM	:	Palm Oil Mill
POME	:	Palm oil mill effluent
PSQM	:	Plantation Sustainable Quality Management
P3K	:	First Aid Kit
FFB	:	Fresh Fruit Bunch