

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

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

Name of Management Organisation : **JANGKANG PALM OIL MILL – PT SAHABAT MEWAH & MAKMUR, subsidiary of Austindo Nusantara Jaya Agri**

Plantation Name : **PT SAHABAT MEWAH & MAKMUR: Jangkang Estate, Balok Estate, Ladang Jaya Estate, Sari Bunga Estate and Air Ruak Estate**

Location : **Village of Jangkang, Sub District of Dendang, District of Belitung Timur, Province of Bangka Belitung, INDONESIA**

Certificate Code : **MUTU-RSPO/090**

Date of Certificate Issue : 6 January 2016 Date of License Issue : 6 January 2018

Date of Certificate Expiry : 5 January 2021 Date of License Expiry : 5 January 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.2	30 October – 3 November 2017	Leonada (Lead Auditor), Yohanes Hardian, Rizliani Aprianita Hsb, Affiffuddin	Octo H.P.N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.2	28 Desember 2017

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TABLE OF CONTENT

FIGURE	1
Figure 1. Location Map of PT Sahabat Mewah & Makmur	1
Figure 2. Operational Map of PT Sahabat Mewah & Makmur.....	Error! Bookmark not defined.
Glossary.....	3
 1.0 SCOPE OF THE CERTIFICATION ASSESSMENT	5
1.1 Assessment Standard Used	5
1.2 Organisation Information.....	5
1.3 Type of Assessment.....	5
1.4 Locations of Mill and Plantation	5
1.5 Description of Area Statement	6
1.6 Planting Year and Cycles.....	6
1.7 Description of Mill and Supply Base	6
1.8 Estimate Tonnage of Certified Product.....	7
1.9 Other Certifications	8
1.10 Time Bound Plan	8
 2.0 ASSESSMENT PROCESS.....	10
2.1 Assessment Team.....	10
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	10
2.3 Stakeholder Consultation and Stakeholders Contacted.....	13
2.4 Determining Next Assessment.....	13
 3.0 ASSESSMENT FINDINGS	154
3.1 Summary of Assessment Report of the RSPO Certification	154
3.2 Summary of Assessment Report of Supply Chain Requirements	407
3.3 Conformity Checklist of Certificate and Logo Use (<i>only apply for Surveillance Assessment Report</i>)	441
3.4 Summary of RSPO Partial Certification	452
3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components	45
3.6 Summary of Arising Issues from Public and Auditor Verification	51
 4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	53
4.1 Formal Sign-off of Assessment Findings.....	53
 APPENDICES	
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process.....	55
Appendix 2. Assessment Program	56

FIGURE

Figure 1. Location Map of Sahabat Mewah & Makmur

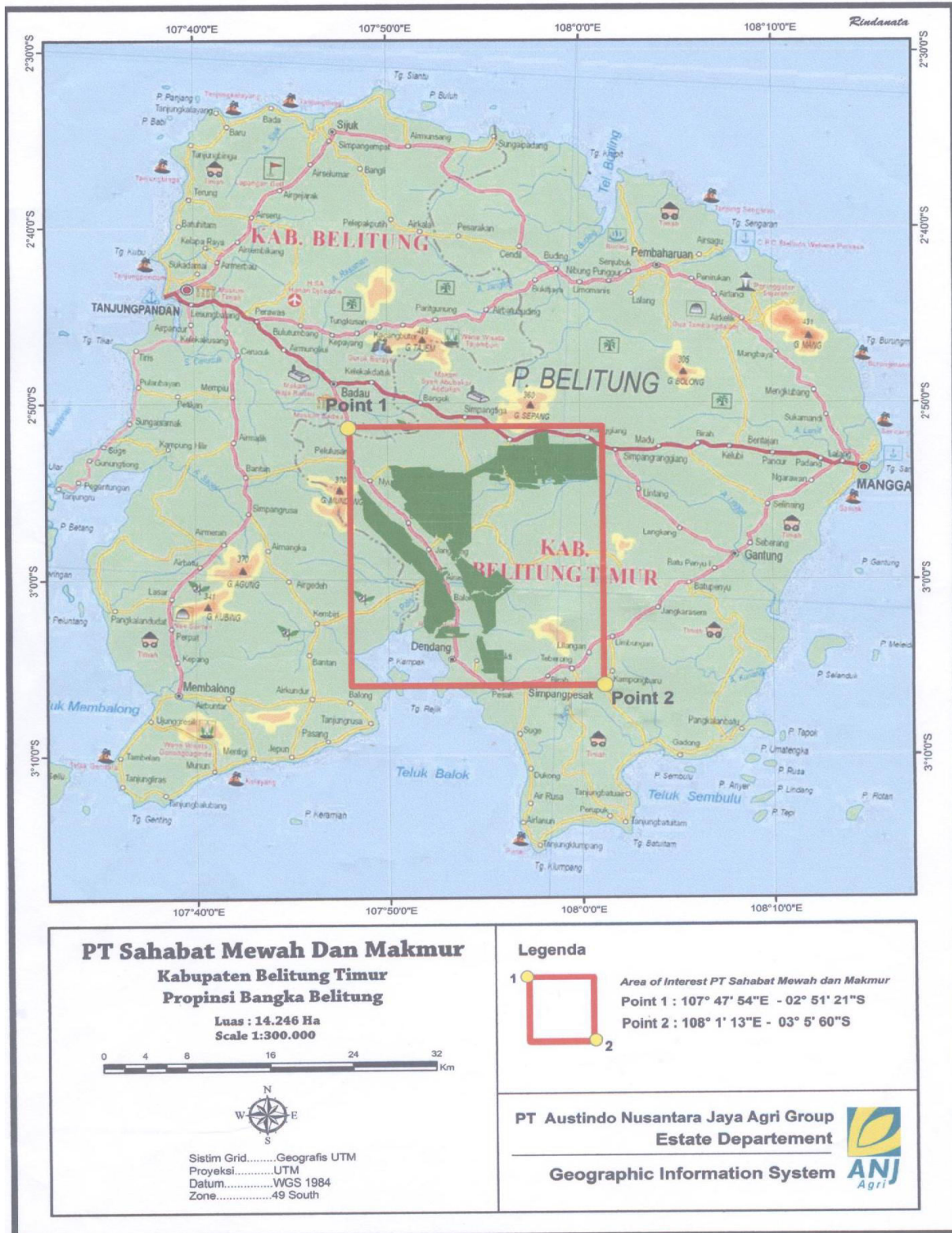
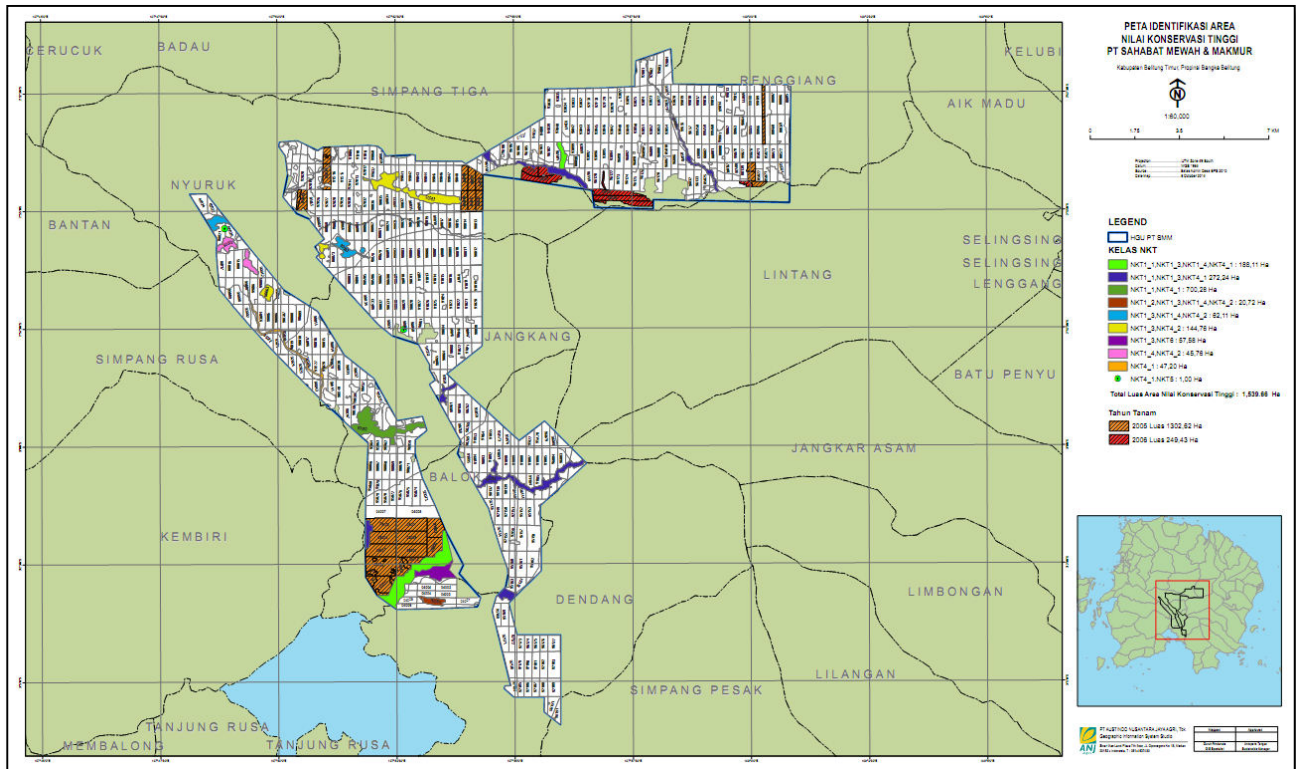


Figure 2. Operational Map of Sahabat Mewah & Makmur



Glossary

ANJ	:	PT Austindo Nusantara Jaya
ANJA	:	PT Austindo Nusantara Jaya Agri
ASA	:	Annual Surveillance Assessment
BLE	:	Balok Estate
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance)
CB	:	Certification Body
CID	:	Community Involvement and Development
COD	:	Chemical Oxygen Demand
CSR	:	Corporate Social Responsibility
CPO	:	Crude Palm Oil
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunches
FGD	:	Focus group Discussion
GHG	:	Green House Gases
GM	:	General Manager
GMO	:	General Manager Officer
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRA	:	Hazard Identification and Risk Assessment
HRO	:	Human Resources Officer
IPM	:	Integrated Pest Management
JKE	:	Jangkang Estate
KER	:	Kernel Extraction Rate
KUD	:	<i>Koperasi Unit Desa</i> (Cooperation Village Unit)
LA	:	Land Application
LCC	:	Legume Cover Crop
LJE	:	Ladang Jaya Estate
LSU	:	Leaf Sample Unit
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MSDS	:	Material Safety Data Sheets
NGO	:	Non-Government Organizations
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
PIC	:	Person In Charge
PLN	:	<i>Perusahaan Listrik Negara</i> (State Electricity Company)
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
RaCP	:	Remediation and Compensation Plan
RKL	:	<i>Rencana kelola lingkungan</i> (Environment Management Plan)
RPL	:	<i>Rencana pemantauan lingkungan</i> (Environment Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
SBE	:	Sungai Bunga Estate
SCCS	:	Supply Chain Certification System
SEIA	:	Social Environmental Impact Assessment
SIA	:	Social Impact Assessment

SMM	:	Sahabat Mewah & Makmur
SOP	:	Standard Operating Procedure
WWTP	:	Wastewater Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
	- Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th September 2016. - RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill) - RSPO Certification System 2007 (Rev. 2011). - RSPO Supply Chain Certification System, November 2014		
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT SAHABAT MEWAH & MAKMUR subsidiary of PT AUSTINDO NUSANTARA JAYA AGRI.	
1.2.2	Contact person	Antoperis Tarigan	
1.2.3	Organisation address and site address	- RSPO registered company: Wisma BII Lt. 7 - Diponegoro street No. 18, Medan. - Liaison Office: Atrium Mulia, 3A Floor, Suite 3A-02 H.R. Rasuna Said Street Kav. B10-11 Jakarta 12910, Indonesia Tel. (62 21) 2965 1777Fax. (62 21) 2965 1788	
1.2.4	Telephone	+62-21-2965 1777	
1.2.5	Fax	+62-21-2965 1788	
1.2.6	E-mail	antoperis.tarigan@anj-group.com	
1.2.7	Web page address	www.anjagri.com	
1.2.8	Management Representative who completed the application for certification	Jerileva Purba (General Manager)	
1.2.9	Registered as RSPO member	1-0032-07-000-00 27 February 2007	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base Jangkang Palm Oil Mill, 5 Estates: Jangkang Estate, Balok Estate, Ladang Jaya Estate, Sari Bunga Estate and Air Ruak Estate	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Jangkang POM	Village of Jangkang, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung	2°59'55.2" S107°52'30.4" E

1.4.2	Location of Certification Scope of Supply Base						
	Name of Supply Base	Location	Coordinate				
			Latitude		Longitude		
	Jangkang Estate	Village of Jangkang, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung	02°59'54.83" S		107°52'33.86" E		
	Balok Estate	Village of Balok, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung	03°02'02.25" S		107°54'56.48" E		
	Ladang Jaya Estate	Village of Jangkang, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung	02°56'42.21" S		107°52'58.80" E		
	Sari Bunga Estate	Village of Nyuruk, Sub-District of Dendang, District of Belitung Timur, Province of Kepulauan Bangka Belitung	02°55'16.78" S		107°52'13.27" E		
	Air Ruak Estate	Village of Simpang Tiga, Sub-District of Simpang Renggang, District of Belitung Timur, Province of Kepulauan Bangka Belitung	02°54'04.15" S		107°56'06.88" E		
1.5	Description of Area Statement						
1.5.1	Tenure						
	• State		16,276.87 Ha				
	• Community		- Ha				
1.5.2	Area Statement						
	• Total area		16,276.87 Ha				
	• Mature area		12,535.95 Ha				
	• Immature area		1,654.39 Ha				
	• Mill		6.61 Ha				
	• Emplacement		139.77 Ha				
	• Hill, river, swamp, trench		330.92 Ha				
	• HCV		1,475.87 Ha				
	• Enclave		133.36 Ha				
1.6	Planting Year and Cycles						
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Jangkang Estate	Balok Estate	Ladang Jaya Estate	Sari Bunga Estate	Air Ruak Estate	Total
	1990	727.14	207.20	215.92	-	-	1,150.26
	1991	12.18	640.20	501.41	36.60	-	1,190.39
	1992	49.24	631.90	-	86.39	259.50	1,027.03
	1993	88.90	-	-	-	1148.30	1,237.20
	1994	-	-	-	-	81.80	81.80
	1995	316.44	672.40	-	-	-	988.84

	1996	79.50	283.40	-	-	727.90	1,090.80
	1998	-	203.40	792.20	267.20	-	1,262.80
	1999	234.60	-	-	400.20	801.20	1,436.00
	2000	306.50	-	-	463.59	430.23	1,200.32
	2001	-	-	-	-	43.00	43.00
	2004	129.97	239.20	-	-	-	369.17
	2005	581.06	-	-	266.12	361.73	1,208.91
	2006	-	-	-	38.63	210.80	249.43
	2015	-	-	-	555.26	-	555.26
	2016	490.75	-	-	-	-	490.75
	2017	-	-	608.38	-	-	608.38
	Total	3,016.28	2,877.70	2,117.91	2,113.99	4,064.46	14,190.34
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Jangkang POM	60	304,953.55	65,387.57	21.44	14,141.62	4.64
	* Source of production data October 2016 – September 2017						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Mature Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Jangkang	3,744.01	2,525.53	51,279.65	20.30	51,279.65	100
	Balok	3,202.29	2,877.7	58,532.06	20.34	58,532.06	100
	Ladang Jaya	2,214.65	1,509.53	33,776.16	22.38	33,776.16	100
	Sari Bunga	2,427.93	1,558.73	33,152.69	21.27	33,152.69	100
	Air Ruak	4,687.99	4,064.46	77,183.86	18.99	77,183.86	100
	TOTAL	16,276.87	12,535.95	253,924.42	20.2557	253,924.42	100
	* Source of production data October 2016 – September 2017						
1.7.3	FFB description from other source						
	Name of sources	Organisation			Location	Supplied to Mill	
						FFB (tonnes/year)	
	Kemitraan - 374 SH, 599 Ha (Non Certified)	Scheme Smallholder PT SMM			Belitung Island, Indonesia	2,221.01	
	Koperasi Anugrah (Non Certified)	Independent smallholders			Belitung Island, Indonesia	6,185.61	

	Koperasi Bumi Makmur (Non Certified)	Independent smallholders	Belitung Island, Indonesia	23,572.91	
	Koperasi Sawit Sepakat Maju (Non Certified)	Independent smallholders	Belitung Island, Indonesia	1,748.60	
	CV. Subur Mandiri (Non Certified)	Independent smallholders	Belitung Island, Indonesia	7,197.41	
	CV. Tata Subur Makmur (Non Certified)	Independent smallholders	Belitung Island, Indonesia	2,689.67	
	Sawit Alam Permai (Non Certified)	Independent smallholders	Belitung Island, Indonesia	3,402.24	
	Rawi Agro Mandiri (Non Certified)	Independent smallholders	Belitung Island, Indonesia	2,940.75	
	KUD Bakti (Non Certified)	Independent smallholders	Belitung Island, Indonesia	425.64	
	Agro Inti Abadi (Non Certified)	Independent smallholders	Belitung Island, Indonesia	645.29	
	TOTAL			51,029.13	
	* Source of production data October 2016 – September 2017				
1.7.4	Product categories	FFB, CPO, PK			
1.8 Estimate Tonnage of Certified Product					
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 6 Januari 2017 to 5 Januari 2018 (tonnes/year)	Actual certified product 6 Januari 2017 to 28 Oktober 2017 (tonnes/year)		
	• FFB Production	196,871	189,654.630		
	• CPO Production	43,312	43,076.125		
	• Palm Kernel (PK) Production	9,844	10,320.950*		
	*NC on SCCS E.4.2				
1.8.2	Product Selling				
	Tonnage of selling product	Actual selling product period 6 January 2017 until 28 October 2017			
	• CSPO	15,700.00			
	• CSPK	3,001.65			
	• CPO under other scheme trading (e.g ISCC, RFS)	-			
	• CPO under conventional trading (if any)	29,300.00			
	• PK under other scheme	-			
	• PK under conventional trading (if any)	6,550.00			
1.8.3	Estimate of Certified FFB Claim				
	Name of Estate(s)	Total Area (Ha)	Mature Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Jangkang	3,744.01	2,525.53	45,000	17.82
	Balok	3,202.29	2,877.7	45,000	15.64
	Ladang Jaya	2,214.65	1,509.53	20,000	13.25

	Sari Bunga	2,427.93	1,558.73	30,000	19.25
	Air Ruak	4,687.99	4,064.46	75,000	18.45
	TOTAL	16,276.87	12,535.95	215,000	17.15
	<i>*Estimated data Period of October 2017 – September 2018</i>				
	<i>*Replanting Plan about ±2,000 Ha in period of October 2017 – September 2018</i>				
1.8.4	Estimate of Certified Palm Product Claim				
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (ton)	Palm Kernel Extraction (%)
	Jangkang	60	215,000	46,225	21.50
	<i>*Estimated data Period of October 2017 – September 2018</i>				
1.9	Other Certifications				
	Gold Flag of OHS Management System (SMK3) for period 2015 – 2018				
	ISPO from TUV Nordfor period 2014 – 2019				
	ISCC from TUV Nord for period 2017 – 2018				
	ISO 14001:2004 from TUV Nord for period 2015 – 2018				
1.10	Time Bound Plan Austindo Nusantara Jaya Agri updated 3 November 2016				
1.10.1	Time Bound Plan for Other Management Units				
	Management Unit	Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan			
	ANJA Siais (PT ANJA Siais)	2014	Lembah Subur Utara Lembah Subur Tengah Lembah Subur Selatan	2014 2014 2014	South Tapanuli District, North Sumatera Province, Indonesia
	Jangkang (PT.Sahabat Mewah Makmur)	2009	Jangkang Balok Ladang Jaya Sari Bunga Air Ruak	2009 2009 2009 2009 2009	East Belitung District, Bangka Belitung Province, Indonesia
	Binanga (PT ANJ Agri)	2012	Estate Wilayah Timur Estate Wilayah Tengah Estate Wilayah Barat	2012 2012 2012	Padang Lawas Utara District, North Sumatera Province
	Kasai (PT.Kayung Agro Lestari)	2017	Sungai Gemilang Teduh 1 (SGT-1) Sungai Gemilang Teduh 2 (SGT-2) Gunung Sejahtera Tumbuh 2 (GST-2) Gunung Sejahtera Tumbuh 3 (GST-3)	2017 2017 2017 2017	Ketapang District, Province of West Kalimantan

-	-	PT.Galempa Sejahtera Bersama	2020	Empat Lawang Distict, South Sumatera,	NPP
-	-	PT.Putera Manunggal Perkasa	2020	South Sorong District, West Papua,	NPP
-	-	PT.Permata Putera Mandiri	2020	South Sorong District, West Papua,	NPP
<i>* Data source: Progressive time bound plan certification activity of PT ANJ Agri</i> <i>* Certification progress for Kasai Mill – PT. Kayung Agru Lestari is Still awaiting for LUCA approval from RSPO to closed NC Major on stage 2 (stage 2 held on 5 – 10 September 2016)</i>					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA 1.2	• Leonada (Lead Auditor). Bachelor of Agricultural Cultivation Department of Agriculture, Faculty of Agriculture, Department of Plant Breeding and Seed Technology, Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and Sustainability in the company private Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, Lead Auditor ISO 9001; 2008, ISO 14001; 2005, Training Management Development Program Agronomy, training analysis base solution for operation, training integrated Pest Management (IPM), training Use of limited Pesticides, Training Management of Waste Pesticides and Fertilizers, training mediation and conflict resolution, general safety specialist training General specialist and Health and safety management system (SMK3) Auditor. In this audit He conducted an assessment on Legal, land dispute and SCCS. • Yohanes Hardian (Auditor). Diploma of Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the environment aspect and wildlife. Has Worked as Staff Rehabilitation project at WWF Central Kalimantan region. Had attended training HCV, has been involved in several activity of HCV Identification of Oil Palm Plantation. Has worked as an environmental staff on Oil Palm Plantation. Have been trained as ISPO auditors and have attended training Auditor ISO 9001 and ISO 19011, Legal documents in-house training with the ISPO commission. Training SIA bu Remakr Asia 2016, Training Lead Auditor RSPO by Proforest- Daemeter 2016. Experience audit RPO And ISPO Since 2014. During this audit, he verified environment and GHG Aspect • Rizliani Aprianita Hsb (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as Training of RSPO lead auditor, lead Auditor ISO 9001;2008, ISO 14001;2004, OHSAS 18001, ISPO Auditor training, RSPO lead Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During this audit, she conducted an assessment on transparency, social and workers welfare. • Afiffuddin (Auditor Trainee). Indonesian citizen, Diploma III majoring Palm Oil Plantation. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely : Basic Plantation Management Program , Indonesian Sustainable Palm Oil (ISPO), OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015). He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Managemnt Practices aspect, healt and safety aspect and worker welfare aspek. During this audit, he verified BMP, Long Term Plan, safety and worker welfare.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-1.2	Number of auditors: 4 auditor Number of days for Surveillance-3 at site: 5 days Number of working days for Surveillance-4 at site: 20 Working days
2.2.2	Assessment Process
ASA-1.2	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the the PT. Sahabat Mewah & Makmur to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill). 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. Some opportunities for improvement of the results **ASA-1.2** delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (**ASA-1.3**).

Improvement of findings from main assessment findings were observed by auditors at this **ASA-1.2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-1.2**.

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-1.2	Number of units in this certification activity is three estates, which supply the raw material (FFB) to Jangkang palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (Jangkang POM) and two estates (Jangkang Estate and Ladang Jaya Estate) Jangkang Estate HGU Pole No. AGR 54, AGR 55 (blok H03). Observation legal boundaries HGU Pole No. AGR 56, AGR 57, AGR 58 (blok G03). Observation legal boundaries Hazardous waste warehouse. Observations related the process of temporary storage before being sent to the third party, building condition, emergency response equipment, symbol and label of hazardous waste. Chemical storage. Observation chemical such as pesticides management keeping. Store of PPE and working equipment for spraying team. Observation of premix area and washing area for spraying team. Polyclinic. Observation and interview related to health facility, availability of medicines, medical waste management, inspection records and workplace accidents. Employee Housing. Observations and interviews with residents of housing in terms of workers' welfare facilities provided by the company. Employee Cooperative. Observation about provision of basic necessities Daycare. Observation and interview with the worker Herbicide Application, Division A, block Q29. Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, first aid foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers. Harvesting, Division A, block P22. Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE. Manuring, Division B, block J08. Observation of manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers. Land application area Block 60, 61 Division 1. Observation related to application of effluent from WWTP Ladang Jaya Estate HGU Pole No. BPN 36 (blok K26). Observation legal boundaries HGU Pole No. BPN 37 (blok K37). Observation legal boundaries Harvesting, Division K, block G35. Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE. Composting application block K27 divisi H. Observation of composting activities and interviews related to

- tasks and responsibilities (job description), work procedures, use of PPE and employment.
5. **Chipping activity block K34 K35.** Observation related to replanting preparation.
 6. **Nyato water springs.** Observation related to management in HCV area such as the availability of HCV and prohibition sign board and also marking HCV
 7. **Employee Housing.** Observations and interviews with residents of housing in terms of workers' welfare facilities provided by the company.
 8. **Water Source for Housing.** Observation related to management of water source for housing.
 9. **Chemical storage.** Observation chemical such as pesticides management keeping.
 10. **Store of PPE and working equipment for spraying team.** Observation of premix area and washing area for spraying team.
 11. **Daycare.** Observation and interview with the worker
 12. **Circle Racking, Division K, block H28.** Observation of circle racking activity and interviews related to tasks and responsibilities (job description), work procedures, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
 13. **LCC Upkeep, Division I, block G20.** Observation of Slope management with LCC Upkeep activity.

Jangkang POM

1. **Security Post.** Auditor was verify recording of FFB, CPO and PK trucks. In addition, an auditor was interview wages and overtime system for security.
2. **Weightbridge station.** Observation and interview with weighing bridge operator towards technical, manpower and OHS aspect.
3. **FFB grading/sortation station.** Observation and interview with FFB grader towards technical, manpower and OHS aspect.
4. **Sterilizer Station.** Observation and interviews with operator Sterilizer regarding employment aspect, OHS aspect and working procedures specified.
5. **Clarification Station.** Observation and interviews with station operator clarification regarding employment aspect, OHS aspect and working procedures specified.
6. **Boiler Station.** Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified.
7. **Engine room.** Observation and interviews with power house station operator regarding employment aspect, OHS aspect and working procedures specified.
8. **Hydrant no. 1.** Observation emergency response procedure.
9. **Water Treatment Plan.** Observation and interview with operator about OHS implementation and PPE use.
10. **WWTP.** Observation of the condition of wastewater management.
11. **Composting Area.** Observation and interview related to management of EFB.
12. **Chemical Warehouse.** Field observations related to condition in the chemical warehouses and management of hazardous and toxic materials.

Surrounding villages

13. **Jangkang Village.** Interview related to transparency, communication, land dispute, and social aspect.
14. **Nyuruk Village.** Interview related to transparency, communication, land dispute, and social aspect

Public consultation

15. **Government Agencies** (Environmental Agency, Plantation Agency, labor Agency).
16. **FFB Supplier Anugrah Cooperative.** Interview related cooperation agreement, FFB price and payment.
17. **FFB Supplier Sawit Sepakat Maju Cooperative.** Interview related cooperation agreement, FFB price and payment.
18. **Local Contractor CV Lupindo Jaya.** Interview related cooperation agreement, and contract payment.
19. **Local Contractor CV Saputri Cemerlang.** Interview related cooperation agreement, and contract payment.
20. **Smallholders Sambar Jaya Makmur Cooperative.** Interview related cooperation agreement and certification progress. **Public consultation to Local contractor, FFB Supplier, internal stakeholder (labor union, gender committee and cooperative employees)**

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-1.2	Summary of stakeholder consultation process Consultation of stakeholders for PT Sahabat Mewah & Makmur was held by: 1. Public announcement at web www.mutucertification.com on 16 October 2017. 2. Consultation meeting and interview with locals of the nearby village (Jangkang Village and Nyuruk Village) on 1 November 2017. 3. Consultation meeting and interview with government agency on 31 October 2017 4. Consultation meeting and interview with Internal Stakeholder (labour union, gender committee, cooperative and contractor local) on 30 Oct – 1 Nov 2017. 5. Consultation with NGO on 25 October 2017 Numbers of input from stakeholders were clarified by PT Sahabat Mewah dan Makmur.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-1.3) will be determined one year after this ASA-1.2 .

3.0 ASSESSMENT FINDINGS

Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Sahabat Mewah & Makmur operation consisting of one (1) mill and five (5) oil palm estates.

During the assessment, there were one (1) Nonconformity was assigned against Major Compliance Indicator; one (1) Nonconformity was assigned against Minor Compliance Indicator raised to Major; two (2) nonconformities were assigned against Minor Compliance Indicators; and one (1) nonconformance against supply chain requirement for CPO mill and fourteen (14) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record). Those corrective actions taken that consist of Three (3) Major non-conformities had been closed out and two (2) Minor non-conformities shall be verified during next assessment.

MUTUAGUNG LESTARI found that Jangkang POM – PT Sahabat Mewah & Makmur complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is Continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	The company has list of stakeholders such as Government District, Local Communities, supplier, local contractors etc. Information (periodic reports) submitted to the Government District related to environment such as mill effluent report, hazardous waste reports, employment reports, health, safety and accident report etc. The officer who responsible for providing information is External Affair. According to interviews with government agencies, local communities and local contractors, they have to know type and how to obtain information from the company.	
1.1.2	There is a procedure for information contained in SOP Communication and Information provision, document no. SOP-Leg-02 dated 01 April 2013. Any requests for information from stakeholders are recorded in the logbooks of communication and information request and the records stored at the External Relationship Department. The information request has been responded in accordance mechanisms established by the company. It's declared either when interviews with government agencies, local communities and local contractors. The officer who responsible for handling request information is External Affair.	

Based on document verification, known that any information request or communication has been responded by the company. For example :

- Letter no. 08/JK/I/2017 on January 20, 2017 related follow-up meetings with the District Chief of Dendang sent by the head of Jangkang Village and has been responded by letter no. 09/SMM-EA/2017 on February 17, 2017.

Status: Comply

1.2

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

1.2.1

The company has determined the publicly-accessed documents on the SOP of communication and information provision (Document No. SOP-Leg-02, Revision 4 dated April 1st September 2015). The SOP described in detail the type of information that can be shared to external. The mean of information provision to the external party included the company document that can be publicly access by external with management approval, for example employment document, OHS document, Environmental document, etc.

The results of interviews with management, it is known that, if there is a request for information such as confidential documents, will first be submitted and approved by management. If the request for such information may exert a negative influence, then such information can not be provided.

The results of interviews with the community / representatives of Jangkang Village and Nyuruk village and related agencies are known to be aware of the mechanism if there is an information request. The documents that can be accessed (agencies) such as documents related to mandatory reporting.

Status: Comply

1.3

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

1.3.1

The company has the document of business ethic code on January 1st 2014. According to the document, the company shall comply all the applied laws and regulation in Indonesia. The code of conduct available in Bahasa. Interviews with harvester, manual maintenance and contract workers (EFB application) note that the company has socialized company's policies such as ethical behavior policy and Human Rights policy.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1 & 2.1.2

CH has a list of laws and regulations of 2017 (FRM-SOP-LEG01-01) prepared by license permit staff, reviewed by license permit manager and authorized by External Affairs Director. Procedure to make sure implemented regulations is draw at "Evaluasi Pemenuhan Peraturan" Procedure (Dok SOP Leg-01, Edisi 01, Rev 03) 30 March 2015. They have shown compliance with the regulatory, include:

- Has had land use title and business permit
- Temporary hazardous waste storage permit
- It has been reported OHS Committee reports and work accidents report according to regulations.
- Operators licences for heavy equipment operator and boiler operators are still within the validity period.
- Have enroll all workers became participants of BPJS.
- The company has comply with regional minimum wage according Decree Letter of Bangka Belitung Governor no. 188.44/1106/TK.T/2016.

2.1.3 & 2.1.4

Laws and regulations list evaluated by Legal Department annually in every year using some method like direct requested to government agency or identification on formal website. That list then be informed to External Relation Officer in every unit management. External Relation Officer responsible to evaluated all laws and regulations implementation in every year and distributed to all estate and mill manager, last internal audit of regulation compliance was conducted at 1 October 2017. According to interview with management known that manager understand about this procedure and commit that laws and regulations be evaluated annually in every year.

Status: Comply

2.2

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

2.2.1

CH has had the land rights in the form of Land Use Title (HGU) for an area of 16,276.87 hectares which are No 50/HGU/BPN/2005 dated 16 May 2005 for 15,873.24 Ha and No. 21/HGU/BPN RI/2011 dated 28 March 2011 for 403.63 Ha. Based in document review and field visit known that management unit has manage a area of 16,276.87 Ha consist of 14,190.34 Ha planted area; 1,953.17 Ha supporting facilities and 133.26 Ha enclave area.

2.2.2

CH has conducted monitoring of boundaries pole every 6 months. The monitoring results for Semester 1 of 2017 showed that 77 poles in Jangkang Estate and 21 poles in Ladang Jaya Estate are in good condition. Based on field observation in Jangkang Estate showed that Boundary Pole No. AGR 54, AGR 55, AGR 56, AGR 57 and AGR 58 are in a well-maintained condition, either in Ladang Jaya Estate on boundary pole No. BPN 36 and BPN 37.

2.2.3, 2.2.4, 2.2.5 & 2.2.6

The consultation results with Government Institution of Belitung Timur Districts and the communities (Nyuruk Village and Jangkang Village) known that there was no dispute / conflict of land between the companies significantly. Field visit and document review also shows that there was no dispute / land conflict in operation area of PT SMM. The company has had procedure of handling differences in opinion with community and land ownership disputes which explain the company committed to prohibit and/or not use mercenaries and para-militaries in operation area.

Status: Comply

2.3

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

2.3.1, 2.3.2, 2.3.3 & 2.3.4

Land tenure for the management unit within the scope of the audit was State land and community land that has been made compensation at the early of plantation project. The evidence of land compensation from community has documented completely and stored by legal department. Interview with communities of Jangkang Village and Nyuruk Village known that the land compensation at the early of plantation project was conducted without coercion and there are no indigenous lands. Based on document review, field visit and interview shows that since ASA-1.1 until ASA-1.2, the company does not perform are expansion.

Status: Comply

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

3.1

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

3.1.1

The certificate holder has drawn up the long-term planning contained in the 5 Year Financial Projection 2017 - 2021 Statement of Operation Projection document. The document has been prepared including:

- Hectare statement : area mature, immature, total planted
- FFB production: yield, production FFB-ex estate, purchase-FFB external, total FFB processing

- Extraction rate: Oil Extraction Rate (OER) own estate, OER external, Kernel Extraction Rate (KER) own estate, external KER
- Oil and kernel production
- Sales and inventory
- CPO and kernel sales (tonnes)
- Estimated CPO and kernel prices (USD per tonne)
- Sales (USD per ton)
- Estate expenditure, mill expenditure
- Taxes and profit estimates.

In detail, there has also been estimated annual production per year and productivity per hectare (yield) until 2022. The certificate holder also evaluates the annual budget achievements made each month and is included in the Monthly Management Report document. The company has long-term plans, such as watergate manufacturing of 8 units, including those in blocks R22, R25, R26, S29 and T22 for water management.

3.1.2

The company has had a replanting program contained in replanting program period 2015-2022 that explains the actualization and replanting plan for each division and for each year of planting. For example:

Year	Total	Actual		Plan						
Planting	Ha	2015	2016	2017	2018	2019	2020	2021	2022	Total
Division A (JKE)										
1990	453.92	-	114.28	-	-	339.64	-	-	-	453.92
1992	38.37	-	-	-	-	38.37	-	-	-	38.37
1995	313.99	-	-	-	-	313.99	-	-	-	308.10
1996	72.82	-	-	-	-	72.82	-	-	-	79.56
2000	54.40	-	54.40	-	-	-	-	-	-	54.40
Total	933.50	-	168.68	-	-	764.82	-	-	-	933.50
Division H (LJE)										
1990	613.58	-	-	613.58	-	-	-	-	-	613.58
Total	613.58	-	-	613.58	-	-	-	-	-	613.58

Evaluation of the replanting program are listed on the Monthly Management Report that has been made by each management unit.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The certificate holder has a documented procedure for the mill and estate. The estate procedure starts from the procedure of plant material, then the technique of nursery, fertilization, weed control, integrated pest management to harvesting and transporting it contained in the document of Standard Operating Procedure (SOP) of Agronomy, document number 07 / AGR / IM / IA / 08 / 13 , dated August 1, 2013 signed by Chief Executive Officer and Estate Director. The certificate holder also has a procedure for the process of receiving fresh fruit bunches to dispatch the CPO and kernels. Operational procedures in general have been socialized to all employees in accordance with their respective fields of work.

Based on field observations at Jangkang Estate and Ladang Jaya Estate, on harvesting, fertilizing and spraying activities were found that employees can demonstrate how to work in accordance with existing procedures. Mill employees during field visits such as sterilizer operators, boiler operators and thresher operators can also explain tasks and responsibilities in accordance with existing work procedures.

4.1.2

Internal surveillance ranging from the smallest scope is done by the foreman to the manager level and beyond. The certificate holder routinely conducts activities of inspection or monitoring of activities in accordance with the operating procedures performed three times a year. For example, the certificate holder shows the final report document of Quality Assurance Inspection and Recommendation, number 03 / QA / ANJA Belitung / September / 2017 related to standard check of harvest quality, FFB transport, IPM, Fruit Set reported by Quality Assurance Manager.

4.1.3

The certificate holder owns and demonstrates the results of the monitoring activities along with the evaluation and follow-up contained in one form namely the Final Report of Quality Assurance Review and Recommendation, Quality Assurance Department, Quality Harvest Quality Inspection, FFB Transportation, IPM, Area Condition, Fruit Set & Water Level Month of September 2017, number 03 / QA / ANJA Belitung / September / 2017. For example, record of corrective actions that are also listed in the same document, such as related to comparison of production achievement, result of quality of harvesting plots, progress of mature fertilization and pest condition. In addition, the company also regularly checks monthly budget achievements in Monthly Management Reports and Monthly Processing Report documents.

4.1.4

Jangkang POM receive FFB from own estate and third party. Entire FFB receiving have been documented based on daily, such as report on September 2017 shows that FFB received from Koperasi Anugrah, Koperasi Bumi Makmur, Koperasi Sawit Sepakat Maju, CV Subur Mandiri, CV Tata Subur Makmur, PT Sawit Alam Permai, PT Rawi Agro Mandiri, KUD Bakti and Agro Inti Abadi. The company can show the SOP for third-party FFB sourcing which describe that head of sales and commercial department ensure that FFB supplier which receive by mill must comply with requirement such as FFB comes from sources that can be accounted.

Status: Comply

4.2

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

4.2.1

The certificate holder already has a procedure related to fertilization activities contained in the procedure of Fertilizer and Fertilization of Oil Palm (No. Doc. SOP-AGR-11) which includes technical fertilization, empty fruit bunch application and compost application on Immature plants and mature plants. The procedure also explains when and how the application of fertilizer in the field.

Implementation of the SOP is monitored periodically three times a year with an operational internal audit. In addition, the implementation of fertilization supervised by the foreman, assistant and re-evaluation by the manager. From the results of the visit in the field of Jangkang Estate block J8, found manuring work with manual system dosage refers to fertilizer recommendations. The foreman records the results of the work in accordance with the actual work of the day.

4.2.2

The certificate holder has documented the use of fertilizer in each estate, such as Urea fertilizer, MOP, RP and Kieserit. For example, based on recommendation documents and fertilizer realization of Urea at Division 11 Ladang Jaya Estate, the fertilization realization in February 2017 was block H25 recommendation block 3,822 kg (dose 1 kg / palm) and realized 100% and block H28 recommendation block 2,605 kg (dose 0.75 kg / palm) and realized 100%.

4.2.3

The certificate holder has a SOP related sampling soil and leaf for analysis as the basis for determining the fertilizer recommendation for next year. Based on SOP shown, the soil sampling conducted 7 years with the provisions taken at a depth of 0 – 40 cm by 300 grams at three sample points are among the stem, inter row and in a pile of frond by using a ground drill. The leave sampling was done every year, provision of sample of the immature plant is taken from the 9th frond and sample of frond for mature plant taken from the 17th.

The certificate holder shows the soil samples taken by PT. Nusa Pusaka Kencana Analytical & QC Laboratory (Asian Agri Group), conducted in 2011 and the report of leaf analysis year 2016 taken by Centre De Cooperation Internationale En Recherche Agronomique Pour Le Developpement (CIRAD).

The certificate holder shows Leaf Analysis Results of PT Sahabat Mewah Makmur 2017 Ref. No. 09-014 / RD / ANJ / SMM / III / 17 dated March 21, 2017 describing Estate, Division, LSU sample, block sample area, pilot block, plant age, planting year, seed type, topography, soil type, and analysis result % N,% P,% K,% Ca,% Mg,% Cl and % S. For example LSU number 103 JKE relief flat Marihat analysis results 2.6% N, 0.175% P, 0.99% K, 0.63% Ca, 0.28% Mg, 0.68% Cl and -% S.

4.2.4

The certificate holder recycles nutrition by applying compost application, Land Application and the rest of the palm tree from replanting. The purpose of utilization of compost and LA in addition to the addition of nutrients as well as the utilization of waste mill so that there is no environmental pollution. The empty / compost length used in the sandy area also serves to improve the soil structure. The compost dose determined for the mature area is 75 kg / palm and for the immature area is 25 kg / palm. For example, for block H27 and H28 Division 11 Ladang Jaya Estate, has been applied in May 2017 100% with dose 75 kg / palm. Based on the results of field observation on the application of compost in the circle on immature area Division 8, block K27 Ladang Jaya Estate, it is known how to apply that is arranged around the palm with dose 25 kg / palm in immature area and 75 kg / palm in mature area. In replanting activities in Ladang Jaya Estate Division 9, block K34-35, it is known that the disbursement and enumeration are arranged along the planting point.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The Company shows the document of Soil Analysis dated May 1, 2015 describes the Semi Detailed Soil Map at a scale 1: 2,000 for each Estate. In these maps, explain that the type of soil in PT.SMM is sandy clay.

4.3.2

The company has the Soil and Water Conservation SOP which describes the slope criteria, policies in the area of the slope and slope area management means. The company has a policy for areas with a slope of > 40 % or above 23° are not allowed to be opened and planted. Management of sloping areas for example can be done by terracing concatenated or individual terrace. Soil conservation using Leguminose Cover Crop and Grass Vertiver / Guatemala is recommended for planting in areas with new crops and areas susceptible to erosion. LCC can prevent the effects of rain on the soil surface, improve soil properties and chemical content and reduce run-off speed.

The company has shown land slope maps with a scale of 1: 100,000 which explains that the area in PT.SMM dominated by a flat area with a range of slope is between 0-8%.

The company at the time of replanting activities made a pitch on the area with slopes on block I27 (2.64 ha) and I28 (2.2 ha).

4.3.3

The company showed a road maintenance program in 2017, for example, road maintenance by using Compacting in Jangkang Estate update 25 September 2017, has been realized in Division 1 of 4,000 meters, Division 2 of 17,436 meters and 10,000 meters in Division 3. In addition, the company also showed road hoarding program of the 2017, for example Ladang Jaya Estate update 25 September 2017, has been realized in Division 8 of 500 meters, Division 9 of 954 meters and 4,000 meters in Division 11.

4.3.4 & 4.3.5

Based on semi detailed soil map and field observation in Jangkang Estate and Ladang Jaya Estate, it is known that there are no areas with peat soil type.

4.3.6

Based on the field observation in Jangkang Estate and Ladang Jaya Estate, it is known that the company has been pursuing a strategy of land management in accordance with the procedures, among others:

- In each block had known that the application of herbicide is only done in the circle area of the tree and harvesting path
- In the replanting area, it is known that there are a terracing on sloping areas
- At the harvest, it is known that the fronds collected/stacked on inter row and in between the tree
- The company's management strategy is composting with doses of 75 kg per palm for mature area and 25 kg per palm for immature area.
- Based on the documents verification, fertilization program has done based on the analysis of the leaves and soil.
- Based on field observation in Ladang Jaya Estate in immature area, it is known that the retailer is circled into the circle with 1 layer.

Status: Comply

4.4

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

4.4.1

Based on document SEIA known that the area of PT SMM there are 3 Watersheds namely Balok Watersheds, Pala Watershed dan Linggang Watershed. For toiletries, washing, latrines and drinking water the employees and local people use wells with a depth of about 15 meters and water throughout the year. Based on the results of HCV identification it is known that there are 11 small rivers in the area PT SMM.

The company has a management plan of 2017 erosion control plan in the river border area and water source area including bamboo planter, king grass planting and vetiver planting; the HCV program maintains river boundary boundaries, construction of name and ban plots, mapping of HCV areas, mucuna growers, local tree plantings, testing of river water quality and springs

4.4.2

The company has owned 2017 management plan of surface water management refer to HCV identification. The HCV identification contains information on plan and realization on erosion control and riparian and water source rehabilitation, water quality monitoring and its maintenance. The company has documented its realization of riparian area rehabilitation activity at current and during replanting. The implemented activity is the determination of riparian area and water source as conservation area, the installation of signboard and the planting of local type of vegetation.

Based on field visit in riparian area of Lenggang River, the replanting on this area was conducted in 2015 and allocated the riparian area for 50 m width is left over (no land clearing) and some has been enriched with durio plant.

Based on the visit in the HCV area at Water spring of Pagu , there is evidence of spraying with chemicals at area defined as buffer zone, this is not in accordance with the SOP of HCV management and River Border no SOP-SCD-02 which is valid on January 1, 2016. In the SOP explained that for buffer zone area no chemical application and maintenance is done manually. **It become Nonconformity no 2017.1**

4.4.3

The company has periodic effluent quality monitoring record especially on its BOD value. For period of January – September 2017, result of all parameter tested is complied with the applied government regulated threshold. The company shows the document of the results of monitoring the quality of liquid waste each month including inlet pond (feeding), and pond 6 (before flowed to LA). The results of monitoring the quality of wastewater in ponds 6 quartz July - September 2017 ranged between 187-492 mg / l still meet the quality standard (5,000 mg / l). The Company already has the East Belitung Regent Decree no. 503/001 / PAL / BPMT / 2014 concerning extension of utilization permit of waste water on plantation land of PT. SMM area of 182.76 Ha, in Dendang district belitung dated April 4, 2014 is valid for 5 years for 11 Blocks covering Blocks 60-63; Block 67-71; Block 76-77.

4.4.4

The company recorded the surface water monitoring used by mill and estates for period of January – September 2017 and the record shows that the water use is still under the company determined budget. Based on the recording recap of water usage for the period of January-September 2017 with the range 1.09-1.60 m3 water / ton FFB (lower than the determination of water consumption norm of 1.65 m3 / ton FFB)

SPO – 4006a.7 (August 2016)

4.4.2	Status: Nonconformity no. 2017.01 with Major category	
4.5	Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	
4.5.1	The certificate holder performs detection by receiving reports from workers then a census is done to determine the actual level of attack through the sampling result. If the census indicates the attack is above the threshold, the control will be applied by the certification unit. For example, in Juni 2017, based on the results of the census in the Ladang Jaya Estate found pest attacks of mice that exceeded the threshold in Division K and I. Control performed by the certificate holder is a chemical application using rodenticide. Based on the review of the document "SOP Pengendalian Tikus Dengan Rat Bait", document number SOP-AGR-24, Edition / Revision 01/01, it is mentioned that the census starts from the third row and continued on each of the next 10 rows, where observations are made on all points in census ranks. However, based on a review of the Census and Control Rat Form document in October 2017 of Division K, it was found that the rat census was carried out on lines 10-11, 20-21, 30-31 and 40-41 only and the details on the form were not completed. For example, the H-25 block with an area of 28.95 ha, the date of observation October 4, 2017. Based on the description of field staff / assistant division Ladang Jaya Estate, it happens because there is a change of census form, so to follow the procedure there are constraints (form too small / compact). This will be observed again at the next assessment. OFI no. 1	
4.5.2	The company has an employee training record related to integrated pest management, for example : - Integrated Pest Management (IPM) Training on 4 August 2017 at Ladang Jaya Estate to the maintenance worker delivered by Division I Assistant related to the explanation of pest census system, owl census, planting and maintenance of <i>Turnera subulata</i> attended by 7 employees. - Training technical Estate - IPM & Fertilizer at ANJ Learning Center all manager, staff and mentor treatment with material related to pests & diseases of oil palm and its control and use of chemicals. Based on the results of field observations and interviews with census and pest control officers in Ladang Jaya Estate who are working on Circle Racking, it is known that the officers have received training related to census and pest control and can explain well the procedures in the company, for example for rat census by looking at the attack on bunches and loose fruit on the circle.	
	Status: Comply	
4.6	Pesticides are used in ways that do not endanger health or the environment	
4.6.1	The certificate holder has procedures related to chemical activities such as spray work and pest control. The procedure is contained in procedure "SOP Petunjuk Keamanan Bahan Kimia", document number SOP-AGR-19 valid from 1 August 2013. In the document is regulated on the use of safe chemicals, poisoning levels, safe storage for precautions, mixing (making) solution and spraying (application) and first aid. In addition, the certificate holder shows the SOP of Weed Control (SOP-AGR-17 dated August 1, 2013), which describes the type of pesticide used for each type of weed. For example: - Woody weeds: <i>Triclopir ormetil metsulfuron</i> with surfactant, the dose are following with the recommendation in the product label - Ferns: <i>Metil Metsulfuron</i> with <i>Glifosinat</i>, the dose are following with the recommendation in the product label The certificate holder shows SOP Integrated Pest Management (SOP-AGR-20 dated April 1, 2016), which also describes the types of pesticides or active ingredients used for each pests. For example:	

- *Setothosea asigna*: *Lamda Sihaltorin* dengan dosis 250mL/ha; *Sipermetrin* dengan dosis 300 mL/ha
- Termites: *Fipronil* and *imidakloprid*
- *Oryctes rhinoceros*: *Sipermetrin* with concentration is 2-3 mL/L water and the dose is 100 mL/tree

Based on the results of field observations on the application of herbicide at Jangkang Estate, known herbicide used is Amiphosate (active ingredient Glyphosate) with a dose of 0.3 l / ha.

4.6.2

The Company has SOP of Weed Control (SOP-AGR-17 dated August 1, 2013), which explains the pesticide application programs is set based on the activities. For example to control woody weed in area with ages of palm between 3-4 years are conducted 2 times/year and for those aged above 6 years are conducted once a year.

The Company has showed List of Chemicals and LD50 which explains the name/ trademark of pesticide, active ingredient, the registration number of the Pesticide Commission, up to the amount of its LD50, for example: Basta 150 SL, active ingredient Ammonium glufosinate with LD50 acute oral 1.73 and acute Dermal LD50 593. In addition, the company shows the use of chemicals (active ingredient/ hectare) which describes the amount of pesticide used, the amount of active ingredient and the active ingredient / hectare. For example, the use of Basta 150 SL in Ladang Jaya Estate for September 2017 is 137.5 liters, the amount of active material used is 20.63 liters, the application area is 2,117.91 hectares. So the use of active ingredients per hectare is 0.0097 liters per hectare.

4.6.3

The certification unit implements an integrated pest management system by collaborating on biological and chemical controls. The use of chemical techniques is not done in a preventive manner, however based on the results of early warning systems of detection and census. The development of useful plants such as *Turnera subulata* and *Antigonone leptopus* is used as a biological control technique as a place to live predator nettle caterpillars. Based on the results of field visits along the sampling sites in Jangkang Estate and also in Ladang Jaya Estate, found beneficial plant development *Turnera subulata* and *Antigonone leptopus* along the site of the visit.

4.6.4

The company shows the Internal Memo document from the General Manager, Ref. No. 056 / GM / SMM / IM / XI / 2016 dated November 3, 2016, concerning Monitoring of Pesticide Use of Paraquat and Prohibiting the Use of Pesticide Active Ingredients to All Estate Managers. In summary, it is conveyed not to use paraquat, WHO class 1A, 1B chemicals, Rotterdam Conventions and Stockholm Convention in operation. Enclosed material is also prohibited and limited according to the above classification.

Based on the results of the study of the use of chemicals, Gram Active Materials per Ha and per ton of FFB period September 2017, it is known that the company is still using pesticide class 1B Coumatetralyl 1,576.8 kg or 0.1 kg / ha or 315.4 gr active ingredient / ha. The use of the active ingredient (Coumatetralyl) is based on the results of the census that has exceeded the threshold value set by the company, ie > 5% for blocks with no the owl cages and > 10% for blocks with owl applications.

Based on field observation in chemical warehouse both in Jangkang Estate and in Ladang Jaya Estate, there is no active ingredient of paraquat, only Coumatetralyl active material is found.

4.6.5, 4.6.7 & 4.6.9

The certificate holder has a Chemical Safety Instruction Procedure, document number SOP-AGR-19, which explains how to use safe pesticides, poisoning levels, safe storage, precautions, mixing solutions and spraying. The procedure has been delivered through herbicide application training which was attended by 47 participants.

Based on interviews with herbicide applicators at Jangkang Estate block Q-29 Division A, it is known that the company has provided a place to cleanse themselves, clean the work equipment and clean the personal protective equipment as well as the storage of personal protective equipment. In addition, the foreman also explained that mixing of herbicides is not done in the field, however in herbicide storage. Also known that the safety of work equipment has been maintained and there is

no sprayer leakage. Every activity of herbicide application then the access road collection block application will be given a warning / sign that there is / have just done spraying activity. The foreman is equipped with a first aid kit. In addition, it is also known that all the workers have attended training and can explain related to their work, for example related to spray-prohibited area, spray width, should not be against the wind, using appropriate PPE and company policy related to prohibition of pregnant and lactating workers related to chemicals.

Based on the results of field observation, either in the central warehouse or chemical warehouse / fertilizer, known to have installed MSDS in accordance with the type of material / trademark. Implementation of MSDS includes the provision of PPE in accordance with MSDS.

4.6.6

The company has owned procedure on chemical and pesticide keeping method and its management. The procedure manage the splitting between pesticide and fertilizer. Based on the results of the field visit at Jangkang Estate, the Company has been storing pesticides in a special warehouse and there is good air ventilation and the placement has been grouped according to its type.

4.6.8

Based on field visits and interviews with workers, the company never did the application of pesticides from the air. Applications is done by using a sprayer.

4.6.10

The company has procedure of hazardous waste management including the ex-pesticide containers as part of it. The ex-pesticide containers is collected in permitted hazardous waste storage then disposed to the permitted transporter. The hazardous waste then transported to the other party who has hazardous waste disposal permit for disposal purpose.

Based on visit to chemical store in Jangkang Estate , the pre-mix is conducted in chemical storage equipped with facility and PPE to manage spill. There is a container available to collect if there is any spill of pesticide and the collected spillage then will be re-used as pre-mix solvent. There is also MSDS in place.

There a training record of spraying and pre-mix worker including the handling on pesticide spillage. The pesticide pre-mix is conducted in chemical warehouse equipped with pre-mix facilities PPE to handle spillage. There is a container to collect spillage and the spillage is reused as pre-mix solvent in pesticide premixing activity. Based on Hazardous waste storage permit, pesticide packing can be stored for up to 90 days and if waste production is less than 50 kg per day then the shelf life is 180 days. The Company has implemented pesticide management well.

4.6.11

The company has a medical examination every year to all operators of pesticides. Last medical examination was conducted on June 2017 with the result there is no indication that the operator has been contaminated by the pesticide. Based on field observations and interviews with herbicide applicators at Jangkang Estate and Ladang Jaya Estate, workers stated no health complaints related to spray work. Workers also claimed never to feel itchy or allergic to chemicals. Medical examination conducted 2 times a year, namely physical examination and lab examination. The results of medical examination have been informed by doctor to each worker.

4.6.12

The Company has an Internal Memo of the General Manager, number 073 / GM / 12-2013, dated December 11, 2013, on the Protection of Women's Reproductive Rights which explains that pregnant and lactating female workers (up to 9 months old) are prohibited from spraying or other work related to chemical contamination.

The company conducts pregnancy and lactating checks for female pesticide applicator applicants every month by the foreman in the field, then checked by a company doctor to confirm it. Based on the results of interviews with female spray workers in JKE and JLE, it is known that the mechanism related to the examination of female workers is done routinely every month. Evidence indicating that pregnant and lactating women are not allowed to handle pesticides can be seen from the workers' understanding of policies and mechanisms for the identification of pregnant and lactating women. Based on

the results of field observations are also not found workers who are pregnant or still lactating.

Status: Comply

4.7

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

4.7.1

The certificate holder establishes the Environmental, Occupational Safety and Health Policy established on January 9, 2017 by the General Manager, President Director and Chairman of the Bipartite Cooperation Institution. The Policy includes the implementation of all regulations and procedures pertaining to the Environment, Occupational Safety and Health, reducing the number of occupational accidents and zero accident and providing a safe workplace and means of personal protective equipment and training. Based on the results of field observations and interviews with workers, it is known that workers know and understand the policy such as the obligation of the use of Personal Protective Equipment.

Guiding Committee of Occupational Safety & Health has prepared a work program in 2017 that includes safety training activities, fire extinguishers checks, personal protective equipment checks, fire fighting training, health checks, maintenance of safety and health checks, chemical storage checks, inspection of hazardous waste material storage, safety meeting and first aid training. Some of these programs have been realized until June 2017, such as PPE checks, fire extinguishers checks, health checks and monthly Guiding Committee of Occupational Safety & Health meetings.

The certificate holder through the Environment, Health and Safety teams, corporate doctors and unit managers, has monitored the effectiveness of health and safety plans, for example related to health checks that have been done by Laboratories and also by company doctors. The company physician will recommend the mutation of work to another job if there is a decrease / increase in health conditions.

Based on the results of document review, interviews with workers and field observations, it is known that certificate holders have policies and plans relating to safety and health that are documented, implemented and monitored for their effectiveness.

4.7.2

The certificate holder has reviewed the risks that may threaten the safety and health of all work operations listed in Hazard Identification and Risk Assessment (HIRA). Based on the results of field observations on mill and estates activities and the HIRA document review shown, it is known that risk assessment includes all organizational processes and activities, for example weighing activities by weighing operators there are slippery hazards on the floor, potential slip hazards, falls and potential risk of seriously injury or minor injuries. Based on the result of document review of Hazard Identification and Risk Control Procedure No. SOP-EHS-019, known in identifying hazards, considers the accident occurring in the field to determine risk assessment and risk control.

The certificate holder has also implemented prevention measures referring to product labels, as seen during field observations in chemical warehouses and toxic mixing sites where MSDS is placed as a guide in chemical handling. Based on interviews with spraying workers it is also known that the foreman in the field understands the procedures in case of work accidents as well as instructions in the MSDS each product has been applied to the employees.

4.7.3

Safety work training that has been given by the company, among other:

- Permit System Training on February 18, 2017 at GMO meeting room for maintenance employees, work process employees and sortase material training emergency action plan and permit sitem was attended by 52 employees.
- HIRA Training to the employees as much as 87 employees on 23 September 2017 by the EHS Officer.

In addition, the company has provided training to get operator license include heavy equipment License, boiler operator's license, Electrical Technician Certificate, Welder Certificate, fire extinguisher training certificates, First aid training certificates.

Companies proof handover PPE to employees, for example:

- Jangkang Mill from PPE is recorded in a handover book that describes the worker's name, delivery date, the type of

PPE and signature.

- JKE recorded in a PPE Intake Monitoring document that explains the taking date, the division origin, taker name, and the number of items taken.
- LJE recorded in PPE handover documents and receipts forms.

Based on field observation at Jangkang Estate, Ladang Jaya Estate and Jangkang POM, it is known that workers have used PPE in accordance with company risk analysis, such as boiler operators using safety shoes, leather gloves, masks, helmets, ear plugs. The company shows the documents of the Employee PPE Checklist, for example for the Jangkang POM period of August 2017 for all workers (125 employees).

However, based on information from 2 fertilizer workers at Jangkang Estate and 1 circle racking workers in Ladang Jaya, it is known if the PPE is damaged it will be paid on behalf of workers and will be paid every month. The management explains that the company provides PPE free of charge, but if the worker wishes / feels the need to have spare boots (due to rain, etc.), the company can provide with the shoe record is paid / charged to the worker on the basis of the willingness of the workers themselves. This will be an observation when the next assessment.

4.7.4

The Company presented a letter to the Manpower Office Province of Kepulauan Bangka Belitung regarding the Submission of Guiding Committee of Occupational Safety & Health Composition of Change Decree, dated October 2, 2017 and received on October 10, 2017. The new structure consists of 9 workers representatives and 40 company representatives. Until now there has been no letter of endorsement of the letter of submission. This will be re-observed in the next assessment.

The Company also shows proof of application for extension of Letter of Appointment and Card of authority OHS General Expert of PT SMM and a letter of PT Safindo Raya, no. Ket.56 / SKT / SR-MDN / IX / 2017, dated September 25, 2017, which explains that 25 employees of PT Sahabat Mewah Makmur (the list attached) are in the process of renewal of the Heavy Equipment Operator License. This will be re-observed in the next assessment.

Based on interview with the Labor Agency, the company has had OHS Committee structure and in accordance with regulations.

Company routinely performs the OHS discussion meeting in a OHS Committee meeting held every month. For example at the meeting on October 25, 2017 discussion was attended 17 audience. about the order of PPE usage, the results of field inspections, the results of emergency response tool checking in the Ladang Jaya Estate. However, based on the attendance list of the meeting, it is known only in attendance by management representatives. Based on the management's explanation, the OHS Committee meeting is usually conducted simultaneously with monthly coordination meetings between the estate staff and the mill staff, thus excluding worker representatives. This becomes an observation on the next assessment.

4.7.5

Company shows:

- Internal Memo, Ref. No. 57 / GMO / SMM / IM / 11/2016, dated November 9, 2016 issued by GM, explaining that first aid kit and first aid equipment are monitored by officers who are members of the Emergency Response Team. Monitored data are usage data, ensuring completeness of content and expiration date.
- Evidence of Internal Memo Socialization in the Refreshment Training document on 26 - 27 September 2017 which was attended by 72 participants consisting of the supervisor / employee of First Aid Kit holder.
- Internal Memo regarding the Standardization of the First Aid Kit Content, Ref. No. 63 / GMO / SMM / IM / 11/2016, dated 29 November 2016 issued by GM, which specifies the first aid kit contents are 12 items with a list attached.

Based on the results of document review and field observation on ASA 1.2, there was found a non-conformity related to first aid equipment, as follows:

1. Internal Memorandum documents of the Content of First Aid Kit Content, set by the General Manager and there is no recommendation information from the medical party.
2. Based on the results of field observations on Herbicide Application activity in Division A block Q29 Jangkang Estate, found the table of contents and the contents of first aid box only provided 8 items.
3. Based on the results of field observations on Circle Racking activities in Block K28 Division Ladang Jaya Estate on October 31, 2017, found the contents of First Aid Kit in the form of 1 expired Aquadest (dated October 22, 2017)

Based on the above explanation, there is still a non-conformity in the indicator 4.7.5. So **Minor's non-conformity becomes Major.**

4.7.6

The company is able to show proof of payment of contributions for accident insurance period of September 2017 which are included in the *BPJS Ketenagakerjaan* for all workers. Based on interviews with workers, it is explained that the workers have to have a *BPJS Ketenagakerjaan* membership card. For medical care of employees, the company has a clinic equipped with the company doctor and paramedic.

Based on the results of document review and interviews with the management, it is known that there was an accident in August 2017 that caused the LTA. The Company has reported the incident of the accident to the *BPJS Ketenagakerjaan* accompanied by the completeness of the required files such as Work Accident Letters, Case Report of Work Accident Phase I and Chronological of Accident.

However, based on the management's explanation, it is known that the insurance claim / *BPJS Ketenagakerjaan* can not be done because the concerned is still in the stage of treatment / healing. This will be re-observed in the next assessment.

4.7.7

The company shows the document of Work Accident Data 2012 until 2017 PT SMM. Based on the document, the recording of work accident has been classified First Aid, Medical Aid, Accident outside working hours and LTA.

The company recorded work accidents in the Safety Index document ANJ Agri Belitung describing the location, name of the assistant, Number of Employees, Working Hours of the Month, Monthly Working Hours, Total Working Hours, Safety Index. For August 2017 at PT.SMM there is 1 work accident with total day lost 2 days and Safety Index in August 0.13.

Related accidents that occurred blasting battery at Central Workshop Traction in August 2017, are currently not included in HIRA CWT. However, socialization or briefing has been done. This will be observed again during the next appraisal.

4.7.5	Status: Non conformance NC.2016.3 with minor category raise to Major category
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4.8

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

4.8.1; 4.8.2

The company has a training program that includes training related aspects of RSPO. The training program is based on the need analysis of each unit (estate and mill) and has been programmed in 2017, such as:

- First Aid Training
- Training of harvesting
- Training of grading
- Training on fertilization
- Corporate policy training
- Training on handling hazardous waste
- Training of IPM
- Water treatments and analytics training
- Etc

The results of interviews with boiler operators, harvesters, grading officers have received training related job description of each personnel .

The company has showed several training that has been conducted as follows:

- Socialization of OHS policy on July 22, 2017 to contractor and employees attended by 8 contractor's employees and 21 employees of PT SMM and socialization on July 24 which was attended by 27 employees (Ladang Jaya Estate).
- Boiler operational training on 30 October 2017 which was attended by 3 boiler operators.
- Water analysis and sampling training on September 25, 2017 which was attended by 6 participants.
- Training on fertilization on May 4, 2017 which was attended by 45 participants.
- Etc

Status: Comply

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity
5.1

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

5.1.1

The company has environmental document for both the plantation (estate) and mill dated 2002, plantation expansion dated 2015, the development of bio gas dated 2009 and environmental document for composting dated 2016. The company has identified environmental aspect for replanting in 2016. The Company is revising the SEIA process into a single environmental document and has submitted a letter of environmental assessment to the Environment Department of East Belitung on 29 September 2017 with no letter: 027 / LP / SMM / EM / IX / 2017

The field visit shows that the use of bio gas as electric plant fuel has been running in cooperation with PLN in which all electric power generated is occupied by PLN. Meanwhile, the use of composting is still in trial period and installing the facility.

5.1.2 & 5.1.3

The company has a document of periodic environmental management and monitoring split in 4 different environmental documents. The company documented the implementation of environmental management and monitoring periodically, every semester and every 3 months. The implementation document is reported to the related government agency. The company has opportunity to improve form of The implementation of environmental management report. **OFI**

The PIC for the implementation of the management and monitoring plan is Sustainability Compliance and External Affair. The Company has conducted monitoring based on monitoring matrix in RKL and RPL documents. Air quality monitoring and surface water quality are still in accordance with the quality standards set out in government regulations. Base on interview with communities at Jangkang Village and Nyuruk Village know there is no pollution issues at PT SMM.

5.1.2
Status: OFI
5.2

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

5.2.1

The company has report of HCV identification and analysis covering company area of 16,291.40 ha (2009). The identification is in corporation with PT Focus Consulting Group. On October 2015, The HCV's areas are recognized with HCV 1.3 : areas that contains habitat for viable population of endangered, restricted range or protected species; HCV 4.1: areas of ecosystem important for the provision of water and prevention of floods for downstream communities; HCV 4.2: areas important for prevention of erosion and sedimentation ;HCV 6:areas critical for maintaining the cultural identity of local communities most of HCV's are available in all the estates.

The company conducted internal review by internal staff who has got HCV training. The result is the company added its HCV area with 1.38 ha of water spring buffer zone in block 39, Ladang Jaya Estate and allocated Jungkong Hill in Sari Bunga Estate for 12 ha. Therefore, the total company HCV area becomes 1.475,87 ha.

5.2.2

SMM has established SOP to manage and monitor HCV as stated in HCV Management and Monitoring Procedures (PRS-SDV-003) This procedure refers to legal requirements relating to the protection of the species such as PP No. 7 year 1999 regarding protected flora and fauna in Indonesia and refers to Undang- Undang No.38 year 2011 regarding River . This procedure describes how to protect HCV areas, management of HCV areas and monitoring of HCV, including buffer zones are set of at least 50 m (fifty meters) from the left and right edges along the river according to Government regulations No.38 year 2011 regarding River. The company has woody planting program in HCV area, the implementation of this program become opportunity for improvement. **OFI**

There is an Internal GM memo dated October 19, on Planting trees with Fruit tree species in HCV area at Replanting area which explains that the HCV area in the replanting area will be overlaid with crops to reduce pests from old palm trees and will be replaced with local fruits and crops of a kind : *Durian, Mangga, Duku, Rambutan, Manggis, Klengkeng* and the area is not planted with oil palm.

Field observation in buffer zone of Nyato spring shows that there is the area has been carried out the palm oil plantation but not planted oil palm. The company has also set a buffer area for springs covering approximately 13 ha. and in the area is planned to be rehabilitated with local types of plants and types of fruits. The company shows proof of purchase request of goods in the form of plant seeds as : *Durian, Mangga, Duku, Rambutan, Manggis, Klengkeng*

5.2.3

The company has a policy on flora and fauna biodiversity protection issued on 21 September 2016. The policy regulates the prohibition on disturbing wildlife of plant and animal and the sanction applied for disobeying the policy. The company has record of HCV socialization and discussion as:

- Jangkang estate which shows the implementation of socialization activities to employees on on 25 July 2017 as evidenced by 70 employees
- Ladang Jaya Estate which shows the implementation of socialization activities to employees on August 4, 2017 is followed by 222 employees

Based on the results of interviews with employees in housing at Ladang Jaya Estate and Jangkang Estate it is known that employees understand and know the prohibition of hunting and maintaining protected wildlife.

5.2.4

The company owns document of management and monitoring on HCV (2009) containing the strengthen on rehabilitation and enrichment of flora and the strengthen on organization. There are report of daily patrol over HCV area in Balok Estate informing the security situation and the physical condition and fauna founded. The information of daily report is inserted in per semester implementation report. Based on the results of interviews with the management is known that in the HCV Makam Raja Balok area there is a protected species *Tarsius bancanus*. This type was discovered around July 2017 and at the time the audit was underway Internal surveys by PT SMM.

5.2.5

There is record of stakeholder meeting in Balok Estate on 10 June 2016 among others contains information on the cooperative development plan of Balok Cemetery for ecotourism purpose. The attendance list shows the participant of the meeting are Village Administrator, hamlet, Village Board, Agriculture Agency, Village Cooperative and education agency.

5.2.2	Status: OFI
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5.3

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

5.3.1

The company has a SOP Waste Management Plan, that contains waste source identification, covering solid waste, liquid waste, clinical waste, domestic waste and hazardous waste sourced from workshop, mill, domestic and clinic activities. The company has record of hazardous waste transporting from estate and mill and clinical waste from the clinic to main permitted hazardous waste. The waste then transferred to the permitted disposal company.

5.3.2

The company has a SOP of Hazardous Waste Management (SOP-EHS-009) effective 10/08/2015 of which includes the management of waste pesticide packaging

- Used packaging from cans and plastics cleaned and collected at Waste Storage
- Prohibited to be used for drinking water and other purposes

The Company already has an extension of hazardous waste temporary storage permit in accordance with the decision of East Belitung Regent No. 188.45-608 of 2014 and this license is valid for 5 years. Signed on 19 September 2014. The

SPO – 4006a.7 (August 2016)

Company has a partnership with the collection of Hazardous Waste ie CV Noor Annisa Chemical signed August 11, 2017 and valid for one year after it was signed.. The Company has delivered hazardous waste on August 15, 2017 to CV Noor Annisa Chemical. The Company shows a letter of cooperation agreement of hazardous waste collection with CV Noor Annisa Chemical with no *SPK 02.PJ / VIII / Lingkungan / SMM-BLT / 2017* signed August 11, 2017 and valid for one year after signing. The company has sent Hazardous waste on August 15, 2017 to CV Noor Annisa Chemical with waste Oli waste, Chemical packaging, Used batteries, contaminan material.

Based on field visit, revealed that Jangkang Estate has permitted hazardous waste storage with specification in accordance with the permit. Meanwhile the temporary hazardous waste in mill has no longer been used. All hazardous waste is collected in permitted hazardous waste.

5.3.3

The Company has implemented and documented waste disposal and waste management plans to avoid or reduce pollution, which has been carried out by the Company, among others:

- Waste water from WWTP pond in streams Installation Biogas plan to be utilized as a power plant and waste water from Biogas plan used for land applications. Waste quality monitoring (eg BOD, COD) has been conducted on a monthly basis.
- Shells as waste from kernel station processing are used as Boiler Fuel. The method used is to drain automatically using the conveyor from the kernel station to the boiler station.
- Fiber waste management by making it as a boiler fuel.
- EFB management is processed into composting and making it an organic fertilizer on palm oil fields.
- Lubrican used from workshops and factories and packaging Hazardous Waste is stored in temporary storage for Hazardous Waste.

The Company has monitored hazardous waste and compiled the third quarter of hazardous waste reporting to the Environment Department of East Belitung district, Deputy for hazardous waste management and the Ministry of Environment and Forestry, head of the Sumatra regional environmental management center in Pekanbaru on 25 October 2017

The company owned record in domestic waste management including landfill for inorganic waste and the recycle of organic waste as compost. The field visit to estate, known that there is a separation between organic and inorganic waste in housing complex. The waste collection is conducted twice a week. The inorganic waste is dumped to landfill and when it is full then is hoarded. Meanwhile, the organic waste is recycled as compost for manuring vegetables and fruit in housing complex

Based on the results of the visit, it is known that there is a management of hazardous waste not yet in accordance with SOP Waste Management Plan (No. SOP-EHS-008; Revision 01, dated 05 December 2015) as follows:

- Based on the results of the visit at Ladang Jaya Estate is known there are drums that are used as a hazardous waste stored outside the warehouse.
- Based on the results of the visit in Mill there is hazardous waste in the form of paint cans thrown in boiler ash disposal and not stored in Hazardous waste storage

Its become Nonconformity no 2017.2

5.3.3	Status: Nonconformity no 2017.2 with minor category
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5.4

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

5.4.1

The company has a policy on energy efficiency. There is record of fossil fuel used per ton FFB, analysis on fossil fuel efficiency use and shell and fiber utilization for boiler fuel in mill. The monitoring and evaluation over fossil fuel use in estate is available. The visit to mill shows that fiber and shell is being used as boiler fuel.

- Renewable energy consumption for FFB processing = 0.22 ton of fiber & shell / Ton FFB
- The use of diesel fuel for FFB processing = 0.97 liter / ton FFB
- Electricity consumption from generator for FFB processing = 2,5 KWH / ton of FFB
- Electricity consumption from turbine for FFB processing = 17,66 KWH / ton of FFB

The company has utilized liquid waste as a source of raw materials of biogas plan.

Status: Comply

5.5

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

5.5.1& 5.5.2

The company has an environmental policy issued on March 2015 which among others contains the implementation of zero burning for all estate activity. There is Agronomy Procedure on land clearing with zero burning technique. Controlling fire, the company has fire emergency procedure and the fire equipment is provided.

Visit to Jangkang Estate shows that fire equipment such as fire pump, water tank, nozzle, tractor and excavator is available. Based on the results of the visit in the area of replanting around the spring Pagu note that the implementation of replanting activities done mechanically and there is no burning in the area of replanting.

Status: Comply

5.6

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

5.6.1

The company has GHG procedure that regulates GHG emission source inventory, mitigation effort and GHG emission calculation. The company has air quality monitoring result both emission and ambient, emission sourced from mill's equipment and engine, housing complex's electric generator and result of periodic effluent quality monitoring.

5.6.2

The company has a continuous improvement report for year of 2015. The report contains information on GHG mitigation including zero burning, fiber and shell utilization for fuel, efficiency on fertilizer and pesticide use, the utilization of EFB as compost and the utilization of biogas.

5.6.3

The company has calculated its GHG emission using GHG Calculator 3.01 version. And has result :

Summary Emissions

Product	tCO2e/t Product
CPO	0.57
PK	0.57
PKO	0
PKE	0

Production	ton/year
FFB Processed	45946.78
CPO Produced	10301.25

Description	Unit	Value
Total Planted Area	Ha	14229.31
Total Planted Area on Peat	Ha	0
Conservation Area	Ha	1539.66
OER	%	20.75
KER	%	4.65

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100%
Divert to anaerobic pond	3%
Divert to Metan Capture (flaring)	0%
Divert to methane capture (electricity generation	97%

Mill emission and credit

Description	tCO2	tCO2e/t FFB
Emissions Sources		
POME	6673.47	0.03
Fuel Consumption	617.28	0
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Housing & Grid	0	0
Sale Of PKS	0	0
Sale Of EFB	0	0
Total	7290.75	0.03

Plantation Field Emission and Sinks

Description	tCO2e	tCO2e/ha	tCO2e/t FFB
Emission Source			
Land Conversion	107580.8	7.56	0.56
CO2 Emissions from Fertiliser	5735.71	0.4	0.03
N2O Emissions	7437.36	0.52	0.04
Fuel Consumption	2596.79	0.18	0.01
Peat Oxidation	0	0	0
Sinks			
Crop Sequestration	-101972	-7.17	-0.53
Sequestration in Conservation Area	0	0	0
Total	21378.32	1.5	0.11

Status: Comply
PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills
6.1

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

6.1.1; 6.1.2

The company has conducted Social Impact Assessment (SIA) dated 11 – 14 October 2013. It assessment gathering all social information from internal stakeholder (staff, foreman, mill and estate employees, employees family, paramedic, labour union representatives and cooperation representatives), external stakeholder (local communities, customary leader, smallholder, teacher, enclave owner etc). Total participant that contributed in this assement were 98 participants.

Social Impact Assessment was done by field observation method and focus group discussion (FGD). The attendance list, assessment schedule and list of speakers (internal and external stakeholders) are contained in the Appendix to the SIA assessment documents.

6.1.3

The Company has a CID Management Plan of 2017 as a form of mitigation action against SIA. The Management Plan is contained in several programs, including:

- Health program
- Education
- Economics
- Socio-cultural and religious
- Infrastructure

The Management plan contains the program activities, PIC, target, month of implementation, realization and description. The management plan is evaluated every month to see the realization of the program that has been made. The evaluation includes the program, PIC, realization, evaluation, analysis and improvement. Social impact management document on internal stakeholders in a structured manner. OFI No. 7

In addition, the company also has management plans for internal impacts that are implemented and monitored by each assistant and the PIC responsible for implementing the SIA's external impact mitigation plan is the External Affair. Based on interview with surrounding communities of Jangkang and Nyuruk Village, known that the company provides social assistance to the community such as entrepreneurship training, heavy equipment, bridges etc. Communities are also involved in discussions of social impact control and CSR.

6.1.4

The Company has reviewed social impact assessment conducted on August and september 2017 with FGD method involving affected parties, for example:

- The attendance list is on 8 August 2017 attended by 20 participants.
- The attendance list is August 7, 2017 attended by 18 participants.
- The attendance list is on August 8, 2017 attended by 13 participants.
- The internal SIA attendance list dated 22 September 2017 was attended by 26 participants.

Based on the review of SIA conducted with affected parties on 7 and 8 August 2017 it is known that there are some issues or impacts that are not relevant anymore because there are no more complaints from affected parties.

6.1.5

The company has had a smallholder partnership with some villagers near the company. Several smallholder has participated on SIA in 2013.

	Status: Comply	
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6.2

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

6.2.1; 6.2.2

There was a procedures of communication namely SOP communication and Information provision No. OP-Leg-02 dated 01 April 2013. The company were conduct public consultation disseminated the SOP to relevant stakeholders. Based on interview with surrounding communities (Jangkang Village dan Nyuruk Village) and government agencies, it is revealed that they already know mechanism of communication in accordance with procedure. The responsible officers for communication with stakeholders are from External Affair Department.

6.2.3

The company has list of stakeholders such as Government District, Local Communities, supplier, local contractors etc. The communication recorded in the logbooks of communication and information request and the records stored at the External

SPO – 4006a.7 (August 2016)

Relationship Department.. For Example: There is letter no. 08 / JK / I / 2017 dated January 20, 2017 related Follow-up meetings with the Head of Dendang subdistrict of sent by the Head of Jangkang Village and has been responded by letter no. 09 / SMM-EA / 2017 dated February 17, 2017.

Status: Comply

6.3

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

6.3.1

The company has had internal memo from General Manager No. 036/HRO/SMM/06/14 dated on June 7th 2014 regarding to employee complain mechanism handling. The company also had procedure of complain mechanism due to company's activity. The procedure such as Procedure for communication and information (No. Doc. SOP-LEG-02).

The officer responsible for receiving employee complaints is the direct supervisor of the employee. If the problem can not be solved then it will be the responsibility of the hierarchy above or the HRO department. The results of interviews with workers and labor union have been informed of the mechanism.

6.3.2

Based on interviews with managemen and verification the logbook of communication and information requests, it was known that there have been no complaints in the past 1 year. The company also provides a box of suggestions / complaints installed in each unit. No complaints are filed through the suggestion box. Interview results with surrounding communities of Jangkang and Nyuruk Village known that there was no complaints to the company. Based on interviews with workers, complaints are usually related to housing improvements and the company always responds if there are complaints of housing improvement. Realization of complaints repair of housing facilities. OFI No. 8

Status: Comply

6.4

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

6.4.1 Major, 6.4.2 Minor & 6.4.3 Major

CH has had SOP of Land Acquisition which approve by director and Corporate Services Director on June 2009. The SOP described about the mechanisms to identify and calculate the land compensation. In this procedure was explained that the process of land identification is involved the community and the village government. The results of document review, field visit and interviews show that the company does not perform new expansion since ASA-1.1 until ASA-1.2

Status: Comply

6.5

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

6.5.1; 6.5.2

The company has had Collective Labour Agreement (CLA) that approved by labour agencies of Belitung Timur District dated January 8th 2016. Entire Collective Labour Agreement has been agreed by company representatives and the labor Unions and was approved by the Labour Agency dated 8 January 2016 and still valid until 23 December 2017. In addition, worker has been equipped with Letter of Agreement Working that describes the assignment of responsibilities, work hours, wages and facilities. Documents Letter of Agreement Work and Collective Labour Agreement are available in Bahasa. Based on interviews with workers, Woker Unions and labour Agency known that all employees have employment agreements and there were no issues or violations committed by company related to worker welfare included in payment.

The company paid their employee refer to Government Decree of Bangka Belitung Province No. 188.44/1106/TK.T/2016 regarding to regional minimum wage of Bangka Belitung Province year 2017. It was explained Minimum Wage is set at IDR. 2,534,673.75. Based on interviews with Labor Union, Labour Agency and workers, explained that the Company has paid wages according to the minimum wage set by the government and there is no issue about payment or worker welfare.

Terms of overtime payments for employees who work over working hours have been made in accordance with applicable regulation, for examples of overtime workers of office workers and mill. For harvesters do not use overtime payment system, but the system of premium payment of harvest by still get the basic wage and there is no violation of wage or forced labor regulation.

6.5.3; 6.5.4

Based on field observation, the company has provide adequate housing and facilities for the workers such as permanent housing complex, electricity, water reservoir, medical facility, bus for school, daycare, sport facility etc. Based on interviews with workers and labour unions, explained that the number of homes provided by the company have been sufficient for all workers.

The results of interviews with workers and field observations in the housing complex revealed that the company has made efforts in assisting workers to obtain food sources, such as support for workers cooperatives with the provision of cooperative buildings to supply the basic needs of workers, giving permission for peddler to sell basic needs in the housing complex every day. Furthermore, the company located near Manggar or Tanjung Pandan city. It caused access on food are easily obtained.

	Status: comply	
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6.6

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

6.6.1; 6.6.2

The company through the General Manager has released policy regarding freedom to associate union that written in internal memo No. 074/ANJA Belitung/GM-HRD/IM/12/2013 on Desember 11th2013. Based on interview with employee and labour union representatives known that the company giving freedom to all workers to join labor union.

The Company showed Minutes of the meeting between the Company, Labor Unions and bipartit institution for example :

- Minutes of meeting dated 17 February 2017 attended by 13 participants.
- Minutes of meeting dated 24 March 2017 attended by 13 participants.

	Status: Comply	
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6.7

Children are not employed or exploited.

The company has had policy regarding to minimum age that written internal memo from General Manager No. 009/GM/SMM/IM/3/2013 dated 4 March 2013. Through the memo, General Manager instruct all manager, senior field assistant, field assistant, foreman not to recruit/employ children under the age in all areas/sector of operational.

Based on interview with workers and labor union, known that there is no child labor in all unit of mill and estates. The company also socialized minimum age of worker through the signboard in public area. Based on document verification dan field observation, no child labor was found.

	Status: Comply	
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6.8

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

6.8.1; 6.8.2 and 6.8.3

Policy related to not discriminate the workers contained in the Sustainability policy of ANJ group that approved by the on November 28, 2016 poin C. Based on the list of workers in 2017, it is known that workers come from diverse ethnic, religious, age, sex and there is no migrant workers. Based on interview with labor Union, gender committee and workers at field observation known that the company did not discriminate against workers on the work reception or promotions.

The Company can demonstrate recruitment mechanism and show appointment letter, for example no. 01 / SMM-HRO / IX / 2011 dated 1 September 2011. In the document of the appointment, also record the recruitment process such as job application documents (application letter, Curriculum Vitae, ID card, medical check up), probation agreement, monthly review of probation and final assessment.

Status: Comply

6.9

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

6.9.1

The company has a policy to avoid sexual harassment in the operational area through the internal memo of General Manager No. 076/GM/HRO/12-2013 dated 11 December 2013. The results of interviews with female workers, known that they already know the policy of prevention from all forms of sexual harassment, have also been aware of the grievance mechanism in the event of sexual harassment or violence. Socialization of the committee on the handling of sexual harassment / gender committees. OFI No. 9

6.9.2

The company has a commitment to protect reproduction especially for women worker. It commitment written in General Manager memo No. 051/GMO/SMM/IM/10/2015 dated 27 April 2015. Based on interviews with a Gender Committee and women workers known that they already know about the reproductive rights that given by the company include leave of menstruation are given 2 days with the information from paramedic and day off for childbirth are given for period 1.5 months before giving birth and 1.5 months after giving birth. They also given the opportunity to breastfeed and not work in contact with chemicals. Socialization the mechanism of menstruation leave. OFI No.10

6.9.3

The Company has internal memo dated 7 June 2014, No. 036 / HRO / SMM / 06/14 on the mechanism of handling complaints of workers. The handling mechanism is illustrated in the flow chart of the grievance mechanism whereby the worker can submit his complaint directly to his / her superior. In addition, in Internal Memo prevention of sexual harassment in the workplace, known that in addition to the superior, workers or informer can report to the security guard, manager or to the gender committee. Based on document verification and interview with Gender Committee and workes, there are no complaints issues related to sexual harassment and violence.

Status: Comply

6.10

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

6.10.1 Minor, 6.10.2 Major & 6.10.3 Minor

Jangkang POM bought FFB from third party and scheme smallholder with fully managed by the company. The FFB prices used by the company refers to the price set by the Provincial Government of Bangka Belitung which publish and issued once a month. Based on interview with local contractor and FFB suppliers is known that they were given time to learn the contract. It is also stated that up to now there are no problems between the contractor and The company.

6.10.4 Minor

Agreement between the company and the FFB suppliers mentioned that the payment of FFB is done no later than the 15th of the following month, as the example mentioned in the agreement as follows:

- Agreement No. 0321-G/COM/SMM/2017 with Sepakat Maju cooperative dated 20 March 2017
- Agreement No. 0321-D/COM/SMM/2017 with Anugrah cooperative dated 20 Maret 2017

However, from proof of payment through bank transfer, note the payment of FFB has passed the 15th as agreed, for example:

- Bank transfer on 22 September 2017 to Anugrah Cooperative for FFB payment of August 2017.
- Bank transfer on 19 October 2017 to Sawit Sepakat Maju cooperative for FFB payment of September 2017
- Bank transfer on 22 September 2017 to Sawit Sepakat Maju cooperative for FFB payment of August 2017
- Bank transfer on 22 August 2017 to Sawit Sepakat Maju cooperative for FFB payment of July 2017

Based on the above, the company has not been able to show proof of payment of FFB in a timely manner in accordance with the agreement. **NC 2017.3.**

6.10.4 | **Status: Non Compliance with Minor Category**

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1; 6.11.2

The Company has a Management Plan in 2017 as a form of local development program in the aspect of Health, Education, Economy, Culture and Religion and infrastructure in 2017. From the document management plan owned, there were some activities that have been realized. Based on public consultation with local communities (Nyuruk village and Janagkang village) known that the company has been contributed for their community. The company also attended village annual meeting to ensure villager needs such as road maintenance, smallholder partnership, education etc.

6.11.2

During the audit known that company were taken a partnership with local villager to build smallholder scheme. The company has trained local smallholder regarding to best management practices on palm oil. For example: training dated 14 August 2017 and 22 May 2017 attended by 18 participants.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on documents verification, field observation, interview with Labor Union and Labor Agency, it is known that there were no migrant workers, no substitution contracts, no labor trade or forced labor forms were found. Based on The results of field visits in POM, Ladang Jaya Estate and Jangkang Estate were not found child labor, family gank or forced labor. All workers have employment agreements and / or letters of appointment.

Status: Comply

6.13

Growers and millers respect human rights

The Policy regarding to respect to human right contained in Sustainability Policy approved dated 28 November 2016. The results of interviews with labor unions, workers such as harvesters, sprayers, boiler operator, contractor employees are aware of policy related to human rights. The company has socialized the policy during the morning briefing before work.

The results of interview management, workers, labor union and surrounding communities are known there are no cases of human rights violations.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1& 7.1.2

Based on documents review of area statement and field visits at Jangkang Estate, Sari Bunga Estate, Ladang Jaya Estate and Balok Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity. The Company only doing the replanting activities since 2015.

Status: Comply

7.2	Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.
7.2.1 Major & 7.2.2 Minor	Based on documents review of area statement and field visits at Jangkang Estate and Ladang Jaya Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity. The Company only doing the replanting activities since 2015.
	Status: Comply
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.
7.3.1; 7.3.2	The document review showed that the company is performed land clearing after November 1, 2005 without preceded by the identification of HCV. PT Austindo Nusantara Jaya Agri, as the parent of PT SMM has conducted disclouser of liability and LUCA in accordance with RSPO template on 24 August 2015. Based on CB communication with RSPO on March 2, 2017 it is known that for PTSMM is in the process of RACP and will be chek at the next surveillance. The validation progress of Remediation and Compensation Plan (RaCP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP Procedure will be observed again on the next visit (OFI).
7.3.3; 7.3.4 & 7.3.5	The results of document review, field visits and interviews found that PT SMM did not expand or conduct new planting since the activities of Recertification (October 2015).
	Status: Comply
7.4	Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.
7.4.1 Minor & 7.4.2 Major	Based on documents review of area statement and field visits at Jangkang Estate and Ladang Jaya Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity. The Company only doing the replanting activities since 2015.
	Status: Comply
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
7.5.1 Major	Based on documents review of area statement and field visits at Jangkang Estate and Ladang Jaya Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity. The Company only doing the replanting activities since 2015.
	Status: Comply
7.6	Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.
7.6.1 Major, 7.6.2 Major, 7.6.3 Major, 7.6.4 Minor, 7.6.5 Minor & 7.6.6 Minor	Based on documents review of area statement and field visits at Jangkang Estate and Ladang Jaya Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity. The Company only doing

the replanting activities since 2015.		
	Status: Comply	
7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
7.7.1 & 7.7.2		
Based on documents review of area statement and field visits at Jangkang Estate and Ladang Jaya Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity. The Company only doing the replanting activities since 2015.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 & 7.8.2		
Based on documents review of area statement and field visits at Jangkang Estate, Sari Bunga Estate, Ladang Jaya Estate and Balok Estate, it is known that the company did not expand of the operational area and there is no more land clearing activity. The Company only doing the replanting activities since 2015.		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
8.1.1		
The Company has conducted an internal audit of RSPO to make continuous improvements. Based on last internal audit which conducted on 31 July – 4 August 2017 it's found 17 non compliance. The management unit has made improvements to all findings and declared fully fulfilled on September 30, 2017. The company have also methane capture to minimize GHG and EFB composting.		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements																																	
E.1	Definition																																	
E.1.1																																		
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																																		
Jangkang POM is used RSPO supply chain of Mass Balance module because they still received FFB from the estate which has not been certified with RSPO that is Plasma and Third Party.																																		
	Status: Comply																																	
E.2	Explanation																																	
E.2.1																																		
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																																		
Estimates of CPO and PK produced by Jangkang POM obtained from the data of 12 months before the audit activities and have been described in this ASA-1.2 report, either of Actual product for period of 6 January 2017 – 28 October 2017.																																		
	Status: Comply																																	
E.2.2																																		
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																																		
• RSPO IT Platform member registration number: RSPO_PO1000000531																																		
• Certified CPO sold to each buyer period of 5 January to 28 October 2017																																		
<table><tr><th>Date</th><th>Buyer</th><th>Volume</th></tr><tr><td>25 October 2017</td><td>PT. Synergy Oil Nusantara</td><td>1,600</td></tr><tr><td>6 September 2017</td><td>PT. Synergy Oil Nusantara</td><td>1,600</td></tr><tr><td>1 August 2017</td><td>PT. Synergy Oil Nusantara</td><td>1,600</td></tr><tr><td>1 August 2017</td><td>PT. Synergy Oil Nusantara</td><td>1,600</td></tr><tr><td>6 June 2017</td><td>PT. Synergy Oil Nusantara</td><td>1,600</td></tr><tr><td>3 May 2017</td><td>PT. Synergy Oil Nusantara</td><td>1,600</td></tr><tr><td>22 March 2017</td><td>PT. Synergy Oil Nusantara</td><td>1,600</td></tr><tr><td>24 February 2017</td><td>PT. Synergy Oil Nusantara</td><td>2,000</td></tr><tr><td>16 January 2017</td><td>PT. Synergy Oil Nusantara</td><td>2,500</td></tr><tr><td colspan="2">Total</td><td>15,700</td></tr></table>		Date	Buyer	Volume	25 October 2017	PT. Synergy Oil Nusantara	1,600	6 September 2017	PT. Synergy Oil Nusantara	1,600	1 August 2017	PT. Synergy Oil Nusantara	1,600	1 August 2017	PT. Synergy Oil Nusantara	1,600	6 June 2017	PT. Synergy Oil Nusantara	1,600	3 May 2017	PT. Synergy Oil Nusantara	1,600	22 March 2017	PT. Synergy Oil Nusantara	1,600	24 February 2017	PT. Synergy Oil Nusantara	2,000	16 January 2017	PT. Synergy Oil Nusantara	2,500	Total		15,700
Date	Buyer	Volume																																
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Total		15,700																																
• Certified Palm Kernel sold to each buyer period of 5 January to 28 October 2017																																		
<table><tr><th>Date</th><th>Buyer</th><th>Volume</th></tr><tr><td>9 April 2017</td><td>Steelindo Wahana Perkasa (KCP)</td><td>750.20</td></tr><tr><td>9 April 2017</td><td>Steelindo Wahana Perkasa (KCP)</td><td>750.01</td></tr><tr><td>9 April 2017</td><td>Steelindo Wahana Perkasa (KCP)</td><td>750.61</td></tr></table>		Date	Buyer	Volume	9 April 2017	Steelindo Wahana Perkasa (KCP)	750.20	9 April 2017	Steelindo Wahana Perkasa (KCP)	750.01	9 April 2017	Steelindo Wahana Perkasa (KCP)	750.61																					
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9 April 2017	Steelindo Wahana Perkasa (KCP)	750.61																																

9 April 2017	Steelindo Wahana Perkasa (KCP)	750.83	
Total		3,001.65	
The transactions shown are in accordance with the remaining volume recorded in the Palm trace			
- CPO projection: 43,312 ton and remaining: 27,612 ton (sold: 15,700 ton)			
- PK projection: 9,844 ton and remaining: 6,842.35 ton (sold: 3,001.65 ton)			
	Status: Comply		
E.3	Documented procedures		
E.3.1			
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:			
a. Complete and up to date procedures covering the implementation of all the elements in these requirements;			
b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.			
Jangkang POM has had SOP related to all element in Mass Balance Requirement consist of Mass Balance SOP, product traceability SOP and sale system for certified sustainable palm oil SOP. The procedur are described the duties and responsibilities of each part; supply chain format; mechanish for over production. The results of interviews with weighbrige operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS.			
	Status: Comply		
E.3.2			
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.			
Jangkang POM has had SOP of Mass Balance, among others, described about the process of FFB reception from the supplier. The results of field visits and document review showed that the FFB received by the mill comes from the estate that has been certified with RSPO and the estate that has not been certified with RSPO. To find the source of FFB comes from the estate that has been certified with RSPO and then it's labeled on the Delivery Note.			
	Status: Comply		
E.4	Purchasing and goods in		
E.4.1			
The site shall verify and document the volumes of certified and non-certified FFBs received.			
• Certified and non-certified FFB received period of 6 January 2016 to 28 October 2017			
Month	FFB (tonnes)		
	RSPO Certified	Non Certified	Total
6 - 31 January 17	21,720.150	1,982.870	23,703.020
February 17	16,460.430	2,845.170	19,305.600
March 17	13,949.580	3,196.430	17,146.010
April 17	14,575.840	3,273.110	17,848.950
May 17	17,074.930	4,786.190	21,861.120
June 17	17,656.870	4,624.970	22,281.840
July 17	27,469.060	6,801.470	34,270.530
August 17	18,375.010	4,787.040	23,162.050
September 17	23,152.250	4,713.470	27,865.720
1 - 28 October 17	19,220.510	4,365.830	23,586.340
Total	189,654.630	41,376.550	231,031.180
	Status: Comply		

E.4.2

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

Certified estimated product for period of 6 January 2016 – 5 January 2017:

- CSPO: 61,472 ton
- CSPK: 13,220 ton

Certified actual product for period of 6 January 2016 – 5 January 2017:

- CSPO: 40,855.126 ton
- CSPK: 6,582.085 ton

Certified estimated product for period of 6 January 2017 – 5 January 2018:

- CSPO: 43,312 ton
- **CSPK: 9,844 ton**

Certified actual product for period of 6 January 2017 – 28 October 2017:

- CPO: 43,076.125 ton
- **PK: 10,320.950 ton**

Based on the above, the company has not been able to show report to CB for over CSPK production. **NC. 2017.4**

E.4.2 **Status: Non Compliance with Major Category**

E.5 **Record keeping**

E.5.1

- a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

Sales of certified products (CPO and PK) are only made from positive stock. PT SMM has recorded and balanced RSPO certification and product shipments (CPO and PK) RSPO certification on a 3 month basis as described in the following table:

CPO

No	Period	Production CPO (Ton)			despatch CPO (Ton)		
		Cert	Non-Cert	Total	ISCC	RSPO	Non-Cert
1	Jan 17	4,778.38	376.74	5,155.13	-	2,500.00	-
2	Feb 17	3,625.87	540.58	4,166.45	-	2,000.00	4,000
3	Mar 17	3,163.55	607.32	3,770.87	-	3,200.00	4,800
Sub Total		11,567.81	1,524.64	13,092.46	-	7,700.00	8,800
4	Apr 17	3,175.87	621.89	3,797.77	-	-	3,000
5	May 17	3,820.56	859.55	4,680.12	-	1,600.00	3,005.31
6	June 17	4,077.94	816.04	4,893.98	-	1,600.00	2,294.69
Sub Total		11,074.38	2,297.48	13,371.87	-	3,200.00	8,300
7	July 17	5,923.20	1,228.24	7,151.45	-	-	3,900
8	August 17	4,346.43	909.53	5,255.96	-	1,600.00	3,900
9	Sept 17	5,601.76	895.55	6,497.32	-	1,600.00	4,400
Sub Total		15,871.40	3,033.33	18,904.74	-	3,200.00	12,200
TOTAL		38,513.60	6,855.47	45,369.07	-	15,700.00	29,300

PK

No	Period	Production PK (Ton)	despatch PK (Ton)
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		Cert	Non-Cert	Total	ISCC	RSPO	Non-Certified
1	Jan 17	987.63	89.22	1,076.86	-	-	922.72
2	Feb 17	801.57	128.03	929.60	-	-	577.28
3	Mar 17	701.57	143.83	845.41	-	-	487.72
Sub Total		2,490.77	361.10	2,851.88	-	-	1,987.72
4	Apr 17	606.78	147.29	825.29	-	3,001.65	1,062.28
5	May 17	760.96	215.37	976.34	-	-	600.00
6	June 17	718.46	208.12	926.58	-	-	550.00
Sub Total		2,086.21	570.79	2,728.22	-	3,001.65	2,212.28
7	July 17	1,334.82	306.06	1,640.88	-	-	300.00
8	August 17	963.72	215.41	1,179.13	-	-	1,100.00
9	Sept 17	1,306.53	212.10	1,518.64	-	-	950.00
Sub Total		3,605.07	733.58	4,338.66	-	-	2,350.00
TOTAL		8,182.06	1,665.48	9,918.76	-	3,001.65	6,550.00
Status: Comply							
E.5.2							
In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.							
Jangkang POM does not perform activities of palm kernel crushing to the independent palm kernel crushers.							
Status: Comply							

3.3 Conformity Checklist of Certificate and Logo Use

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

1.4 Summary of RSPO Partial Certification

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

ANJA Time Bound Plan (TBP) is explaining in table section 1. ANJA has run four (4) mills and seven (7) management unit Estates in Indonesia. All mills and estates are operated in Indonesia. ANJA has informed the TBP progress through head office in Indonesia.

MUTU has verified partial certification for un-certified unit's subsidiary of ANJA based on their Time Bound Plan. . There are three (3) uncertified management unit of ANJA. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Company statement : The company are already doing internal audits. Auditor verification: • PT Kayung Agro Lestari has been conducted initial assessment on September 2016 • Internal Audit for PT Putera Manunggal Perkasa and PT Permata Putera Mandiri has been conducted on September 2015.
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.	Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO. Auditor Verification : ANJA and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 24, 2015. The validation progress of Remediation and Compensation Plan (RaCP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP Procedure will be observed again on the next visit audit.
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	company statement: NPP has been applied Auditor Verification : • PT Galempa Sejahtera Bersama, NPP date of notification on May 2, 2014

		- PT Putra Manunggal Perkasa, NPP date of notification on 24 July 2014 - PT Permata Putra Mandiri, NPP date of notification on September 29, 2014
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution. Auditor verification : The company has had a mechanism for addressing land conflicts, described in the SOP of Handling Differences Opinion with the Community and Dispute Tenure (SOP-Leg-03, Issue 01, dated 1 September 2015),
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	Company statement: There is no labour disputes Auditor verification : The company has a mechanism for grievance described in SOP Handling of Differences of Opinion with Public and Land Dispute (Document No. SOP-EAD-01; Issue 01/00) dated August 1, 2013. A policy related to confidentiality of informant (whistle-blower) regulated in the SOP of Communication and Provision Information (Document No. SOP-Leg-02, Issue 01/04, dated 1 September 2015), it's mentioned in the section 6 of tis SOP. There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	Company statement: All legal requirement for palm oil plantation has been comply Auditor verification : PT Kayung Agro Lestari - Ketapang Regent Decree No. 103 year of 2004 (26 April 2004) concerning of location permit for Oil Palm Plantation Development Purposes of ± 29,400 ha and Ketapang Regent amendment by decree No. 116 year of 2007 (March 22, 2007) on location permit changes to 20,000 Ha - Issued by Ministry of Forestry through Ministerial Decree No.: SK.643 / Menhut-II / 2009 (October 13, 2009) on release of Production Forest Convertible Area of 17986.90 ha - West Kalimantan Governor Decree No.: 123/BLHD/2010 on the environmental feasibility of plantation activities (total area 18754.9 hectares) and palm oil processing mill (capacity of 85 ton FFB/hour) - The total area of 10,920.36 ha, based on Decree No. 33/HGU/BPN.RI/2014, dated February 4, 2014

		- Buildings Use Title (HGB) for mill, offices, housing and other facilities, based on National Land Agency (BPN) decree No.: 1/HGB/KEM-ATR/BPN/2016 PT Galempa Sejahtera Bersama - Status of PT GSB based on Forest Area Indicated (TGHK) is Non Forest Designated Area (Area Penggunaan Lain) - Location Permit No. 525/535/KEP/HUTBUNTAMBEN/2012, 20 April 2012 - Plantation Permit No. 525/423/KEP/HUTBUNTAMBEN/2013, 08 May 2013 - Environment Permit No. 211, 2013, dated 06 May 2013 - SEIA No. 210, 2013, dated 1 May 2013 PT Putera Manunggal Perkasa - Location Permit No. 522/30/II/2011, dated 09 February 2011. Total area $\pm$ 22,195.28 Ha - Change Location Permit No. No. 522.2-6/206/10/2012, dated 12 October 2012. Total area $\pm$ 22,195.28 Ha - Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.606/MENHUT-II/2012, dated 31 October 2012 - Plantation Business Permit, According to West Papua Governor Decree No. 525/90/V/2011, dated 10 May 2011 for 25,159 Ha and 60 Ton FFB/Hours plant. - Adjustment of plantation area According to West Papua Governor Decree No. 525/584/GPB/2013, dated 30 April 2013 for 23,424.38 Ha and 60 Ton FFB/Hours plant PT Putra Permata Mandiri - Location Permit No. 83/2010, dated 30 April 2010. Total area $\pm$ 40,000 Ha - Change Location Permit No. 522.2/118/BSS/August Tahun 2010, dated 11 August 2010. Total area $\pm$ 40,000 Ha - Converted forest area release by the Republic Indonesia Ministry of Forestry Number SK.731/MENHUT-II/2011, dated 21 December 2011 - Plantation Business Permit, According to West Papua Governor Decree No. 95 tahun 2010, dated 28 June 2010 for 40,000 Ha and 3 x 60 Ton FFB/Hours plant. - Cadastral map from National Land Body of Republic Indonesia No. 021-33.05-2014, dated 26 March 2014 for 32,025.14 Ha
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3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at [ASA-1.1](#) Assessment

NCR No.	: 2016.1	Issued by	: Andi Pratama P
Date Issued	: 4 November 2016	Time Limit	: 3 January 2017
NC Grade	: Major	Date of Closing	: 27 Desember 2016
Standard Ref. & Requirement	: 2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
Non-Conformance Description & Evidence observed (filled by auditor): Document review and field visit is known that the harvesting activities conduct by third party which is CV Tiga Putri. This ini not comply with UU No. 13 of 2003 about employment.			
Root Cause Analysis (filled by organization audited): Not yet conduct perform monitoring and checking the third party contracts of CV Tiga Putri which is not in accordance with Law No. 13 Year 2003 on employment			
Corrective Action (filled by organization audited): 27 December 2016 Conduct a review to the cooperation contract with CV. Tiga Putri so in accordance with the regulations of Law No. 13 of 2003 on Employment and reducing labor contract.			
Preventive Action (filled by organization audited): Each contract of cooperation that have been made must be re checked before it is given to a third party, so the contract in accordance with the regulations applicable laws such as Law No. 13 of 2003 on Employment.			
Assessor Evaluation and Conclusion (filled by auditor): 27 December 2016 The Company has submitted evidence of improvements in the form of: - Internal memo from General Manager No. 069 / GMO / SMM / IM / 12/2016 dated 23 December 2016 on the Use of Labor Contract of Harvest. In the memo to the estate manager instructed not to use contract labor of harvest after the program ends. - Management plan for the reduction the labor contract of harvest in 2017. In the program, set about a plan to reduce labor contracts harvest gradually each quarter throughout the year 2017. It is expected that, at the beginning of 2018 no longer exist the labor contract of harvest. Based on the evidence, Nonconformity No. 2016.1 is closed with observation			
Verified by	: Andi Pratama Pasaribu		

NCR No.	: 2016.2	Issued by	: I Wayan Sudiantara
Date Issued	: 4 November 2016	Time Limit	: 3 January 2017

NC Grade	:	Major	Date of Closing	:	23 November 2016
Standard Ref. & Requirement	:	4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).			
Non-Conformance Description& Evidence observed <i>(filled by auditor):</i> Field visit in Sari Bunga Estate Warehouse found that pesticide with active ingredientKumatetralil (racumin) are stored in fertilizer warehouse. This in not comply with company's procedure which is SOP of Pesticide and Management (SOP-AGR-18 and SOP-EHS-004) that state pesticide are placed separately with fertilizer and food material.					
Root Cause Analysis <i>(filled by organization audited):</i> The store of pesticide in Sari Bunga Estate not comply with SOP-AGR-18 and SOP-EHS-004, because space limitations.					
Corrective Action <i>(filled by organization audited):</i> 23 November 2016 Make special room for separation or partition so that the ingredients of pesticides and fertilizers are not in one place.					
Preventive Action <i>(filled by organization audited):</i> Each of pesticides are stored in a special room that is separate from other materials such as fertilizer.					
AssessorEvaluation and Conclusion <i>(filled by auditor):</i> 23 November 2016 The company has shown the official report of partition manufacture in chemical warehouse at Sari Bunga Estate were held on 8 – 12 November 2016.Besides the management unit has shown the documentation evidence of Kumatetralil (racumin) storage in a special place and apart from fertilizers.Storage of pesticides has also been equipped with the hazardous symbol.					
Based on the evidance, Nonconformity No. 2016.2 is closed.					
Verified by	:	Ardiansyah			

NCR No.	: 2016.3	Issued by	: M Rinaldi
Date Issued	: 4 November 2016	Time Limit	: 2 January 2018
NC Grade	: Minor raise to Major	Date of Closing	: 27 December 2017
Standard Ref. & Requirement	4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas		
Non-Conformance Description& Evidence observed (filled by auditor): The company has had a first aid box monitoring form. The results of the visit in the Estate and Factory are known that first aid box had been monitored every month, but it has been found some expired drugs in the daycare of Balok Estate and in the Laboratory of Factory. In addition, field visits on operational activities at SBE and BLE found the first aid equipments that was brought by the foreman was not monitored regularly and there ware medications that have expired.			
Root Cause Analysis(filled by organization audited): The absence of monitoring mechanism that regulates first aid box so found expired drugs and first aid box are not routinely monitored.			
11 December 2017 The available mechanisms have not been specifically regulated in terms of monitoring implementers			

Corrective Action *(filled by organization audited):*
07 December 2016

Creating a mechanism or Internal Memo (IM) which regulates first aid box in the workplace.

11 Desember 2017

Establish mechanisms specifically related to procurement and monitoring of First Aid in all departments.

Preventive Action *(filled by organization audited):*

First aid box monitoring that available in each workplaces -masing and socialization to employees responsible for monitoring first aid box.

11 Desember 2017

Disseminate First Aid and Mechanisms Regarding the procedures for first aid monitoring in the workplace

Assessor Evaluation and Conclusion *(filled by auditor):*
07 December 2016

Companies show Internal Memo No. 057 / GMO / SMM / IM / 11/2016 dated 9 November 2016 from the General Manager who explained that the first aid box and first aid kit is monitoring by officers appointed in accordance with Emergency Response Team. The data which monitoring are usage data, ensuring completeness of drugs and expire date of drugs.

The company has not shown the evidence of socialization to the officer in charge. **Nonconformity No. 2016.3 with minor category is open.**

Verification on 3 November 2017 (ASA 1.2)

Company shows:

- Internal Memo, Ref. No. 57 / GMO / SMM / IM / 11/2016, dated November 9, 2016 issued by GM, explaining that first aid kit and first aid equipment are monitored by officers who are members of the Emergency Response Team. Monitored data are usage data, ensuring completeness of content and expiration date.
- Evidence of Internal Memo Socialization in the Refreshment Training document on 26 - 27 September 2017 which was attended by 72 participants consisting of the supervisor / employee of First Aid Kit holder.
- Internal Memo regarding the Standardization of the First Aid Kit Content, Ref. No. 63 / GMO / SMM / IM / 11/2016, dated 29 November 2016 issued by GM, which specifies the first aid kit contents are 12 items with a list attached.

Based on the results of document review and field observation on ASA 1.2, there was found a non-conformity related to first aid equipment, as follows:

1. Internal Memorandum documents of the Content of First Aid Kit Content, set by the General Manager and there is no recommendation information from the medical party.
2. Based on the results of field observations on Herbicide Application activity in Division A block Q29 Jangkang Estate, found the table of contents and the contents of first aid box only provided 8 items.
3. Based on the results of field observations on Circle Racking activities in Block K28 Division Ladang Jaya Estate on October 31, 2017, found the contents of First Aid Kit in the form of 1 expired Aquadest (dated October 22, 2017)

Based on the above explanation, there is still a non-conformity in the indicator 4.7.5. **So Minor's non-conformity becomes Major.**

Verification on 13 December 2017

PT SMM has presented the document of first aid logistics Procurement procedure (IK-SMM-BP-01) dated 13 November 2017, Revision 00. The document has explained among others:

- The contents of first aid box are 21 items in accordance with Labour Minister Regulation No. 15/2008 and the provisions of Company Doctor.
- The First Aid Officer / Box Holder is responsible for checking the availability, physical condition and periodic logistic expiration periodically (at least once a month) and reporting to Assistant Manager / Assistant Division / Staff Department.

Verification on 27 December 2017

PT SMM has presented Program related to Socialization of first aid logistics Procurement procedure work instructions to the foreman / employee of first aid Kit holder (attended by 38 participants). Socialization includes providing an understanding of duties and responsibilities to employees / first aid workers, especially in terms of maintaining the availability of first aid so that the contents of first aid box is always available in accordance with the needs.

Based on the evidence shown, then this indicator is stated has been **closed with observation**.

Verified by : **M Rinaldi & Afiffuddin**

NCR No.	: 2016.4	Issued by	: Andi Pratama Pasaribu
Date Issued	: 4 November 2016	Time Limit	: 3 January 2017
NC Grade	: Major	Date of Closing	: 6 December 2016
Standard Ref. & Requirement	6.1.3 Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.		
Non-Conformance Description& Evidence observed <i>(filled by auditor):</i> Based on document review, some that are identified in social impacts monitoring include: 1. The Company has had a management plan which prepared in consultation with affected parties. 2. Management plan prepared for the period of 1 year with a time frame of implementation, the implementation plan and the competent authorities. However, the unit management not yet shown the record of monitoring the impact for internal that has been identified in SIA document 2013.			
Root Cause Analysis <i>(filled by organization audited):</i> Has not documented the realization of monitoring the impact that has been identified for the internal parties, which it is already implemented in accordance with SIA document 2013.			
Corrective Action <i>(filled by organization audited):</i> 5 December 2016 Made documentation and updates of the realization of management plan that associated with the impact on the internal parties.			
Preventive Action <i>(filled by organization audited):</i> Monitoring the realization of management plan that has been done and documented.			
AssessorEvaluation and Conclusion <i>(filled by auditor):</i> 5 December 2016 The company has shown evidence of improvement in the form of SIA Matrix Update of PT SMM on 2016 (No. Document: FORM - Leg SOP 02-04).In this matrix has been included social impact monitoring parameters of internal parties include management plan and its implementation. Besides, it has also stipulated by PIC.			
7 December 2016 The company has shown the additional evidence in form of SIManagement plan of 2016 - 2017 (No. Document: REK -			

SMM - SCD - 01). In the document has been described the items to be monitored, PIC, the realization of 2016 and the time schedule of monitoring for 2017 and officers who prepare, review and approve the management plan.

Based on the evidence, Nonconformity No. 2016.4 is closed with observation.

Verified by : **Andi Pratama Pasaribu**

NCR No.	: 2016.5	Issued by	: Ardiansyah
Date Issued	: 4 November 2016	Time Limit	: 3 January 2017
NC Grade	: Major	Date of Closing	: 23 November 2016
Standard Ref. & Requirement	SCCS E2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).		
Non-Conformance Description& Evidence observed (filled by auditor): The mill has been show the sales data of certified product, but the sales data is not in accordance with the etrace data.			
Root Cause Analysis(filled by organization audited): 23 November 2016 there is a data input error in etrace performed under the contract, while the mass balance based dispatch.			
Corrective Action (filled by organization audited): Doing Cross Check the input data in etrace so in accordance with the certified sales data of products in the mill.			
Preventive Action (filled by organization audited): Conduct monitoring and cross check periodically for certified sales data of products in mill and data that are input in etrace.			
AssessorEvaluation and Conclusion(filled by auditor): 23 November 2016 The company has shown record of RSPO certified product delivery in the form of PK (CSPK) for the period January – September 2016 as many as 3,027.66 tons.Based on etrace data known that recording of CSPK demand for the period January - September 2016 was as much as 3,203.38 tons.There is a difference of 175.72 tons between demand and delivery CSPK because CPSK still in the process of sending up to September 30, 2016.			
Based on the evidance, Nonconformity No. 2016.5 is closed.			
Verified by	: Ardiansyah		

3.5.2 Identification of Findings, Corrective Actions and Observations at [ASA-1.2](#) Assessment

NCR No.	2017.1	Issued by	Yohanes Hardian
Date Issued	3 November 2017	Time Limit	2 January 2018

NC Grade	:	Major	Date of Closing	:	27 December 2017
Standard Ref. & Requirement	:	4.4.2 Protection of water flows and swamp areas, including riverside maintenance and restoration and other buffer zones (referring to national best practice and national guidelines) should be demonstrated.			
Non-Conformance Description & Evidence observed (filled by auditor): Based on the visit in the HCV area at Water spring of Pagu , there is evidence of spraying with chemicals at area defined as buffer zone, this is not in accordance with the SOP of HCV management and River Border no SOP-SCD-02 which is valid on January 1, 2016. In the SOP explained that for buffer zone area no chemical application and maintenance is done manually.					
Root Cause Analysis (filled by organization audited): The Bufferzone Marking borders has faded and not all employees have understood the Bufferzone borders.					
Correction (filled by organization audited): Conducting Bufferzone Boundary Marking of Water and Socialization back to employees and staff about HCVs management in the area of water springs and HCV monitoring of HCV areas that have Buffer zone like springs.					
Corrective Action (filled by organization audited): Conducting Bufferzone Area Paintings that have been faded and socialization of bufferzone area of springs					
Assessor Evaluation and Conclusion (filled by auditor): Verification 5 December 2017 The company shows evidence of improvement ie: - HCV socialization activity to the spray (maintenance) employee at Divisi C Jangkang Estate on 21 November followed by 25 employees - Documentation painting boundary marks buffer zone radius 200 meters with red paint in the source of spring water Pagu in Jangkang Estate Verification 27 December 2017 The company shows evidence of: - Estate plan training program for HCV socialization - The HCV program of 2018 which has been described by the plan for river boundary care and labeling Based on the above explanation then the discrepancy is stated closed .					
Verified by	:	Yohanes			

NCR No.	:	2017.2	Issued by	:	Yohanes Hardian
Date Issued	:	3 November 2017	Time Limit	:	ASA-3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	5.3.3 Disposal plans and waste management to avoid or reduce pollution should be documented and implemented.			
Non-Conformance Description & Evidence observed (filled by auditor):					

Based on the results of the visit, it is known that there is a management of hazardous waste not yet in accordance with SOP Waste Management Plan (No. SOP-EHS-008; Revision 01, dated 05 December 2015) as follows:	
- Based on the results of the visit at Ladang Jaya Estate is known there are drums that are used as a hazardous waste stored outside the warehouse. - Based on the results of the visit in Mill there is hazardous waste in the form of painted paint cans thrown in boiler ash disposal and not stored in Hazardous waste storage	
Root Cause Analysis <i>(filled by organization audited):</i>	
Correction <i>(filled by organization audited):</i>	
Corrective Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	:	2017.3	Issued by	:	Leonada
Date Issued	:	3 November 2017	Time Limit	:	ASA 3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	6.10.4 Agreed payments shall be made in a timely manner			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
Agreement between the company and the FFB suppliers mentioned that the payment of FFB is done no later than the 15th of the following month, as the example mentioned in the agreement as follows: - Agreement No. 0321-G/COM/SMM/2017 with Sepakat Maju cooperative dated 20 March 2017 - Agreement No. 0321-D/COM/SMM/2017 with Anugrah cooperative dated 20 Maret 2017 However, from proof of payment through bank transfer, note the payment of FFB has passed the 15th as agreed, for example: - Bank transfer on 22 September 2017 to Anugrah Cooperative for FFB payment of August 2017. - Bank transfer on 19 October 2017 to Sawit Sepakat Maju cooperative for FFB payment of September 2017 - Bank transfer on 22 September 2017 to Sawit Sepakat Maju cooperative for FFB payment of August 2017 - Bank transfer on 22 Agustus 2017 to Sawit Sepakat Maju cooperative for FFB payment of July 2017 Based on the above, the company has not been able to show proof of payment of FFB in a timely manner in accordance with the agreement.					
Root Cause Analysis <i>(filled by organization audited):</i>					
Correction <i>(filled by organization audited):</i>					
Corrective Action <i>(filled by organization audited):</i>					

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

NCR No.	:	2017.4	Issued by	:	Leonada
Date Issued	:	3 November 2017	Time Limit	:	2 January 2018
NC Grade	:	Major	Date of Closing	:	27 December 2017
Standard Ref. & Requirement	:	SCCS E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.			
Non-Conformance Description & Evidence observed (filled by auditor): Known that certified estimated product for period of 6 January 2017 – 5 January 2018: - CSPO: 43,312 ton - CSPK: 9,844 ton However, certified actual product for period of 6 January 2017 – 28 October 2017: - CPO: 43,076.125 ton - PK: 10,320.950 ton Based on the above, the company has not been able to show report to CB for over CSPK production.					
Root Cause Analysis (filled by organization audited): Not Monitoring the Estimation of FFB Certified Production Increase. PIC: Sustainability Officer					
Correction (filled by organization audited): Reporting to CB any over or over production of CSPO/CSPK					
Corrective Action (filled by organization audited): Monitoring the Estimation of FFB Certified Production Increase and Reporting Every Excess / Over Over Production of CSPO and CSPK to CB. Monitoring system Using CPO and PK Mass Balance Form and comparing with Etrace System. PIC: Laboratorium assistant and Mill					
Assessor Evaluation and Conclusion (filled by auditor): Verification 8 December 2017 he Company reported the overproduction of actual CSPK to PT. MAL via email dated 27 November 2017. Verification 27 December 2017 The Company shows FFB Certified and non-certified daily monitoring formats received and processed in the mill, as well as summary monitoring of CPO and PKO production and over-production estimation. Based on the matters then the NC can be stated closed.					
Verified by	:	Leonada			

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	4.5.1	Sampling of trees in rat census
2	4.7.3	System of supply of PPE by the company for employee used in the field
3	4.7.4	- The OHS meeting was attended by representatives of employers and workers - Certificate of General occupational health and safety Expert and SIO Operator - Approval of the Guiding Committee of Occupational Safety & Health structure.
4	4.7.7	Update the HIRAC document according to the results of the accident investigation
5	5.1.2	Preparation of RKL and RPL reports
6	5.2.2	Planting activities in the HCV area
7	6.1.3	Social impact management document on internal stakeholders in a structured manner
8	6.3.2	Realization of complaints repair of housing facilities
9	6.9.1	Socialization of the committee on the handling of sexual harassment / gender committees
10	6.9.2	Socialization the mechanism of menstruation leave
11	7.3.1	Progress of follow-up of Remediation Plan
12		Mechanism of replacement of work tool
13		Socialization related to the progress of RSPO certification to partnership plantation
14		The mechanism of calculating the percentage of OER and KER (Oil Content) in determining the production of CPO and PK certified / uncertified

3.5.4 Noteworthy Positive Components

No	Descriptions
1	Has implemented Integrated Pest Management
2	Has earned Blue Proper
3	The Golden Flag of SMK3
4	Implementing ISO 14001 Environmental Management System

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Plantation Agency 1. Relation between the company and plantation agency is quite good. Reporting has been reported routinely and on time, such as reporting of plantation business development. Beside that communication and information gone smoothly. Request of information always respond. 2. The company has been compiled and implement CSR program to communities around and the benefit has been perceived. 3. There is no issues related to environmental such as fire and environmental pollution 4. There is no new permit for develop new area (expansion of the operational area).	In accordance with criteria 1.1; 1.2; 2.1; 5.2; 5.5; 6.2; 6.11 and principle 7
Manpower Agency 1. The company has a good relationship and a very cooperative with agency. 2. The Company has been carrying out its obligations regarding the payment of minimum wage to workers. 3. During 2016 to 2017 there has been no report related to industrial relations problems between the company and its employees 4. Reporting has been reported routinely and on time such as OHS guiding committee report. 5. There is no issue related to underage worker	In accordance with criteria 1.1; 2.1; 6.2; 4.7; 6.5 and 6.7
Environmental Agency 1. The company has a good relationship with agency and Request of information always respond. 2. Obligation of reporting has been reported routinely and on time such as implementation report of RKL-RPL. 3. The company has had agreement with licensed transporter and licensed collector of hazardous waste 4. There is no issue of environmental issue caused by company operation 5. There is no report of fire in operation area of PT SMM on 2016 – 2017. 6. There is no issues related to environmental such as fire and environmental pollution	In accordance with criteria 1.1; 2.1; 4.4; 5.2; 5.3; 5.5; and 6.2.
Labor Unions • There is no negative issues such as discrimination, the use of labor under 18 years or sexual abuse issues. • Providing wages and overtime in compliance with applicable regulations. • Until the audit takes place, there has been no complaints from workers.	• Based on field observation and interview with labour union, there was no violation of labour laws. For example, minimum age, discrimination, minimum wage, overtime etc. It refer to criterion 6.5. • The company has implemented minimum wage and overtime refer to the latest regulation as written in 6.5.1

Public Issues (Institution/ NGO/Community)	Auditor Verification
- All employees have been included in the program BPJS employment and health. - The Company has conducted periodic health checks to workers with high risk. The Company has also provided PPE which is provided for free.	- Has been described in 4.7.5. - The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6.
Gender Committee - Menstruation rights and maternity leave rights may be made in accordance with the results of a doctor / nurse examination. These rights are contained in the company's policies and regulations. - There is no negative issues such as discrimination and sexual abuse or child labor. - Socialization to workers is done through morning briefing and also includes a ban on pregnant and lactating women to spray.	- According o document verification and interview with workers, there was n issues related to violation of the rights of woman. - From the results of interviews with workers, the company has implemented of Company Policies such as reproductive rights and prohibition of pregnant woman to spray. It refer to criterion 6.9
Surrounding Communities Jangkang Village Nyuruk Village. In general communication between the two parties went well. The company provides social assistance to the community such as entrepreneurship training, heavy equipment, bridges etc. Communities are also involved in discussions of social impact control and CSR. From the results of the consultation it is known that there is no issue of environmental pollution and land dispute issues. The public knows the legal boundaries of the company clearly. The compensation process has been settled prior to land clearing and is carried out directly with the previous land owner. The community has received socialization from companies such as fire prevention training, HCV socialization etc.	This matter has been verified at criteria 2.2, 2.3 and indicator 6.11.1.
FFB Supplier Anugrah Cooperative Sawit Sepakat Maju Cooperative In general communication between the two parties went well. Agreement has been understood and signed by both parties. The supplier is given time to study the agreement. FFB payments are agreed to be paid by no later than the 15th but actually exceed that date.	This matter has been verified in indicators 6.10.1 – 6.10.4
Local Contractors CV Lupindo Jaya CV Saputri Cemerlang	

Public Issues (Institution/ NGO/Community)	Auditor Verification
The company has given opportunity to the surrounding community in the contract of certain jobs. In general communication between the two parties went well. Agreement has been understood and signed by both parties. The supplier is given time to study the agreement.	This matter has been verified in indicators 6.10.1 – 6.10.4
Smallholders Cooperative - Sambar Jaya Makmur Cooperative The company has contributed to the improvement of the community's economy by the cooperation of plasma plantation. Currently, cooperation is still in the phase of a memorandum of understanding. A detailed working agreement will be discussed later. In general communication between the two parties went well. Full management of the plasma plantation will be done by the company.	This matter has been described at 1.10.2.
Lembaga Swadaya Masyarakat Komunitas Konservasi alam Belitung - Company has good communication with local NGO - There is no issue of environmental pollution - Welfare surrounding communities increased	It was comply with category 5.2

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings. Signed on behalf of: Company Name Management Representative  Mulkan Nasution 27 December 2017 Mutuagung Lestari Lead Auditor  Leonada 27 December 2017

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Plantation Agency	Belitung Timur District	-	Interview	31 October 2017	√	
2.	Manpower Agency	Belitung Timur District	-	Interview	31 October 2017	√	
3.	Environmental Agency	Belitung Timur District	-	Interview	31 October 2017	√	
4.	Jangkang Village	Belitung Timur District	-	Interview	1 Nov 2017	√	
5.	Nyuruk Village	Belitung Timur District	-	Interview	1 Nov 2017	√	
6.	Gender Committe	Belitung Timur District	-	Interview	31 October 2017	√	
7.	FFB Supplier	Belitung Timur District	-	Interview	1 Nov 2017	√	
8.	Labor Union	Belitung Timur District	-	Interview	31 Oct 2017	√	
9.	Local Contractor	Belitung Timur District	-	Interview	31 Oct 2017	√	
10	Smallholders cooperatives	Belitung Timur District	-	Interview	1 Nov 2017	√	
11.	Lembaga Swadaya Masyarakat Komunitas Konservasi alam Belitung	Belitung Timur District	-	Interview	1 Nov 2017	√	
12	Workers (internal stakeholders) - Jangkang Estate: 1 female foreman sprayer, 8 female sprayers, 1 foreman harvesting, 2 harvesters, 1 female loose fruit picker, 1 female foreman manuring, 7 female fertilizer, 3 male fertilizer. - Ladang Jaya Estate: 1 foreman harvesting, 3 harvesters, 1 female foreman circle racking, 6 female worker circle racking, 2 male worker circle racking, 1 male foreman composting, 2 female worker composting, 3 male worker composting, 1 male foreman LCC Upkeep, 5 female worker LCC Upkeep - Jangkang POM : 2 Security officer, 3 officer Loading Ramp Station, 1 operator Sterilizer Station, 1 operator Thresher	Belitung Timur District	-	Interview	31 Oct – 2 Nov 2017	√	

	Station, 4 operators Boiler Station, 1 operators Engine Room Station.						
13	TUK Indonesia	-	office@tuk.or.id	email	25 Oct 2017		√
14	Green Peace Indonesia	-	info.id@greenpeace.org	email	25 Oct 2017		√
15	AMAN	-	rumahaman@cbn.net.id	email	25 Oct 2017		√
16	Sawit watch	-	info@sawitwatch.or.id	email	25 Oct 2017		√
17	WWF Indonesia	-	wwf-indonesia@wwf-or.id	email	25 Oct 2017		√
18	Wahana Lingkungan Hidup Indonesia	-	informasi@walhi.or.id	email	25 Oct 2017		√

Appendix 2. Assessment Program

DATE	30 October – 3 November 2017	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 30 October 2017		
06.30 – 08.00	JAKARTA → BELITUNG (TANJUNG PANDAN)	LEO/AFN/RAH/YHN
08.00 – 10.00	TANJUNG PANDAN → PT SMM	
10.00 – 12.00	OPENING MEETING	
12.00 – 14.00	BREAK	
14.00 – 17.00	RSPO Document Review , basic info and Review of Previous Visit Non-conformance (ASA-1.1) Public consultation to Local contractor, FFB Suplier, internal stakeholder (labor union, gender committee and cooperative employees)	LEO/AFN/RAH/YHN
Tuesday, 31 October 2017		
08.00 - 12.00	Field Observation to Jangkang Estate • Manuring, Spraying, Harvesting, Best Agricultural Practices, Worker Welfare (payments, complaint mechanism) and safety aspect, • Hazardous Waste Material Management, Worker facilities (housing, health clinic, clean water, etc), Land Fire facilities, Storage, Land Application ect.. • Conservation Area and Legal operational Stakeholders consultation to Government Institution and related NGO Public consultation to Local contractor, FFB Suplier, internal stakeholder (labor union, gender committee and cooperative employees)	• AFN • YHN • LEO • RAH
12.00 – 14.00	BREAK	
14.00 – 17.00	• Clarification of field visit and document review • Completion Checklist	• LEO/AFN/RAH/YHN
Wednesday, 1 November 2017		
08.00 - 12.00	Field Observation Ladang Jaya Estate • Manuring, Spraying, Harvesting, Best Agricultural Practices, Worker Welfare (payments, complaint mechanism) and safety aspect • Hazardous Waste Material Management, Worker facilities (housing, health clinic, clean water, etc), Land Fire facilities, Storage, ect.. • Conservation Area, Legal operational Stakeholder Consultation to the nearest village/community leader, Plasma Farmer and cooperative.	• AFN/RAH • YHN • YHN • LEO
12.00 – 14.00	BREAK	
14.00 – 17.00	• Clarification of field visit and document review • Completion Checklist	• LEO/AFN/RAH/YHN
Thursday, 2 November 2017		
08.00 – 12.00	Field Observation Jangkang POM • FFB received, sortation, Processing, worker welfare, Occupational Health and Safety (OHS/K3), Supply Chain etc. • WWTP/IPAL, Hazardous Waste Material, Chemical storage, Fire Fighting Facilities and environment aspect	• AFN/RAH • YHN

DATE	30 October – 3 November 2017	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	Stakeholder Consultation to the nearest village/community leader, Plasma Farmer and cooperative.	• LEO
12.00 – 14.00	BREAK	
14.00 – 17.00	• Clarification of Field Observation • Completion Checklist	• LEO/AFN/RAH/YHN
Friday, 3 November 2017		
08.00 – 10.00	• CLOSING MEETING	• LEO/AFN/RAH/YHN
10.00 – 12.00	• PT SMM → Tanjung Pandan	
14.00 – 16.00	• Tanjung Pandan → Jakarta	