

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

[✓] Surveillance

Name of Management Organisation : Sukamandang Palm Oil Mill, PT Kridatama Lancar subsidiary of Sime Darby Plantation Bhd.

Plantation Name : Sukamandang Estate, Sapiri Estate, Baras Danum Estate, Kuala Kuayan Estate

Location : Village of Sukamandang, Sub District of Seruyan Tengah, District of Seruyan, Province of Central Kalimantan, Indonesia.

Certificate Code : *MUTU-RSPO/003*

Date of Certificate Issue : *02 September 2016* Date of License Issue : *02 September 2018*

Date of Certificate Expiry : *01 September 2021* Date of License Expiry : *01 September 2019*

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.2	06 - 11 August 2018	Muhammad Rinaldi (Lead Auditor), Rizliani Aprianita Hsb, Dwi Haryati, Haikal R. Kharismansyah	Octo H.P.N. Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.2	5 October 2018

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TABLE OF CONTENT
FIGURE

Figure 1. Location Map of PT Kridatama Lancar	2
Figure 2. Operational Map of PT Kridatama Lancar	3

Abbreviations Used	4
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1.0 SCOPE of the CERTIFICATION ASSESSMENT

1.1 Assessment Standard Used	5
1.2 Organisation Information	5
1.3 Type of Assessment	5
1.4 Location of Mill and Plantations	5
1.5 Description of Area Statement	6
1.6 Planting Year and Cycles	6
1.7 Description of Mill and Supply Base	7
1.8 Estimate Tonnage of Certified Product	7
1.9 Other Certifications	8
1.10 Time-Bound Plan	8

2.0 ASSESSMENT PROCESS

2.1 Assessment Team	17
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	17
2.3 Stakeholder Consultation and Stakeholders Contacted	20
2.4 Determining Next Assessment	20

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	21
3.2 Summary of Assessment Report of Supply Chain Requirement	48
3.3 Conformity Checklist of Certificate and Logo Use	63
3.4 Summary of RSPO Partial Certification	64
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	66
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	85

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Signing of Assessment Findings	89
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APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	90
2. Assessment Program	92

Figure 1. Location Map of PT Kridatama Lancar

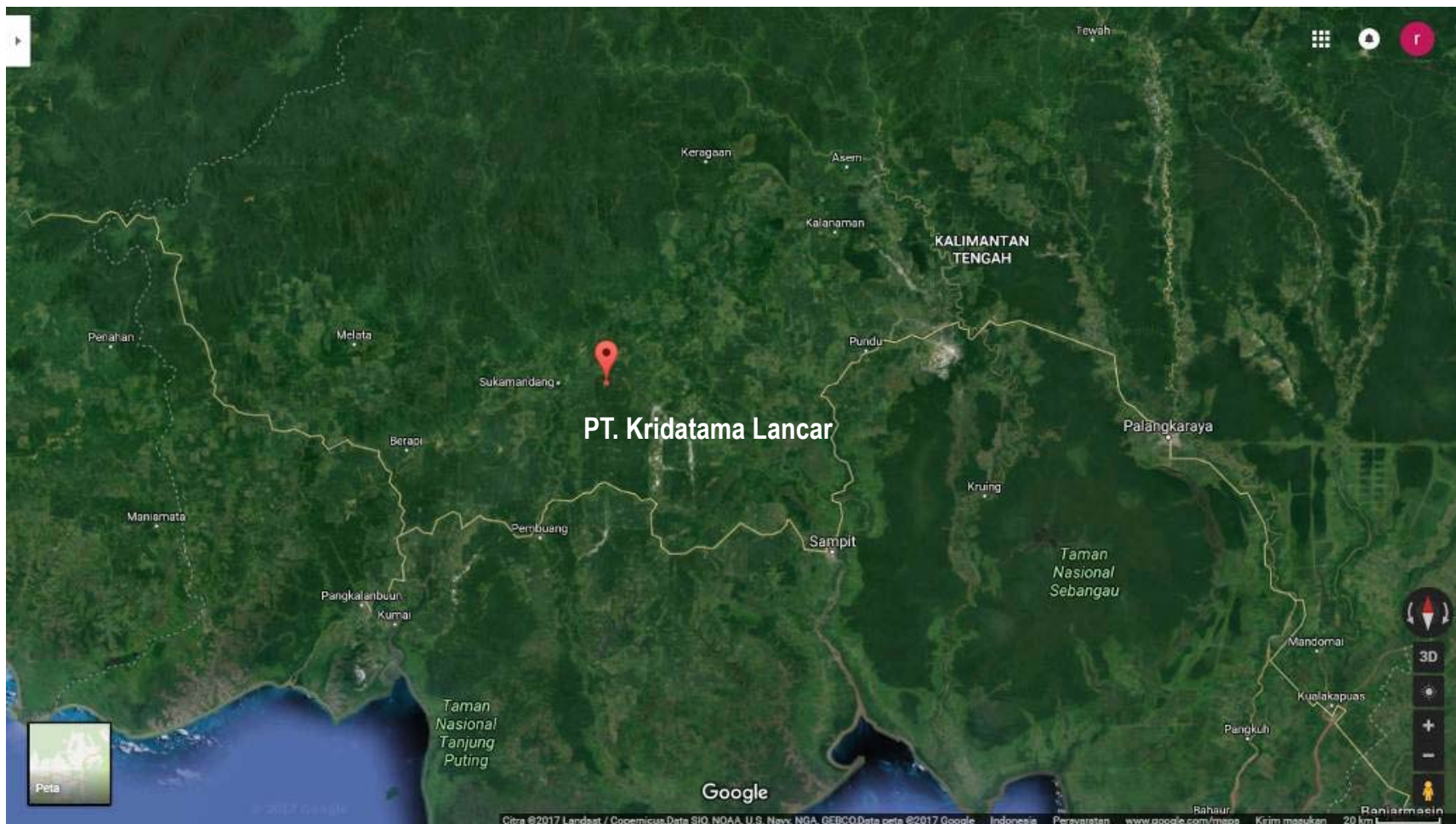
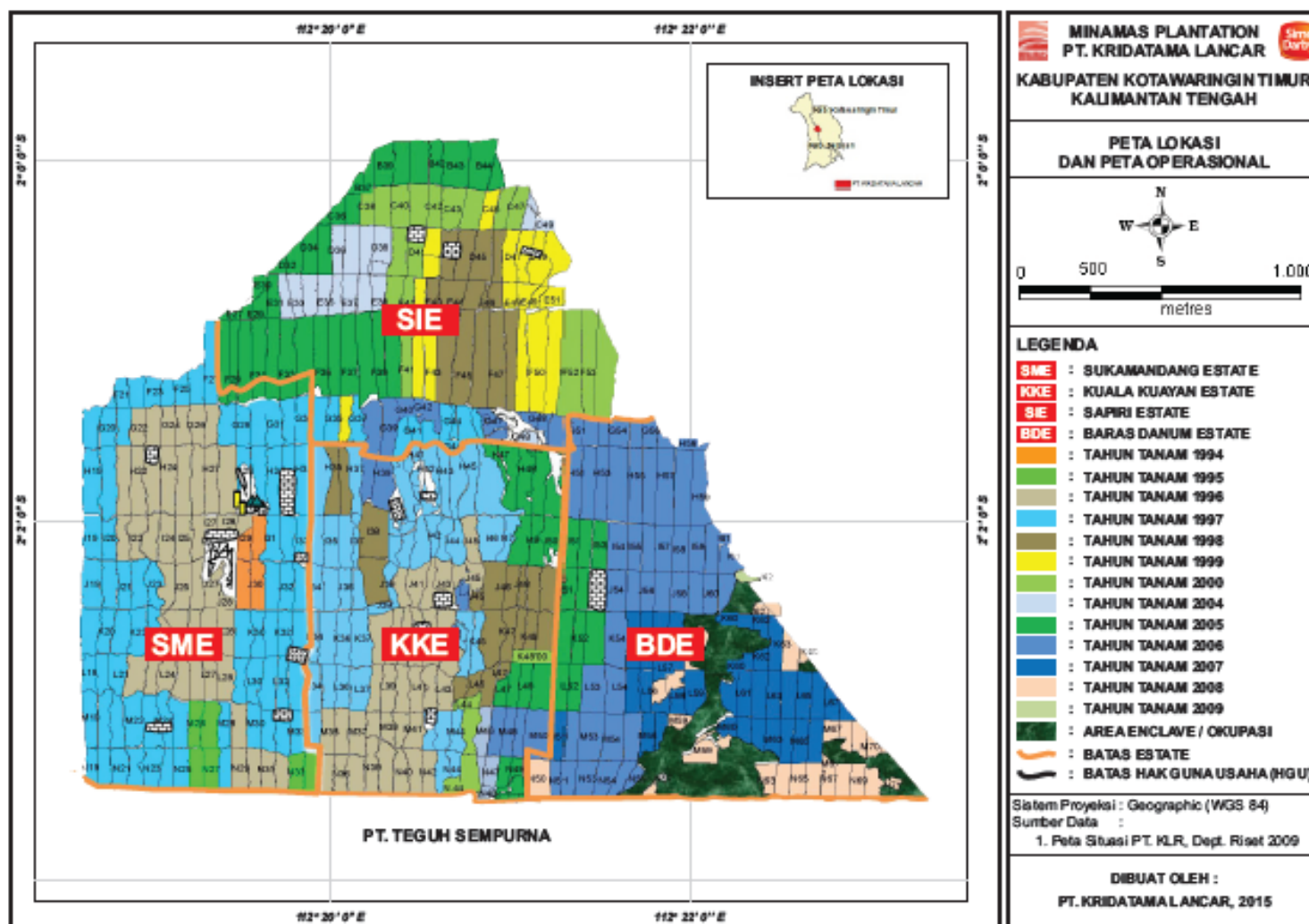


Figure 2. Operational Map of PT Kridatama Lancar



Abbreviations Used

APAR	:	<i>Alat Pemadam Api Ringan</i> (Fire Extinguisher)
B3	:	<i>Bahan Berbahaya Beracun</i> (Hazardous Material)
BDE	:	Baras Danum Estate
BOD	:	Biological Oxygen Demand
BPC	:	Business Planning and Consolidation
CCM	:	Chemical Company Malaysia
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunch
FPIC	:	Free Prior Informed Consent
GHG	:	Green House Gase's
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> . (Land Use Title)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i> . (Plantation Business Permit)
OHS	:	Occupational Health and safety
KER	:	Kernel Extraction Rate
KKE	:	Kuala Kuayan Estate
KLR	:	PT. Kridatama Lancar (Minamas Plantation-Sime Darby group)
LUCA	:	Land Use Change Analysis
MRC	:	Minamas Research Center
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
IPM	:	Integrated Pest Management
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainability and Quality Management
RKL/RPL	:	<i>Rencana Kelola Lingkungan / Rencana Pemantauan Lingkungan</i> (Environmental Management Plan / Environmental Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SIE	:	Sapiri Estate
SME	:	Sukamandang Estate
SMF	:	Sukamandang Factory
SOP	:	Standard Operating Procedure
WWF	:	World Wide Fund
WWTP	:	Wastewater Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used <ul style="list-style-type: none"> Indonesian National Interpretation of RSPO P&C 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO BoG 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 revised on 14 June 2017 (Module D / E for CPO Mill) RSPO Certification System for Principles and Criteria, 14 June 2017 		
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Kridatama Lancar – subsidiary of Sime Darby Plantation Bhd	
1.2.2	Contact person	Mohamad Pirabaharan	
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> RSPO registered company: Sime Darby Plantation Bhd, Main Block, Level 10, Plantation Tower No.2, Jalan PJU 1A/7, Ara Damansara, 47301 Petaling Jaya, Selangor Liaison Office: The Plaza Office Tower Lantai 36 Jl MH Thamrin Kav. 28-30 Jakarta 1035 	
1.2.4	Telephone	(+603) 7848 4000; (+62) 21-29926000	
1.2.5	Fax	(+603) 7848 5361; (+62) 21-29922686	
1.2.6	E-mail	mohamad.pirabaharan@sime-darbyplantation.com	
1.2.7	Web page address	www.sime-darby.com	
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (Head of PSQM Minamas Plantation)	
1.2.9	Registered as RSPO member	07 September 2004, 1-0008-04-000-00	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Sukamandang Palm Oil Mill Sukmandang Estate (SME), Sapiri Estate (SIE), Baras Danum Estate (BDE) dan Kuala Kuayan Estate (KKE).	
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
			Latitude Longitude
	Sukamandang POM	Village of Sukamandang, Sub District of Seruyan Tengah, District of Seruyan, Province of Kalimantan Tengah, Indonesia	S 02°03' 28" E 112° 19' 01"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Sukamandang	Village of Sukamandang, Sub District of Seruyan Tengah, District of Seruyan,	S 02° 03' 56" E 112° 18' 48"

		Province of Kalimantan Tengah				
	Baras Danum	Village of Biring Kapuk, Sub District of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah	S 02° 04' 48"	E 112° 22' 52"		
	Sapiri	Village of Sapiri, Sub District of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah	S 02° 01' 26"	E 112° 20' 52"		
	Kuala Kuayan	Village of Kuala Kuayan, Sub District of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah	S 02° 04' 46"	E 112° 21' 10"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		14779.92 Ha			
	• Community		Ha			
1.5.2	Area Statement					
	• Total area		14779.92 Ha			
	• Mature area		12058.37 Ha			
	• Immature area		1238.92 Ha			
	• Mill		16 Ha			
	• Emplishment		226.19 Ha			
	• Infrastructure (road & bridge)		574.80 Ha			
	• Nursery		11.97 Ha			
	• Reserve area		62.68 Ha			
	• HCV		590.99 Ha			
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Sukamandang	Kuala Kuayan	Sapiri	Baras Danum	Total
	1995	177.60	-	-	-	177.60
	1996	1022.74	298	-	-	1320.74
	1997	1746.71	1303	142.51	-	3192.22
	1998	-	569	536.90	-	1105.90
	1999	-	-	407.90	-	407.90
	2000	-	124	737.00	-	861.00
	2004	-	101	485.90	-	586.90
	2005	-	355.5	786.80	349.55	1491.85
	2006	-	108	160.60	1331.83	1600.43
	2007	-	-	-	880.45	880.45
	2008	-	-	-	433.38	433.38
	Sub Total Mature	2947.05	2858.5	3257.61	2995.21	12058.37
	2016	672.82	216.74	-	-	889.56

	2017	-	349.36	-	-	349.36	
	Sub Total Immature	672.82	566.1	0	0	1238.92	
	Grand Total	3619.87	3424.60	3257.61	2995.21	13297.29	
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 (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Sukamandang	60	226026.97	48437.72	21.43	11428.54	5.06
	<i>*Production data source from 12 months before assessment (August 2017 – July 2018)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Sukamandang	3936.56	3619.87	58832.01	16.25	58832.01	100
	Kuala Kuayan	3664.60	3424.60	62743.89	18.32	62743.89	100
	Sapiri	3530.90	3257.61	49445.93	15.18	49445.93	100
	Baras Danum	3647.86	2995.21	54536.35	18.21	54536.35	100
	TOTAL	14779.92	13297.29	225558.18	16.96	225558.18	100
	<i>*Production data source from 12 months before assessment (August 2017 – July 2018)</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	PT Teguh Sempurna (RSPO Certified)	Subsidiary of Sime Darby Plantation Bhd	-	14044.45	870.31		
	TOTAL					870.31	
	<i>*Source Production Data on 12 months before assessment (August 2017 – July 2018)</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)		
	• FFB Production		277744		224650.71		
	• CPO Production		61881		48437.72		
	• Palm Kernel (PK) Production		12498		11428.54		
1.8.2	Product selling						
	Tonnage of selling product		Period of actual selling product (August 2017 – July 2018)				
	• CSPO sold as RSPO certified product		38029.82				
	• CSPK sold as RSPO certified product		8912.11				
	• CSPO sold under other scheme						
	• CSPK sold under other scheme						

	• CSPO sold as conventional		9207.76					
	• CSPK sold as conventional		1100					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	Sukamandang Estate		3936.56	3619.87	61774	17.07		
	Kuala Kuayan Estate		3664.60	3424.60	65881	19.24		
	Sapiri Estate		3530.90	3257.61	51918	15.94		
	Baras Danum Estate		3647.86	2995.21	57263	19.12		
	TOTAL		14779.92	13297.29	236836	17.81		
<i>*Projected FFB production for 12 months of certificate</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Sukamandang	60	236836	50920	21.5	11842	5	IP
<i>*Projected CSPO and CSPK production for 12 months of certificate</i>								
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISPO			MUTU-ISPO/051 dated on 05 February 2015				
	Others							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Supply Base	Time Bound Plan	HGU on Process		Location	Status
	Mill	Time Bound Plan			Ha	Time Bound Plan		
	INDONESIA							
	Sekunyir. PT. Indotruba Tengah	2010	Sekunyir	2010			Seruyan and West Kotawaringin District – Central Kalimantan	Certified
			Seruyan	2010				Certified
	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010			Rokan Hilir District – Riau	Certified
			Manggala 2	2010				Certified
			Manggala 3	2010				Certified
	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	1,652	2019	Sanggau Distri ct –West Kalimantan	Certified
			East	2010				Certified
			Sei Mawang	2018				-
			East Plasma	2010				Certified

		West Plasma	2010				Certified
Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	421.31	2020	Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011				Certified
		Aneka Persada	2011				Certified
							Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	308.25	2020	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012				Certified
Pemantang. PT. Teguh Sempurna	2011	Pemantang	2011			Seruyan and East Kotawaringin D istrict – Central Kalimantan	Certified
		Kawan Batu	2011				Certified
		Hatan Tiring	2011				Certified
		Batang Garing	2011				Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011			Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011			Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011				Certified
		Nusa Lestari	2011				Certified
Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011			Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011				Certified
Angsana Mini*) PT Sajang Heulang	2011	KKPA-1 PT.SHE	2013			Tanah Bumbu District – South Kalimantan	Certified
		Pantai Bonati	2011				Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011			Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011				Certified
		KKPA-4 PT.SHE	2013				Certified
Mustika. PT Sajang Heulang	2013	Mustika				Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013				Certified
		KKPA-3 PT.SHE	2013				Certified
		KKPA-5 PT.SHE	2013				Certified
		SAP 1	2020				ST-2
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	765	2020	Kotabaru Distri ct – South Kalimantan	Certified
		Gunung Kemas	2011				Certified
		Laut Timur	2011				Certified
		Pantai Timur	2011				Certified
		KKPA BSS	2020				-
Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	2011	1,162	2020	Kotabaru Distri ct – South Kalimantan	Certified
		Bebunga	2011				Certified
		KKPA Sungai Cengal	2014				Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011			Seruyan and East Kotawaringin D	Certified
		Sapiri	2011				Certified
		Barasdanum	2011				Certified

		Kuala Kuayan	2011			istrict – Central Kalimantan	Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	1,120	2020	Kotabaru Distri ct – South Kalimantan	Certified
		Pondok Labu	2012				Certified
		Rampa	2012				Certified
		Sesulung	2012				Certified
Selabak *) PT Swadaya Andhika	2012	Selabak	2012	63	2020	Kotabaru Distri ct – South Kalimantan	Certified
		Randi	2012				Certified
		Sangkoh	2012				Certified
		Lanting	2012				Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012			Kotabaru Distri ct – South Kalimantan	Certified
		Matalok	2012				Certified
Betung. PT Laguna Mandiri	2014	Betung	2012			Kotabaru Distri ct – South Kalimantan	Certified
		Sekayu	2012				Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012			Morowali Distri ct – Sulawesi Tengah	Certified
		Plasma TGK	2015				Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	1,639	2020	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020				-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	4,133	2020	Musi Banyuasin Dist rict – South Sumatera	Certified
		Bumi Ayu	2012				Certified
		Karang Ringin	2012				Certified
		Napal	2012				Certified
		Mangun Jaya	2012				Certified
		Sungai Jernih Estate and GPI KKPA	2017				-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	1,286	2020	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013				Certified
		Blang Simpo-01	2013				Certified
		Blang Simpo-02	2013				Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018			Sanggau Distri ct – West Kalimantan	-
		MAS 1	2018				-
		MAS 1	2018				-
		Plasma MAS	2020				-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014			Ketapang Distri ct – West Kalimantan	Certified
		Awatan	2014				Certified
		Karya Palma	2018				-
		KKPA SNP	2020				-
		Pelanjau (PT BAL)	2018				-
		Sungai Putih (PT BAL)	2018				-
		Baturus (PT BAL)	2018				-
		KKPA BAL	2020				-

MALAYSIA							
Sg Dingin SOU 1	2010	Bukit Hijau	2010			Kerangan, Kedah	Certified
		Padang Buluh	2010				Certified
		Bukit Selangor	2010				Certified
		Sg Dingin	2010				Certified
		Jentayu	2010				Certified
		Anak Kuli	2010				Certified
		Somme	2010				Certified
Chersonese SOU 2	2011	Chersonese	2011			Kuala Kurau, Perak	Certified
		Holyrood	2011				Certified
		Kalumpang	2011				Certified
		Tali Ayer	2011				Certified
Elphil SOU 3	2011	Kinta Kellas	2011			Sg Siput, Perak	Certified
		Elphil	2011				Certified
		Kamuning	2011				Certified
Flemington SOU 4	2011	Flemington	2011			Teluk Intan, Perak	Certified
		Bagan Datoh	2011				Certified
		Sabak Bernam	2011				Certified
		Sg Samak	2011				Certified
Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011			Teluk Intan, Perak	Certified
		Sabrang	2011				Certified
		Sg Wangi	2011				Certified
		Sogomana (Main Division)	2011				Certified
Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011			Teluk Intan, Perak	Certified
		Sogomana (Cashwood & Sg Beruas Division)	2011				Certified
		Bikam	2011				Certified
		Clumy	2011				Certified
Tennamaram SOU 6	2011	Tennamaram	2011			Bestari Jaya, Selangor	Certified
		Sungei Buloh	2011				Certified
		Bkt Talang	2011				Certified
Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011			Kapar, Selangor	Certified
		Bkt Cherakah	2011				Certified
		Bkt Rajah	2011				Certified
		Bkt Lagong	2011				Certified
		Elmina	2011				Certified
East SOU 8	2010	East	2010			Carey Island, Selangor	Certified
		Dusun Durian	2010				Certified
		Sepang	2010				Certified
West - SOU 9	2010	West	2010			Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011			Raub, Pahang	Certified
Kerdau SOU 11	2011	Kerdau	2011			Temerloh, Pahang	Certified
		Jentar	2011				Certified

		Mentakab	2011				Certified
		Sg Mai	2011				Certified
		Chenor	2011				Certified
Jabor - SOU 12	2011	Jabor	2011			Kuantan, Pahang	Certified
Labu SOU 13	2011	Labu	2011			Nilai, Negeri Sembilan	Certified
		New Labu	2011				Certified
		Bradwall	2011				Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010			Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010				Certified
		Bukit Pelandok	2010				Certified
Sua Betong SOU 15	2014	Salak	2014			Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014				Certified
		Siliau	2014				Certified
		PD Lukut	2014				Certified
		Sungai Baru	2014				Certified
		Tampin Linggi	2014				Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011			Bahau, Negeri Sembilan	Certified
		Kok Foh	2011				Certified
		Muar River	2011				Certified
		St. Helier	2011				Certified
		Pertang	2011				Certified
		Sg Gemas	2011				Certified
		Sg Sebalang	2011				Certified
		Sg Senarut	2011				Certified
Kempas SOU 17	2010	Kempas	2010			Jasin, Melaka	Certified
		Kemuning	2010				Certified
		Tangkah	2010				Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011			Jasin, Melaka	Certified
		Diamond Jubilee	2011				Certified
		Serkam	2011				Certified
Pagoh SOU 19	2014	Pagoh	2014			Muar, Johor	Certified
		Lanadron	2014				Certified
		Pengkalan Bukit	2014				Certified
		Welch	2014				Certified
Chaah SOU 20	2010	North Labis	2010			Chaah, Johor	Certified
		Cha'ah	2010				Certified
		Sg Simpang Kiri	2010				Certified
Gunung Mas SOU 21	2010	Gunung Mas	2010			Kluang, Johor	Certified
		Kempas Klebang	2010				Certified
		Bukit Paloh	2010				Certified
		Yong Peng	2010				Certified
Bukit Benut SOU 22	2011	Bukit Benut	2011			Kluang, Johor	Certified
		CEP Niyor	2011				Certified
		Lambak / Elaeis	2011				Certified
Ulu Remis SOU 23	2011	Pekan	2011			Layang-layang, Johor	Certified
		Sembrong	2011				Certified
		Tun Dr. Ismail	2011				Certified

		Ulu Remis	2011				Certified
		Bukit Badak	2011				Certified
		Cenas	2011				Certified
Hadapan SOU 24	2011	CEP Rengam	2011			Layang-layang, Johor	Certified
		Kulai	2011				Certified
		Layang	2011				Certified
		Seri Pulai	2011				Certified
Sandakan Bay SOU 26	2008	Tun Tan Siew Sin	2008			Sandakan, Sabah	Certified
		Tunku	2008				Certified
		Tigowis	2008				Certified
		Sentosa	2008				Certified
		Saguliud	2008				Certified
Melalap SOU 27	2011	Melalap	2011			Tenom, Sabah	Certified
		Sapong	2011				Certified
Binuang SOU 28	2009	Tingkayu	2009			Kunak, Sabah	Certified
		Sungang	2009				Certified
		Jelata Bumi	2009				Certified
		Binuang	2009				Certified
Giram SOU 29	2009	Mostyn	2009			Kunak, Sabah	Certified
		Giram	2009				Certified
Merotai SOU 30	2009	Imam	2009			Tawau, Sabah	Certified
		Merotai	2009				Certified
		Table	2009				Certified
		Tiger	2009				Certified
Lavang SOU 31	2011	Belian	2011			Bintulu, Serawak	Certified
		Kelida	2011				Certified
		Lavang	2011				Certified
		Lavang (SE)	2011				Certified
		Rasan	2011				Certified
Rajawali SOU 32	2011	Rajawali	2011			Bintulu, Serawak	Certified
		Samudera	2011				Certified
		Semarak	2011				Certified
		Bayu	2011				Certified
Derawan SOU 33	2011	Takau	2011			Bintulu, Serawak	Certified
		Damai	2011				Certified
		Derawan	2011				Certified
		Sahua	2011				Certified
Pekaka SOU 34	2011	Chartquest	2011			Bintulu, Serawak	Certified
		Dulang	2011				Certified
		Peroh	2011				Certified
		Pekaka	2011				Certified
		Ruai	2011				Certified
LIBERIA							
Grand Cape Mount	2017	Matambo (2,500 Ha)	2017			Grand Cape Mount, Liberia	NPP May 2011
		Grand Cape Mount (2,372 Ha)	2017				NPP May 2011

		Zodua (264)	2017				NPP May 2011
		Bomi (3,128 Ha)	2017			Bomi, Liberia	NPP May 2011
		Lofa (2,254 Ha)	2017				NPP May 2011
P & G (New Britain Palm Oil)							
Poliamba	2012	Kara	2012			Kevieng, New Ireland Province, P&G	Certified
		West Coast	2012				Certified
		Nalik	2012				Certified
		Noatsi	2012				Certified
		Madak	2012				Certified
		North (Smallholders)	2012				Certified
		South (Smallholders)	2012				Certified
		West (Smallholders)	2012				Certified
Tetere	2011	Tetere	2011			Gudaicanal, Solomon Island	Certified
		Ngalimbiu	2011				Certified
		Mbalisuna	2011				Certified
		West Zone (Smallholders)	2011				Certified
		Central Zone (Smallholders)	2011				Certified
		MBA East (Smallholders)	2011				Certified
		MBA West (Smallholders)	2011				Certified
Sangara, Sambiripa & Mamba	2013	Sangara	2013			Higaturu, Popondetta, Oro, P&G	Certified
		Sumberipa	2013				Certified
		Ambogo	2013				Certified
		Embi	2013				Certified
		Mamba	2013				Certified
		Sorovi (smallholders)	2013				Certified
		Igora (smallholders)	2013				Certified
		Saiho (smallholders)	2013				Certified
		Aeka (smallholders)	2013				Certified
		Ilimo (smallholders)	2013				Certified
Gusap	2010	Dumpu	2010			Madang, P&G	Certified
		Surinam	2010				Certified
		Jephcott	2010				Certified

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

		VOP West (1,277 Smallholders)Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008			Certified
		LSS Kapiura (847 Smallholders)	2008			Certified
		VOP Kapiura (551 Smallholders)	2008			Certified
	<p>Sime Darby has achieved 34 management units in Malaysia, 24 management units in Indonesia, 10 management units in Liberia that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 10 in Liberia. In the year of 2017 there are two Mill that are no longer operating, and for the supplying base (Estate) is diverted to a mill that is still operating and has been certified RSPO.</p> <p>A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and Sime Darby Plantation Bhd targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress.</p> <p>There was change of the Time Bound Plan under Sime Darby on 15 April 2016 cause the Sime Darby postpone the others certification process. Change of the Time Bound Plan explanation: PT Mitra Austral Sejahtera. There are social issue still unresolved from the Serikat Petani Kelapa Sawit (SPKS) Sanggau, however the improvement are in progress. Sime Darby has informed the Time Bound Plan progress, MUTU has consider that Sime Darby still comply with the RSPO requirement for partial certification.</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Sukamandang palm oil mill does not received from other non certified RSPO associates outgrowers.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.2	<p>1. Muhammad Rinaldi (Lead Auditor). Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During the assessment he assigned to verify legal, land dispute and SCCS.</p> <p>2. Rizliani Aprianita Hsb (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, lead Auditor ISO 9001;2008, ISO 14001;2004, ISPO 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 the assessment she assigned to verified environmental management, GHG, HCV and social aspect.</p> <p>3. Dwi Haryati (Auditor). Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. She has experienced on Palm Oil Plantation as Sustainability staff. Training have been followed include: Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, Workshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. During this assessment she was observed and audit on Transparency, Occupational Health and Safety, and Worker Welfare.</p> <p>4. Haikal Ramadhan Kharismansyah. Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Auditor ISPO, RSPO awareness, ISO 22000 awareness. Did some audit ISPO scheme with aspects Best management practices. During this audit, he support to verify best management practice and long-term plan.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.2	<p>Number of auditors : 3 auditors and 1 auditors in trainee</p> <p>Number of days for ASA-1.2 at site : 6 days</p> <p>Number of working days for ASA-1.2 at site : 18 Working days</p>
2.2.2	Assessment Process
ASA-1.2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Kridatama Lancar 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 revised on 14 June 2017 (Module for CPO Mill)</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the 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).</p> <p>Improvement of findings from main assesment 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.</p> <p>The assessment program please find Appendix 2</p>

2.2.3	Locations of Assessment
ASA-1.2	<p>Sukamandang Factory</p> <ul style="list-style-type: none"> • Grading Station. Observations and interviews related to criteria for EFB grading, wages, sampling techniques, and PPE. • Engine room. Observations and interviews related to medical check-up, PPE, and operator understanding of emergencies • Boiler. Observations and interviews related to OHS, understanding of emergency response, and operator licenses • Sterilizer. Observations and interviews related to the duties and responsibilities of daily work • Kernel Station. Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility • Weighbridge Station. Observation of supply chain procedure. • Security. Observation related to the acceptance of FFB. • Bulking. Observation of CPO acceptance and storage. • Water intake. Observation for POM water intake condition • Block H31 Land Application. Observation related land application and waste management. • Factory Housing. Observation and interview regarding management of domestic waste, quality and feasibility of employee welfare facilities and infrastructure such as water source, electricity, and others. • Waste Water Treatment Plant. Field observations and interviews with WWTP operators regarding waste water management. • WTP. Observations and interviews related to water management, recording of water use, health checks, PPE and waste management. • Hazardous waste temporary warehouse. Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. • Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. • Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management. • Hydrant simulation. <p>Sapiri Estate</p> <ul style="list-style-type: none"> • Block E28. Observation of legal boundary conditions No 13 & 14. • Block E30. Observation of legal boundary conditions No 15. • Block D33. Observation of legal boundary conditions No 16. • Block F28/29. Observation related to riparian zone of Kalali River • Block D42. Observation related to buffer zone of reservoir • Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop). Observation and interview related to wages, training, PPE, work accident, and complaint mechanism. • Hazardous Waste Storage. Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism. • Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management. • Block Spraying System (BSS) & Block Manuring System (BMS). Observation and interview regarding of hazardous waste (pesticide) and PPE Spray storage. • Clinic. Observation and interview related to the mechanism of treatment, medical waste management, record of work accident, worker medical examination, complaints mechanisms and first aid facility. • Daycare. Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, and access to daily needs, policies, protection of reproductive rights for women workers.

- **Housing Emplacement:** Observations related to hygiene facilities include sanitation, clean air and complaints if any.
- **Genset room.** Observation and interviews related to work procedures, OHS implementation, employment and complaint mechanism.
- **Landfill area** Observation related domestic waste.
- **Fire Fighter Warehouse.** To observe completeness and readiness of fire fighter equipment.

Baras Danum estate :

- **Block H58.** Observation of legal boundary conditions No 31.
- **Block I61.** Observation of legal boundary conditions No 32.
- **Block J63.** Observation of legal boundary conditions No 33.
- **Block K63.** Observation of legal boundary conditions No 34
- **Block K65.** Observation of legal boundary conditions No 35
- **Block K61/62.** Observation related to riparian zone of Manggis River
- **Block L21 Division III. Harvesting.** Observation and interview related criteria of FFB, PPE, worker welfare.
- **Block J59 and J60 Division III.** Manuring & Interview with spraying team. Observation and interview related manuring application, dosage use, pesticide application, medical check-up and how to handling on agrochemical
- **Block J51 division 1.** Nest Box. Observation related the occupation of nest box by barn owl and its condition
- **BSS House.** Observation related the infrastructure of BSS house, PPE storage, and pesticide waste management
- **Block L63/62.** Division III. Terrace; Road Maintenance; Benefecial plant. Observations related to soil conservation in the terrace area; Observations related to road maintenance; Observation of IPM implementation
- **Block J018 Division 1.** EFB Application. Observation related EFB application

Kuala Kuayan Estate

- **Block N49 Division III.** Nursery. Observations and interviews related to the selection of seeds and maintenance of seedlings
- **Block N37& N38.** Replanting. Observations and interviews regarding planting in sloping areas and zero burning application
- **Interview with manuring and spraying workers in the block N35.** Interview with manuring workers regarding the implementation of procedures, PPE, and understanding of safety working

Sukamandang Estate

- **Block K19/L19.** Observation of legal boundary conditions No 4.
- **Block J19/K19.** Observation of legal boundary conditions No 5.
- **Block I19/J19.** Observation of legal boundary conditions No 6.
- **Block K28/29.** Observation related to riparian zone of Pemail Kalali River
- **Block I33.** Observation to HCV area of "Bukit Batu Kapal".
- **Block K33.** Observation to HCV area of "Bukit Batu Tungku".
- **Spraying. Blok K24 divisi III.** Observation and interview related safe working practices, OHS and worker welfare aspects.
- **BSS (Block Spraying System) and BMS (Block Manuring System).** Observation and interviews related to washing of working tools, PPE spray teams and used pesticide containers handling.
- **Hazardous Waste Storage.** Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism.
- **Workshop.** Observation and interviews related to the competence of workers, implementation OHS (including medical check up), employment, waste management and complaint mechanism.
- **Clinic.** Observation and interview related to the mechanism of treatment, medical waste management, record of work accident, worker medical examination, complaints mechanisms and first aid facility.
- **Daycare.** Observation related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, and access to daily needs, policies, protection of reproductive rights for women workers.

	<ul style="list-style-type: none"> • Housing Emplacement: Observations related to hygiene facilities include sanitation, clean air and complaints if any. • Genset room. Observation and interviews related to work procedures, OHS implementation, employment and complaint mechanism. • Landfill area Observation related domestic waste. • Warehouse complex (Agrochemical storage, Fuel and Lubricant Storage, Fertilizer Storage, Workshop). Observation and interview related to wages, training, PPE, work accident, and complaint mechanism. <p>Stakeholder</p> <ul style="list-style-type: none"> • Public consultation with government of Kotawaringin Timur District, Province of Kalimantan Tengah (Labour Agency and Plantation Agency) • Public consultation with surrounding community (Local Contractor, NGO local communities) • Public consultation with Internal Stakeholders (Gender Committee, Labor Union and Worker Cooperative)
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.2	<p>The public consultation with stakeholders to PT Kridatama Lancar done through:</p> <ul style="list-style-type: none"> • Conduct a public announcement on the CB website (www.mutucertification.com) on 23th July 2018. • Conducting visits and direct interviews with stakeholders (Labour Agency and Plantation Agency, Kotawaringin Timur District, Province of Kalimantan Tengah) on 07th August 2018. • Conduct consultations via email questionnaire to NGOs (WALHI, Sawit Watch, World Wildlife Fund for Nature and Aliansi Masyarakat Adat Nusantara) on 31th July 2018. • Conducting visits and direct interviews with stakeholders (Local Communities) on 07th August 2018 • Conducting Interviews with the Cooperative Employees, local contractor, Gender Committee, Labor Union on 07th August 2018.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (<i>ASA-1.3</i>) will be determined one year after this <i>ASA-1.2</i>

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Sukamandang POM – PT Kridatama Lancar subsidiary of Sime Darby Plantation Bhd** operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were eight (8) Nonconformities were assigned against Major Compliance Indicators, one (1) nonconformities were assigned against Minor Compliance Indicators and eleven (11) 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. Those corrective actions taken that consist of eight (8) Major non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that **Sukamandang POM – PT Kridatama Lancar Sime Darby Plantation Bhd** complied with the requirements of **Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D 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	PT Kridatama Lancar has Procedure for Communication with the number of policy 725/PSQM-ESH/2016 on 27 June 2016. These procedures as practical guidance to handle the internal and external communication related to information of RSPO, Environment, social and law. Based on interview with community of Sukamandang and Kapuk Village, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted.	
1.1.2	The company was documented all of incoming and outgoing letter from another party. Based on document verification of incoming letter and the respond by the company, for example for Sapiri Estate there was letter from Regional Disaster Management Agency. The company was respond these requested and the documentation of response was showed.	
	Status: Comply	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	
1.2.1	PT Kridatama Lancar has a list of information that can be accessed by stakeholders in the Procedure for Communication (number of policy 725/PSQM-ESH/2016 on 27 June 2016 which is established by the Estate Manager or Chairman of SOU 2). The documents that can be accessed by the public including:	

- The policy of environmental occupational health and safety and company's gender
- Environmental occupational health and safety programme and RSPO company
- Progress of environmental occupational health and safety programme and RSPO company
- Matters which is related to environmental occupational health and safety programme and RSPO
- The environmental impact analysis
- The documentation of HCV
- Reduction and prevention of pollution
- Detail of complaint
- Negotiation
- Sustainable improvement planning
- Public summary and certification assessment report
- The policy of human rights

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

Status: Comply

1.3

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

1.3.1

Company has a policy of standard business of conduct that explains fair business practices, prohibition of corruption, bribery, fraud in the use of funds and resources as well as the disclosure of information in accordance with prevailing regulations. The policy contained in the Company Policy no. 440/HRM-COC/07 on 24 May 2007. The policy is available in Bahasa. The policy is communicated to workers in accordance with the results of interviews with them. Based on interview with contractor of FFB transport, it is known that company has been disseminated the policy of standard business of conduct.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

Certificate holder consistently applies legislation relating to plantation and palm oil mill. The last update of laws and regulations list was conducted on August, 2018. The Certification Unit has shown compliance with laws and regulations, for example:

OHS

- Has P2K3 structure and P2K3 report in accordance with Minister of Labor Regulation No. 4 year 1987
 - Has boiler operators, welders and heavy equipment operators certified in accordance with the regulations.
- OFI.2018.** Company need to ensure the implementation of training plans for the lifting of Sukamandang Estate and Sukamandang Factory. **(Observation).**

Best Management Practices

- Reducing the use of WHO 1A and 1B pesticides and not using paraquat
- Using registered pesticides that are permitted by the government in accordance with regulations

Environment Aspect

The company has an environmental impact analysis of plantation and mill activities among others: Environmental impact analysis which has been compiled in 1998 on behalf of PT Kridatama Lancar (15,500 hectare) and PT Teguh Sempurna (16,000 hectare) and mill with the capacity of mill as much 2 x 40 tonne / hour.

There's an increasing of capacity which has been 60 tonne of fresh fruit bunch / hour and has been approved by the Environmental Bodies of Central Kalimantan Province with the reference number of letter 660/614/II/BLH on 10 August

2012 and regarding to the increasing activity of mill capacity as much 60 tonne of fresh fruit bunch per hour didn't need the amendment or preparation environmental document.

Legal

The company has not been able to show evidence of the report on the use of HGU to the head of the Local Land Agency in accordance with Ministerial Regulation of Agrarian and Spatial Planning No. 7 of 2017. **Non-Conformity No. 2018.01 with Major Category**

2.1.2; 2.1.3 and 2.1.4

To ensure compliance to regulations, company has Policy 701/TQEM-ESH/10. This document explaining personnel who have responsibility to update the regulation and law, identification and inventory, evaluation and monitoring Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses.

A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented and reviewed in the management review activities conducted August 2018.

2.1.1 Status: Non-Conformity No. 2018.01 with Major Category

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

Based on document review of area statement, interview with plantation agency and interview with management, there is no additional area so that there is no change related to document of land ownership and utilization.

The operation and control of land by PT Kridatama Lancar is based on licensing of land from the government in accordance with the applicable regulations, among others:

- Certificate of Land Use Title issued by National Land Agency (BPN) in accordance with Decree No. 58/HGU/BPN/99 dated June 22, 1999 for land area of 14,779 Ha
- Registration of Plantation Business Letter (SPUP), based on the Decree of the Minister of Forestry and Plantation. 445/Menhutbun-VII/200, dated April 25, 2000, Plantation Area of 14,779.92 Ha, Factory capacity are 40 Ton/Hour.
- IUP-P in accordance with Kalimantan Tengah Governor's Decree No. 188.44/585/2015, dated September 28, 2015 regarding the addition of plant capacity from 40 tons of FFB / Hour to 60 Tons of FFB / Hour.

Based on a field visit on boundary pole No.14-15 in Sapiri Estate, it is known that there is planting outside the HGU on block E30. This is also shown from overlay of coordinate of aid pole No.36 on the operational map is inside of the block E30. **This is become Non-conformity No. 2018.02 with Major Category.**

2.2.2

SOP of boundary pole maintenance still same as previous assessment that listed on "SOP Pemeliharaan Patok BPN (dated on 12 May 2011)". The company shows the HGU Pole Inspection Monitoring conducted every 6 months. For example in Sapiri Estate conducted on July 11, 2018, there were 16 pole with conditions 15 pole still good and 1 pole broken (pole No. 14) and had been recommended for repair.

Based on field observation and coordinates checking of the HGU boundary pole in Sapiri Estate, Baras Danum Estate and Sukamandang Estate, it is known that all stakes are still in good condition and the coordinate points are in accordance with the "Buku Tugu 2015".

Based on corrective actions for ASA-1.1 Non-conformity, there is a Time Frame to verify the HGU Pole (made on September 18, 2017) which describes the plan to verify the coordinates of the HGU pole in according to the letter from the BPN planned from November 2017 - January 2018. However, till this ASA-1.2 activities (August 2018), there is no evidence of the implementation of the plan that has been made. **Non-conformity No. 2018.03 with Minor Category upgraded to Major Category**

2.2.3, 2.2.4, 2.2.5 & 2.2.6

Procedures related to land conflict resolution are unchanged from previous assessments listed in the Occupational Land Release Procedure (No. 343/PSD-OKUP/10) as well as the Land Conflict Resolution Procedure (RSPO/B.5.23/KLR). The Procedure explains that the settlement of land dispute was conducted through the negotiation phase between the company and the party claiming the land and witnessed by various parties.

Based on field visits and interviews with plantation agencies and surrounding communities, there is currently no land dispute between the company and other parties, the public figure of Tanjung Beras Village (previous land owner) also explained that the initial compensation activity has been done through by negotiation. The last land dispute occurred in 2011 and has been resolved by negotiations witnessed by the village head.

Policy related to the prohibition on the use of mercenaries in plantation operations are still the same as previous assessments. The company has a policy signed by the Chairman of Sukamandang Area No. 022/SOU-Intern/VI/2015/S, dated June 4, 2015 regarding the Prohibition of the Use of Mercenaries or Paramilitaries in Estate Operations.

Based on field visits, it is known that there was no indication of the use of mercenaries in the operations of the plantation.

2.2.1 Status: Non-conformity No. 2018.02 with Major Category.

2.2.2 Status: Non-conformity No. 2018.03 with Minor Category upgraded to Major Category

2.3

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

2.3.1, 2.3.2, 2.3.3 & 2.3.4.

There is no changes to SOP related FPIC for land release are listed in the Occupational Land Release Procedure (No. 343/PSD-OKUP/10) as well as the Land Conflict Resolution Procedure (RSPO/B.5.23/KLR). The Procedure explains that the settlement of land dispute was conducted through the negotiation phase between the company and the party claiming the land and witnessed by various parties.

Based on document review of area statement, interview with plantation agency and interview with management, there is no increase of area so there is no land compensation activity. The last land compensation activity was conducted on 2011. Records of land compensation process consist of: document of land identification and inventory, land location maps, statement of release of land rights by owner, Receipt of Payment, Minutes of compensation/Compensation and witnesses. This is stored in their respective estate according to the location of the land.

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 & 3.1.2

Certification holder shows the Long Term Business Plan for PT Kridatama Lancar for the period of 2017/2018 – 2020/2021 which was approved by the Head Plantation Operation which explained the budget for seed use, FFB production, OER, Production Costs, Estimated CPO Prices, Revenues, Replanting programs, and CPO production. For example Kuala Kuayan Estate in year 2021/2022 projected to produce a number of FFB 60,880 ton with Estate cost 774 (Rp/Mt. While the Sukamandang POM in the period 2021/2022 is projected to received a Total Net Profit of Rp 473,536,092,578

The replanting plan shown is, among others

Estate	2018/2019 (Ha)	2019/2020 (Ha)	2021/2022 (Ha)	2022/2023 (Ha)	2023/2024 (Ha)
BDE	286	372	252	294	257
SIE	215.86	241.34	242.55	220.52	145.03

The realization of replanting was last carried out in 2017 at KKE and SKE. For 2018 the replanting program has not been

implemented because of the transition in the administration of the one-year administration period which was from June to July to January to December and awaited the preparation of the 2019 budget.

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

Certification holder has procedures of Estate operational start from Land Clearing until Harvesting in Agricultural Reference Manual of Oil Palm Planting No. 110/EST-ARM/13 dated September 1, 2013 signed by Head Plantation Upstream of Indonesia. SOP document has been distributed on September 16, 2013 to all unit head of estates and mills. The company also has a reception process procedure of FFB until to the *dispatch* of CPO and kernel, in a palm oil mill engineering guidelines Parts I and II, Minamas Plantation on April 30, 2007. Block Spraying System Procedure dated March 4, 2009 described how to apply pesticide in the field, how to mixed pesticide, how to handle spraying equipment, and PPE. Pictorial OHS procedure in mill (723/PSQM-PSS/12) and estate (722/PSQM-PSS/10) described safety working with the use of PPE, sign board, safety working, and handling emergency response

Other than that the certification holder also has Procedure of product identification and traceability at POM number RSPO/66/SCCS/15-LMR dated April 26th 2015. The procedure has adjusted from the SCCS standard on November 2014. The person in charge of the POM operational are the Factory Manager, Assistant of PSQM, Laboratory Foreman/Assistant and Assistant /Sr. Assistant /Manager of Bulking

Based on field observation to Kuala Kuayan Estate block N35 and Block J59 Baras Danum Estate on circle and path spraying known workers have understood working in accordance with established procedures. For example, before being taken to the field, pesticides have been mixed first at the BSS house, the responsibility to use PPE, the responsibility to wash and store PPE after work, and the application of pesticides in accordance with the specified target and the right dose.

4.1.2 & 4.1.3

Internal supervision related to the implementation of SOP do directly by the foreman, Assistant, Senior Assistant and Estate Manager. The operational monitoring can be seen on the report of Monthly Meeting Committee Management (MMCM) 2017/2018. In addition to routine supervision by Assistant and Manager, there is also monitoring of operational activities through internal audit activities. Based on information received from PIC RSPO PT LMR internal audit activities carried out at least once a year. given 2 weeks to compile a root cause analysys, Corrective action, and the date of implementation of the improvement. For progress improvement is given 6 months.

Internal supervision results in the second semester 2017/2018 among other :

- KKE

The realization of the pruning period for July 2017 to February 2018 does not reach the program. only reached 36%. To complete the pruning, the corrective action taken is by increasing the number of harvesters according to the needs. So the harvester can maintain its working area. In addition, a pruning mechanism is made by using contractors and providing prices according to the contractor demand

- SMF

FFA & Moisture production is higher than the standard. Root cause analysys states that the percentage of old loose fruit entering the PKS is quite high, ie above 10%. The corrective action taken is to intensify coordination with the estate to send fresh loose fruit. And for normalize the moisture, repair the purifier by calling a technician from Alva lafal.

In addition, there is also the Estate Performance Index for the 2017/2018 Period by Head Plantation Operation. Assessment parameters such as harvest quality, OER, FFA, and plant maintenance quality. The results of the assessment up to June 2018 Baras Danum estate received a score of 64 with the red index (poor)

4.1.4

Based on the information from the grading officer and FFB report processing of Sukamandang POM, it is known that there

are no FFB from third parties or suppliers. FFB processed comes from the owned estate

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

Certification Holder shows the procedures for managing soil fertility in the Minamas Plantation Agricultural Reference Manual document in the manuring section. The company also conducted soil and leaf analysis as one way to monitor soil fertility and as a basis for preparing manuring recommendations. Records of the implementation of soil fertility management include empty bunch application on block J018 Division 1 Baras Danum Estate and POME Application in Sukamandang Estate. Implementations of SOP are verified by BMS foreman, Assistants, to Senior Assistants and PSQM staff to monitor the quality of employment results

Based on interviews with BMS team in block J59 and J60 Division III known workers have known about the dosage and type of fertilizer used. For example for HgFB using a dose of 0.09 Kg / palm tree. In order to application dose in accordance with the recommendation using a calibrated bowl

4.2.2 & 4.2.3

Certification holder has a recording of fertilization listed in the monthly report manager (MMCM) of the realization of fertilization. Recording fertilization period June 2017 to July 2018 are :

Estate	Fertilizer	Program (Kg)				
		Number of palm tree	Dosis/palm tree	Program	Realization	%
SIE	CCM44	357.756	4,96	1,774,024	1,774,024	100
	HGFB		0,09	32.232	32.232	100
KKE	CCM44	463.764	5.67	1,898,539	1,502,636	79.15
	HGFB		0,09	818	818	100

The use of fertilizer per ton of FFB for example 0.056 tons of CCM 44 for produce 1 ton FFB in Sapiri Estate. While KKE uses 0.057 tons of CCM 44 for each ton of FFB produced

MRC team prepared fertilizer recommendations based on leaf analysis and soil analysis. In accordance with Policy No. I-04 / MRC-SOP / 10 dated 1 April 2010 concerning the Formulation of Fertilization Recommendation is known that soil sampling is done every five years while leaf sampling is done every one year. Leaf analysis examined the dry weight of ASH, P, K, Mg, N and PPM dry weight B. . The last LSU is conduct on 2018 while SSU on 2017

4.2.4

The recycling nutrients strategies adopted by the company included the use of empty bunch and Palm Oil Mill Effluent. In addition, the remaining trees from replanting are also part of the nutrition cycle strategy. record of the implementation of the nutrient recycling strategy for example

- Empty Fruit Bunch Application which is stated in the monthly manager's report Sapiri Estate the period of January to December 2017 in amount of 9.741 ton and January – June 2018 4.699 ton. While Baras Danum Estate until June 2018 has applied 9,962 tons
- The recap of the application Of palm oil mill effluent in the Sukamandang Factory Manager monthly report informs POME applications as much as 287,960m3 for the period June 2017 to July 2018 in Sukamandang Estate.

Based on field observation to block N35 Division 1 Kuala Kuayan Estate known EFB application done in one layer with a dose between 250 - 300 Kg / palm tree. The JJK application is prioritized in the replanting area that has just been planted by oil palm.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 & 4.3.2

Information on the condition of the land at PT Kridatama Lancar is listed in a semi-detailed land survey document for

Period 2017 - 2022 made by the MRC team in collaboration with the Minamas Plantation GIS team. Based on the document, it is known that fragile soil types are laterite (Hapludox) in Baras Danum (246.89 Ha) and Sapiri Estate (83.92 Ha), as well as 43 Ha of rock hills in Kuala Kuayan Estate.

The company has a management policy for planting on slopes, among others indicated by Soil and river protection policy MINAMAS issued by the Executive Vice President stated: Land that has a slope of $> 20^{\circ}$ in the activities of new planting and replanting should not be planted. Planting on sloping land is only those with a slope of $0-20^{\circ}$. For flat areas and slopes $<20^{\circ}$ initial treatment using LCC to reduce erosion and run-off effects.

Implementation of the SOP implementation includes making terracing in areas with slopes > 60 . Besides that, planting of legume cover crop in the replanting area and the preparation of frond with U-shape system as seen in the block N35 KKE and the SKE replanting area.

4.3.3

The road maintenance program is contained in the MMCM (Monthly Management Committee Meeting) made by the estate manager. For example:

SIE :

Road Length (m)

CR : 111,337

MR : 35,902

Help path: 161,140 (m)

Total : 308,379 (m)

Program

CR : 222,674

MR : 71,805

Help path: 322,279

Total : 616,758

Actual

CR : 178,484

MR : 62,090

Help path: 251,803

Total : 492,377

BDE :

July 2017 period up to July 2018 period Total road length is 277,700 meters. The road maintenance program is 249,930 meters and is 321,540 meters long

During field visits to see spraying, harvesting, and manuring activities, the road conditions in KKE and BDE are still in good condition and easy to pass.

4.3.4 & 4.3.5

Based on a semi-detailed land survey for the period 2017-2022, which was made by the Minamas Plantation MRC team, it was found that there was no peatland in the operational area of PT Kridatama Lancar. The types of soil identified based on these documents are Entisol, Inceptisol, Oxisol, and Ultisol. The Certification Holder does not carry out planting in the peat area

4.3.6

Marginal land management strategies conducted by PT KLR include:

- EFB application
- POME application (Sukamandang Estate)
- Selective spraying (letting nephrolepis grow)
- Preparation of frond with U-shape systems
- Making of culvert

Field observation results show, as follows :

- Kuala Kuayan Estate: Block H38 to Block H40 (rocky hill) is a hill with rocky land covering 43 ha, not planted with oil palm, but used as HCV area and the location of the tower to monitor hotspots.
- Sapiri Estate: Block F34 (Milk Hill) is a hill in the form of a sloping area with a type of red soil (laterite) covering an area of 83.92 ha. Used as HCV area (planted with perennials) covering 2.96 ha.

Status: Comply

4.4

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

4.4.1

CH has had the identification of water sources contained in the PT KLR HCV identification document conducted in 2009. Identification of water sources in PT KLR consists of rivers, creeks, reservoirs, and springs.

CH has implemented water management plans as indicated by documentary evidence along with field visits, for example:

- Conduct river water quality management by not carrying out the application of chemicals and fertilizers along the river with a distance of 50 meters, installing a ban on the application of chemicals and fertilizers with yellow marks, and allowing the border to be in natural / shrub conditions.
- Perform river water quality testing every six months.
- Testing the quality of clean water for workers every six months.
- Record the debit for water usage for mill process activities.
- Installation of warnings prohibiting cutting down trees which are also displayed in conservation areas (including water sources) and passed by the community.
- The existence of water bodies that function to maintain the availability of water in the plantation both for the use in plantation activities and the activities of daily life in each estate. The company has shown plan data and realization of water bodies in each estate.

4.4.2

CH has a river border management procedure - the riparian belt described in the SOP for the Management of Buffer Zone (RSPO / B.5.3 / KLR) revision 2 on 11 August 2018 which contains the determination of the location of the buffer zone, maintenance and management. Based on the SOP, explains the limits of water resource management, including:

- Limitation of river border management by 50 meters.
- The limit of lake / reservoir management is 50 meters
- Limit management of springs as far as 200 meters.

River border protection include: marking the river border area in the form of yellow paint on live plants; not doing spraying and fertilizing applications, planting trees, etc.

There are several activities that the company has undertaken as a form of protection against riparian areas based on field visits, such as:

- Installing a hunting ban plank, HCV area plank, prohibition of chemical application and fertilization.
- Not doing chemical application in the riparian area with distance \pm 50 meter
- Conducting border marking of management area (application of chemicals) with yellow color mark
- Allowing the border to be in natural / shrub conditions.

Ensure the limits and signs of border areas for rivers and other water bodies in accordance with applicable regulations. (OFI)

In addition, CH also conducts water quality testing of the river every 6 months contained in the RKL-RPL implementation report. The results of testing the quality of river water based on regulation No. 82 year 2001 for Class II as follows:

Test Parameters	Standard	Results	
		Upstream Manggis River	Downstream Manggis River
TSS	Max. 50	40	49

pH	6 – 9	6,92	6,87
BOD	Max. 3	6	6
COD	Max. 25	22,6	23
DO	Min. 4	3,4	3,4
Nitrit	Max. 0,06	<0,004	<0,004
Oil and Fat	Max. 1	<200	<200

4.4.3

Mill effluent produced by Sukamandang POM processed at waste water treatment plant (WWTP) before it discharged to plantation land as land applications based on Decision Letter of *Bupati Kotawaringin Timur* No. 188.45/581/HUK-BLH/2014 dated 20 May 2014 and valid until 5 years.

Waste water quality testing document review shown for 2017 – June 2018 all of waste water testing parameters are compliant to the standards quality, and all of waste water management and monitoring has been reported to related institutions for regular basis per 3 month. Field visit results in the block H28, it was known that waste water has been flowed to the block in accordance with Land Application license owned. In addition, based on visits in the area of WWTP and LA there is no indication of leakage of liquid waste.

4.4.4

Water usage monitoring was done periodically and recorded, for example on July 2018 FFB processed 24,546 mt, water usage 34,365 m³, and water usage efficacy was 1.4 m³/tonne FFB processed. Observations on Sukamandang POM water treatment plant found monitoring for raw and process water usage was done by officer periodically.

The results of the field visit found that there were 3 flow meters for process and domestic activities. From the results of the field visit, it was known that the flowmeter in good condition.

Status: Comply

4.5

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

4.5.1 & 4.5.2

IPM programme listed in the annual work plan which is then detailed into a monthly work plan and daily work plan. The IPM emphasizes the Early Warning System which prioritizes detection and census activities. Based on the summary crop protection issued by the MRC team, known potential pests whose presence is always monitored include Palm Leaf Eating Caterpillar, rat, Oryctes, Ganoserma and termite.

In principle, the application of IPM is expected to reduce the use of pesticides. One ingredient whose use is reduced is warfarin. As the information contained in PT KLR pesticide use recap, there was no use of warfarin (Rodenticides) in the 2018 period. The use of rodenticides could be reduced along with the increase in BOB occupation at PT KLR.

In normal conditions pesticides are not applied prophylactically. However, in certain conditions, for example in the area of replanting the cypermethrin application for controlling oryctes, it is possible without waiting for the results of the census. This is because there is an EFB application in the replanting area which increases the possibility of becoming a breeding ground for oryctes

Certification Holder has routinely held training on IPM which includes explaining the principles of observation and methods of observation. The training that has been carried out for the 2017/2018 period includes:

- The Pest and Plant Disease census training on May 5, 2018 in Sapiri Estate Division II was attended by 9 participants.
- The Pest and Plant Disease census training on June 17, 2018 in Baras Danum Estate Division I was attended by 5 participants.

Based on interviews with the BDE plant staff as one of the pest observers, it was known that the person concerned could explain the concept of IPM, potential pests, and methods of observation.

Status: Comply

4.6
Pesticides are used in ways that do not endanger health or the environment
4.6.1

The certification holder policy on the use of chemicals in the ARM section 15 and 16 about plant protection. Selective use of products is found in SOP for plant protection, for example Cypermethrin to control Palm Leaf Eating Caterpillar and Oryctes while glyphosate is used to control both broadleaf weeds and narrow leaf weeds.

Steps included to avoid the development of resistance include:

1. Using census and monitoring methods to determine the type of control that will be carried out. The use of pesticides is the last alternative if from the results of the study it turns out that there is evidence that the intensity of pest attacks has exceeded the threshold and threshold of control
2. Pesticides that are applied on target, right dose, and on time
3. Integrating physical, chemical, biological and mechanical (IPM) control method

Based on interviews with the circle and path spraying workers in the block N35 KKE and block J60 BDE it was found that the spraying was in accordance with the procedure. For example using glyphosate active ingredients combined with methyl metsulfuron. Pesticide mixing is carried out at BSS houses. So that the pesticides brought to the field are not pure ingredients and are ready to use

4.6.2

Records of pesticide use are documented in monitoring the use and toxicity of pesticides of PT Kridatama Lancar, for example the period June 2017 to July for Sapiri Estate and Baras Danum Estate as follows:

Circle and Path
SIE

- Ken-Up; Active Ingredients glifosat : Amount of usage 1,350.82 Liter; Use of a.i 648.41 liter; Application 4,333 Ha; a.i/Ha 1.49l/ha
- Metaprima; Active Ingredients Methyl Metsulfuron : Amount of usage 23.57 Kg; use of a.i 4.7 Kg; Application 2,617 Ha; a.i/Ha 0.002 kg/ha
- Becano; Active Ingredients : Indaziflam; Amount of usage 109.2 Kg; Use of a.i 54.51Kg; a.i/Ha : 0.01 Kg/ha

Interrow
BDE

- Ken-Up; Active Ingredients Glifosat; Amount of Usage 2,194 liter; Use of a.i 438 liter; Application 3,356 Ha; a.i/Ha 0,13 liter
- Kenlon; Active Ingredient triklopir; Amount of usage 452 liter; Use of a.i 180 liter; Application 1,820 Ha; a.i/Ha 0.099.
- Trendy; Amount of usage 40 Kg; Use of a.i 8,02 Kg; Application 2,224 Ha;a.i/Ha 0,003 Kg/Ha

4.6.3

Certification holder implemented the IPM programme start from Early Warning System method (by detection and census). Census results are used as a reference to determine the control actions to be taken.

The implementation of the IPM program is always monitored regularly by the MRC team and described in summary crop protection. Pests that are identified as the potential pest include rat, oryctes and Palm Leaf Eating Caterpillar. Based on pesticide usage data for the period June 2017 - July 2018 PT KLR is known to have reduced use of pesticides including rodenticides such as warfarin. In the period June 17 - July 18 there was no use of pesticides with active ingredients that entered the WHO 1A and 1B. Since 2008 the company has not used paraquat

The use of pesticides for pest and disease control is based on the results of the census. If the census results show a number above the threshold of control, a new pesticide application is carried out.

4.6.4

Certification holder has a complete list of WHO 1A and 1B pesticides as indicated by the OHS expert of PT Kridatama Lancar. List contained in annex 2 Procedure of Management Sustainability No. Policy 724/TQEM-SPMS/09. The Sime Darby Responsible Agriculture Charter (September 2016) document outlines that it will implement an integrated pest management program by not using paraquat or chemicals belonging to WHO 1A group. Group 1B WHO will be gradually reduced in accordance with the conventions of Rotterdam and Stockholm.

There is a Sime Darby Responsible Agriculture Charter document (September 2016) which outlines that it will implement an integrated pest management program by not using paraquat or chemicals that belong to WHO 1A class. WHO Group 1B will be gradually reduced according to the Rotterdam and Stockholm conventions.

During the period June 2017 - July 2018 there was no WHO class 1A and 1B pesticide use. Based on field visits to the central warehouse where pesticides are stored, physical stock is in accordance with what is recorded on the warehouse card.

4.6.5

The Company has SOP on Management of Hazardous Waste which describes the chemical classification, responsible person, person in charge, supply of MSDS through suppliers, chemical storage, chemical handling, action against leaks and spills, first aid to training programs.

Pesticide applicators are special people who have received regular training and joined the Block Spraying System team. Based on interviews with the BSS team in block N35 KKE and Blok J59 / J60 BDE workers have been able to demonstrate an understanding of the hazards and risks to the chemicals used. Workers are able to explain the border spraying area, how to mix ingredients, application dosage and target pests or weeds. Records of training implementation are explained in indicator 4.8.2

The PPE provided is in accordance with the risk analysis made such as carbon masks, boot shoes, face shields, rubber gloves, and helmets. Before leaving for the field, PPE and work tools are always checked by the foreman and assistant division alternately.

4.6.6 & 4.6.10

CH has SOP for Pesticide Storage document No 398 / KLR / LB3-SOP / 43/12 and SOP of Pesticide waste disposal No. 003 / P2K3-KLR / XI / 17 concerning the management of hazardous waste. In addition, there are also work instructions for handling Pesticide waste with document number 701 / IK-TQEM-ESH / 10.

Based on interviews and field visits at chemical warehouses, chemicals are placed in special warehouses arranged according to size, type and have been equipped with MSDS, spill kits, first aid boxes, cleaning place etc. Warehouse in and out access is held only by the warehouse responsible. Any interested to enter the storage warehouse must be accompanied by the responsible warehouse. All storage pesticide used are stored in Warehouse Temporary Hazardous Waste that has licensed from related agency. Hazardous waste will be delivered to the licensed hazardous waste collecting and transporter. The results of observations at the housing workers not found pesticide used for other purposes such as water storage.

The certificate holder shows evidence of proper disposal of waste disposal such as the hazardous waste handover to the collector and waste transporter of PT Maju Asri Jaya, for example Manifest hazardous waste for agrochemical No. KLH-7100000003966U.

4.6.7

The Company has Pictorial OHS Palm Oil guidance (No.722/PSQM-PSS/10 dated December 13, 2010) that describes the work instructions of pesticide applications governing applicable PPE, warning signs, spray training courses, emergency response, Spray labor facility (BSS house) for equipment storage, PPE and mixing place up to storage of used jerry cans in hazardous waste storage.

Based on interviews with spraying workers at Baras Danum (Block J59/J60) and Kuala Kuayan Estate (Block N35), it was explained that the workers had been trained and the workers could explain the safety of spray activities, such as the applicable PPE, the pesticide mixing activity was done in a special place (BSS house) and after Spray activity is finished the PPE and spray equipment must be cleaned and stored in special place (house of BSS).

4.6.8

Based on information received from spraying team, upkeep foreman, division assistants, to the estate manager, it was known that there had never been a pesticide application carried out by air. Field visits to the warehouse of chemicals were also found in the fact that there were no facilities and infrastructure for applying pesticides through the air.

4.6.9

Certification Holder has a program and realization of training. Training on handling pesticides is realized at least once a year. The documented training for example:

- January 8, 2018 in Sukamandang Estate participated by 15 participants. The speaker is senior assistant of SME and PSQM Staff
- January 15, 2018 in Baras Danum Estate participated by 12 participants. The speaker is Assistant Division of BDE and PSQM staff

6 spraying workers Baras Danum Estate and 4 Kuala Kuayan Estate workers interviewed said they had received training on how to handle and how to apply pesticides safely. In addition, every morning circle activity awareness regarding safe work methods is also always delivered

4.6.11

The company have a medical examination for pesticide operator. Management unit of Estate has a list of the latest pesticide operator as many as 86 workers. All workers spray has examined health through inspection types of *cholinesterase*, to ascertain the condition of workers in good health. The last examination was conducted in December, 2016 for all units. Examination results stating that all workers spray are in a healthy condition (normal result). Based on interview with pesticide operator and chemical warehouse clerk in Sukamandang Estate that the results of medical examinations are known to workers. From field observation are also not identified any complaints of skin disease or itching.

At the assessment, the company showed a periodic health check program for PT KLR spray workers whose plans will be implemented in September 2018. The proposal informs about the activity plan for periodic health checks for spray workers carried out by the vendor PT Cahaya Krisnako, which is planned to be held on 4 - 5 September 2018 at the PT KLR. The employee's plans examined by PT KLR, estate: 148 workers and factories 47 workers, a total of 195 workers.

OFI.2018. Ensure plans for the implementation of health checks for spray workers in September 2018. **(Observation).**

4.6.12

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

Status: Comply

4.7

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

4.7.1

The company has a policy of occupational safety and health available in Indonesian language. The policy has been legalized and updated on December, 2011 by Head Plantation Upstream Indonesia. The company's commitment on the implementation of occupational health and safety within company's operation. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. It has been disseminated on the activities of the safety briefing before doing the work. Management have work program of occupational.

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

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

4.7.2

The company has a Hazard Identification & Assessment Procedure (No. doc 700 / TQEM-ESH / 10) in the document explained that the HIRAC evaluation is conducted once a year. The company needs to ensure the evaluation of HIRAC and has covered all types of activities. **OFI. 2018.**

Based on OHS report, there is no work accidents in Sukamandang Factory, 9 work accident in Kuala Kuayan Estate estate, 14 for Sapiri Estate, 28 for Baras Danum Estate and 17 work accidents in Sukamandang Estate.

The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers. Based on interview with the employees in Sukamandang Estate and mill, obtained information that the employee has known the potential of dangers that could occur at workplace.

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

4.7.3

The PPE provided by the company has been adjusted to the potential hazards and risks of its work so as to effectively protect the workers as its users. Arrangement of personal protective equipment has been arranged in the company through procedures for Personal Protective Equipment (No.001/P2K3-KLR/XI/17).

In the PPE procedure owned by the company, as an example the type of ear protectors in the area identified as having high noise levels are ear plugs and ear muffs. This has been implemented in the field. Workers working in high noise areas such as workers in machine rooms use ear muffs for work and workers at the press station using ear plugs.

Certificate holder has had a training program related to safety and health for 2018 including technical training, safety license training, first aid training, safety briefing townhall. Workers have been given training related to safety and health such as how to work safely, first aid training. Certificate holder also provides PPE to employees according to HIRAC and MSDS.

4.7.4

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

OFI. 2018.05. There are opportunities for improvement to ensure the management of the SMF & SME OHS Expert Certificate and the approval of the P2K3 SMF team. **(Observation).**

4.7.5

The company provides procedures for accidents and emergencies in Policy. 712/TQE-MKRKD/10 Alertness and Response Procedures and emergency recovery, Policy No. 716/TQEM-PK/10 fire prevention and Policy No. 717/TQEM-PK/10 related to spill prevention/hazardous material leakage.

Established procedures has included the identification of fires, chemical spills, work accidents, natural disasters (floods) etc.. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in Sukamandang Factory and the result of the simulation was concluded that the hydrant tool is ready for use.

Based on field visits, for example the SIE workshop workers, spray foremen and KKE fertilizer foremen have not participated in first aid training. This was explained by the management unit and was verified through a training document review by the auditor that the first aid training and training program was implemented and programmed every year. However, some workers have not received training because of the explanation of several workers who were met by auditors who only worked 4 months (for example KKE fertilizer and spray foreman). **OFI. 2018.06.** Need to ensure the effectiveness of first aid training.

4.7.6.

The company has provided the employees with insurance to cover accident in accordance with the provision set by the government (BPJS). Such insurance is named national social insurance for manpower/ BPJS, which is routinely paid every month. Meanwhile, for medical insurance, PT Kridatama Lancar has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS.

Beside that, interview with contractor representative, it is known that the accident insurance for contractor's workers is covered by the head of contractor itself.

In addition the company has also shown evidence that any work accidents have been reported to the relevant agencies. From the results of the document review, it is known that there are no incidents of work with missing days and have been paid claims against BPJS Employment.

4.7.7

Work accident is documented on the work accident recapitulation report and provided the lost time accident matrix in it. The matrix describe the number of work accident, working days lost, working time lost, and the number of lost cost. The matrix is attached on the guiding committee of occupational health and safety report.

Based Monitoring accident period July 2017 to June 2018 that in Estate (68 work accident with 90 loss time) and mill (zero accident).

The company has been monitoring statistic work accidents until June 2018 and analyze the lost time due to accidents. Frequency Rate for Mill 0 and for Estate 18. Severity Rate for Mill 0 and for Estate 26. Monitoring of work accidents performed every month and reported to the relevant agencies with regular reports of *P2K3*.

Status: Comply

4.8

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

4.8.1

The training program shown is still the same as the previous assessment. The program has covered all aspects of RSPO principles and criteria such as training on OHS, HCV, pesticide handling and management, environmental pollution prevention training and SCCS training.

At the time of the ASA 1.2 assessment, PT KLR's one-year transition period occurred. Which in the previous one-year period was June - July was changed to January - December so that the January – December 2018 period training program was still in the revision stage but the program contents were similar to the training program for the 2017/2018 period.

Before creating a training program, the HR department and representatives of the plantations and factories compile identification of training needs.

4.8.2

Certification Holder has employee training records recorded in program and realization of training. Training recordings that have been carried out for example:

- HCV Training
 - SME : January 15, 2018; Participated by spraying foreman, manuring worker, and harvester as well as employee representatives. Total number of participant is 21 people
 - SIE : January 20, 2018; Participated by spraying foreman, manuring worker, and harvester as well as employee representatives. Total number of participant is 35 people
- Safety Townhall
 - BDE : February 9 – 10, 2018 located in Baras Danum Estate, attended by 332 participants, and 1 Estate Manager, 5 Senior Assistant / Assistant, 1 Assistant
 - KKE : March 4 – 5, 2018 located in Baras Danum Estate, attended by 275 participants, and 1 Estate Manager, 5 Senior Assistant / Assistant, 1 Assistant
- SCCS Training
 - SMF : August 10, 2018 located in Sukamandang Factory meeting room attended by 7 participants and 1 Factory Manager, 4 mill assistant, 1 PSQM staff.

<p>Bulking : March 10, 2018 located in Pangkalan Banteng Bulking attended by 14 participants (Foreman, Lab Analys, Security, clerk, Wight bridge operator, despatch operator, and driver)</p> <ul style="list-style-type: none"> Contractor <p>OHS training for FFB contractor transport on March 15, 2018 located in SME and SIE office.</p>		
Status: Comply		
PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity		
<p>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.</p>		
<p>5.1.1 CH has an environmental impact assessment document, as follows:</p> <ol style="list-style-type: none"> The enviromental impact analysis which has been compiled in 1998 on behalf of PT Kridatama Lancar (15,500 hectare) and PT Teguh Sempurna (16,000 hectare) and mill with the capacity of mill as much 2 x 40 tonne hour. There's an increasing of capacity which has been 60 tonne of fresh fruit bunch / hour and has been approved by the Enviromental Bodies of Central Kalimantan Province with the reference number of letter 660/614/II/BLH on 10 August 2012 and eludicated regarding to the increasing activity of mill capacity as much 60 tonne of fresh fruit bunch per hour didn't need the amendment or preparation enviromental document. The social impact analysis of replanting activity at PT KLR, Kuala Kuayan Estate and Sukamandang on the period of 2015 to 2018. Arranged by the third parties whom competence (Aksenta) in December of 2015. 		
<p>5.1.2 & 5.1.3. CH has had applied environmental management aspects in accordance with matriks of RKL-RPL, among others :</p> <ol style="list-style-type: none"> The decrease of soil fertility and the emergence of erotion which is located at the plantation area in slope class of 8-15% and 15-25% for twice in a year (representing the rainy and dry season). The decrease of water quality which is located at the upstream and downstream of manggis river for twice in a year and the last of waste water treatment plan for each month. The decrease impact of air quality and noise which is located in the outside of mill, including the area of housing. The interfere diversity kind of natural vegetation which is located in the area of estate and conservation for twice in a year. The change impact of wild wildlife which is protected in the area of estate and conservation. The water biota habitate interfere which is located in the area of upstream and downstream of manggis river. The impact of social economy and culture, enviromental health and community which is located in the environmental of community around the company. The fire potential in the area of plantation and around it. 		
<p>Implementation of environmental management has been conducted in accordance with the matrix environmental management plan (RKL) and has included the impact of replanting activities.</p> <p>Based on the results of the field visit, it is known that the company has carried out environmental management activities, such as:</p> <ul style="list-style-type: none"> Managing river boundaries or other water sources by not carrying out the application of chemicals and fertilizers along the river with a distance of 50 meters, installing a ban on the application of chemicals and fertilizers with yellow marks, and allowing the border to be in natural / shrub conditions. Providing PPE for workers, especially for high-risk jobs Examining land fire facilities and infrastructure etc <p>CH also has conducted environmental monitoring as outlined in the Report of the Environmental Management and Monitoring for regular basis. These report described realization of monitoring and management of the environment in</p>		

accordance with environmental parameters in the RKL/RPL. Based on document review, there has been an evaluation of the results of environmental monitoring and its management described in the Report of RKL-RPL.

Based on document verification and field visits, it is known that the company has conducted environmental monitoring, such as:

- Monitoring river water quality
- Conduct periodic health checks with high risk potential such as noise
- Monitoring fire-prone areas carried out through monitoring towers.
- etc

	Status: Comply	
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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 identification for protected species, rare, or endangered, and the habitat with high conservation value had been done in 2009 by in cooperation with the third parties (GAGAS DINAMIKA AKSENTA). The assessment of HCV has been included the identification of protected area, flora and fauna, and also the status of its preservation (indicator 5.2.2), the identification of HCV habitat include the habitat which are endangered. The HCV assessment method has been considered adequate and referred to the tool kit of RSPO HCV in 2008. The evidence of public consultation has been done on 12 August 2009.

CH also has a complete and adequate HCV location map that shows the distribution of HCV locations throughout the PT. KLR. HCV maps are available in each estate of PT. KLR.

5.2.2; 5.2.3 & 5.2.4

To provide protection against RTE species, management unit has made the hunting ban signboard, patrolling, doing rehabilitation of riparian as habitat and report to relevant agencies if there is a protected flora and fauna. CH also conducted a periodically monitoring every month for HCV areas, and species monitoring by assistant who is also a HCV officer.

CH has shown records of monitoring of flora and fauna, for example:

- fauna identification found by officers conducted on July 16, 2018 in block I33 SME, seen several species such as white eagles (*Haliaetus leucogaster*), cobra snake (*Naja Sumatrana*), snake kendang (*Phyton curtus*).
- flora identification found by officers conducted on July 10, 2018 in block I33 Division II SME, there were still several plant species such as *Benuas*, *Kempaning*, *Kempas*, *Meranti*, *Bunyau*, etc.

CH has socialized the HCV area to the community as indicated by the recording of the Socialization on the Environment (HCV) on August 30, 2017 attended by representatives of the company and representatives of the village community with 48 participants

In addition, the results of interviews with workers such as harvester, spraying team it is known that workers understand the protection of wildlife and protection of other HCV areas. There are also ban on cutting down trees, hunting, catching and killing wildlife.

CH has work programme of HCV that is available for every year. Based on field visits and document review, it was discovered that CH had realized an HCV management plan, for example:

- Making / maintaining signboard prohibitions
- Making / maintaining a fence around
- Planting trees
- Analysis of water quality
- Bufferzone monitoring every month.
- Monitor flora and fauna species

CH has evaluated HCV management plans. The HCV evaluation describes the types of HCV, HCV function, initial conditions, current conditions, and evaluation for the management of the HCV along with photographic evidence of the condition of HCV areas.

5.2.5

based on the results of interviews with management, there is an HCV area controlled by the community. Based on the results of the interview, it was stated that the company had attempted to hold a meeting related to the management of HCV in the Tajur Beras area.

The company has socialized the protection of the HCV area to the community, especially the Tajur Beras hamlet community at least every year. The company also provides a form / questionnaire related to environmental management including protection of conservation areas.

Based on the results of interviews with the Tajur community, it was stated that the company had installed plank-plank for the protection of the HCV area in Tajur Beras hamlet and had provided information about the prohibitions on damaging the HCV area. The community also understands the importance of maintaining the HCV area to avoid environmental damage.

Ensure documentation of HCV socialization, its minutes and ensure progress of Set-aside HCV negotiations. **OFI**

Status: Comply

5.3

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

5.3.1

The certificate holder has identified waste and pollution products for estate and mill activities which contained in the document "Identification of Waste Resources" from the activities of the plantation and factory, which includes the identification of the source of waste from each activity in the plantation and mill, for example: waste from the generator house, workshop waste, chemical warehouse waste, spraying waste which results in pollution in the water body, office waste, housing waste, process waste from mill etc.

5.3.2 & 5.3.3

The hazardous waste has been stored at the hazardous waste temporary warehouse which has already gotten the permit of hazardous waste storage based on the decision letter of Seruyan Regent with the reference number 398 in 2003 on 7 October 2013. Based on field observations in the hazardous waste storage and interviews with workers, known that certificate holders safing and dispose of chemical containers in licensed hazardous waste temporary warehouse and are collected for transport by licensed hazardous waste collectors and transporter. Based on the observation, also known waste stored in the hazardous Waste Temporary Storage Site has been stored in accordance with the requirements in accordance with applicable regulations, such as: eyewash or shower, emergency response such as APAR, first aid box, sirene emergency response, symbols and labels of hazardous waste, in flood-free areas, etc.

CH shows documents for storing and handling B3 waste such as hazardous waste logbook, waste balance, minutes of hazardous waste handover, hazardous waste manifest as well as hazardous waste reporting report. For example minutes of hazardous waste transportation dated 30 May 2018 conducted by licensed collector. Agreement between company and third party which collect the hazardous waste showed by the document of agreement no: 001/LB-3/ KLR/XII/2016 and valid until 2 years. The third party already has permit related to collection and transportation of hazardous from relatedd agency.

Ensuring the Management of hazardous Waste and Domestic Waste (**Observation**)

For the management of medical waste, CH cooperates with other third parties (licensed transporter for medical waste) as showed by a cooperation agreement letter with No. SPK 001 / LB-3 / KBR-KTT / V / 2018 dated April 19, 2018 and is valid for up to 2 years.

For liquid waste, CH utilizes POME on the application land, it is accordance with the permit to utilize wastewater for PT Kridatama Lancar with number 188.45 / 581 / HUK-BLH / 2014 covering an area of 353 ha located in Sukamandang

Village, Mentaya Hulu District, Kotawaringin Timur District. This decision is valid for 5 years from 30 May 2014. In addition, based on visits in the area of WWTP and LA there is no indication of leakage of liquid waste. For shells and fiber, the company utilizes the solid waste for boiler fuel. As for domestic waste at housing complex, it will be transported at least 2 times a week to be disposed of in the landfill.

Status: Comply

5.4

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

5.4.1

CH has calculated the use of fossil fuel in the January - June 2018 period with a total fossil fuel consumption of 106,689 liters with a total FFB for the Jan-Jun 2018 period totaling 103,512.11. So that the use of fossil fuel usage efficiency for the first semester of 2018 is 1.03 per FFB.

CH shown commitment to reducing fossil fuel by renewable energy usage came from fiber and shell. Shell and fiber usage have been monitored per month. During August 2017-July 2018, fiber and shell usage for boiler resulting average energy efficiency are 0.2 MT/ton FFB.

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 already has a SOP on the Plantation (Doc. No.110/EST-ARM/13 dated 16th September 2013) explaining that land preparation for replanting should be conducted in a zero burning.

Based on the document of Final Report of Social Impact Assessment for Replanting Period 2015 - 2018, PT Kridatama Lancar (Kuala Kuayan Estate and Sukamandang Estate) prepared by Aksenta - Jakarta, December 2015, it can be seen that there is no burning activity during the replanting process.

The Company has implemented a land clearing policy without burning. For example, the results of field observations on replanting area blok N35 KKE show that there is no indication of burning activities in the replanting process.

Status: Comply

5.6

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

5.6.1; 5.6.2

The company has shown the sources identification of waste and pollution at PT KLR:

Source of waste and pollution	Type of waste and pollution	Effort in order to reduce waste and pollution
Land Clearing (Replanting)	Air of CO ₂	Implemented zero burning technic into the process of replanting and selection of contractor whom competent
Organic and inorganic fertilization	Air pollution of the environment, CO ₂	Do the analyze of nutrient and leaf sampling unit periodically in order to get the accuracy of fertilization dose, utilization of solid waste of Sukamandang POM in the form of fruit bunch.
The usage of pestiside	Air pollution of the enviroment, air (NO ₂) P	<ul style="list-style-type: none"> The selection of pestiside which is appropriate with the valid regulation and using the agronomy best technic Do the integrated pest management with biological factors such as utilization of BOB and beneficial plant.

The transportation of FFB & CPO	Air CO, CO ₂	<ul style="list-style-type: none"> The decreasing usage of diesel by maximizing the FFB carrying capacity in appropriate with the limit which has been already determined. Do the periodically test for the supporting unit of machine in appropriate with the valid regulation Path or route determination
The operational of mill	Air, CO ₂	<ul style="list-style-type: none"> The testing of boiler emission, genset, and heavy equipment periodically by PT Unilab Perdana The decreasing usage of diesel and replaced with organic fuel (shell fiber and fiber) The utilization of POME for adding the soil fertility (land application)
Organic or domestic waste of housing	Air, Stink (CH ₄ , CO, CO ₂)	<ul style="list-style-type: none"> Periodically carriage (once in a week) for the housing domestic waste to landfill. There's no burning activity of housing domestic waste The tree planting around the housing of employee and staff

CH has also conducted an assessment of activities that cause pollution or emissions, for example:

- Liquid Waste quality testing
- air quality testing
- testing of emissions of boilers and generators
- noise testing
- odor testing
- and vibration testing

Based on the tests performed, it is known that the results of noise testing in several places (Nut and Kernel Area, Machine Room Area, Sterilizer Area) are above the quality standard. The company has managed the areas (risk of noise level) by providing PPE in the form of earplugs and earmuffs and monitoring periodically health checks for officers in these areas. This has been proven based on the results of interviews, field visits in the area and verification of health examination documents and the provision of PPE.

5.6.3

CH has shown GHG calculations using RSPO Palm GHG version 3.01. However, there are still differences in HCV area with HCV statement area. **This is become Non-conformity no. 2018.04.**

5.6.3 | Status: Non-conformity No. 2018.04 with minor category

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

6.1

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

6.1.1; 6.1.2; 6.1.3 & 6.1.4

The Company has documented the Social Impact Analysis, among others :

- The social impact analysis which is done by in cooperation with the third parties whom competence, namely "Aksenta", implemented on 9 to 13 August 2009.
- Social Impact Analysis of Replanting Activities for the Period 2015 - 2018 PT Kridatama Lancar, Kuala Kuayan Estate and Sukamandang Estate, Kotawaringin Timur Regency, Central Kalimantan made by AKSENTA Consultant in 2015 aimed at identifying the environmental and social impacts of the replanting activities.

Social Impact Assessment has been done by involving the parties, including the surrounding community (community representatives, community leaders, and village government). There has been evidence of recording in the form of attendance list of participants of discussion on 12th to 13th August 2009 in several villages around the company.

The company has a participatory social impact mitigation plans for the 2017/2018 Year Period in a participatory manner in accordance with the results of the identification of social impacts carried out in 2009 covering aspects of employment, aspects of public services, aspects of economic development, aspects of FPIC and conflict resolution and environmental aspects. Plans to reduce and monitor social impacts are also contained in the RKL-RPL Report which includes environmental and social impacts.

Based on the results of interviews with management, community participation in developing a social impact management plan as well as reviewing is carried out in accordance with the identification of local community needs that are carried out every year. Identification of community needs is carried out jointly with the district government and in accordance with collective agreements.

Based on the results of interviews with village communities, it is known that the company has realized some CSR assistance as part of social impact management. Based on the interview, it was also conveyed that at least once a year meetings were held with the community, agencies and plantation companies to determine the CSR programs that would be given to the community.

6.1.5

Result of verification of documents and interviews with management, it is known that there are no schemes of plasma farmers in the company.

Status: Comply

6.2

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

6.2.1, 6.2.2, and 6.2.3

The company has shown the standard operational procedure of communication with the reference number of policy 725/PSQM-ESH/2016, revision number 3 (three) on 27 June 2016 which has been approved by the chairman of SOU 2. It has been shown list of stakeholder of PT Kridatama Lancar which is as much as 40 stakeholders and consists of national institution, province institution, district institution, sub district institution, group community, and business partner.

The company has Procedure for Communication with the number of policy 725/PSQM-ESH/2016 on 27 June 2016. These procedures as practical guidance to handle the internal and external communication related to information of RSPO, Environment, social and law. The unit of management has already established the public relation officer (public relation and plantation service department) of PT Kridatama Lancar and PT Teguh Sempurna namely Mr Tonni Manurung, regarding to the letter of SOU II and III Chairman (No. 140/SME-Psd/VI/2016/S) on 13 June 2016.

Based on interview with community of Sukamandang and Kapuk Village, if they need information they will submit a letter to the company. According to them, the company always responds each letter submitted. The company has responded well to any existing communication processes, the preparation of SOP has been take into consideration of suggestions from the public and other affected parties.

Status: Comply

6.3

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

6.3.1 and 6.3.2

PT Kridatama Lancar have mechanisms and complaint handling system is described in Procedure for Communication with the number of policy 725/PSQM-ESH/2016 on 27 June 2016. These procedure guidance complaints can be submitted through the recording on logbook that has been provided, verbally direct to the foreman, through the suggestion box, through gender committees, worker union, hotline and email provided by the company and through the RSPO website. Grievances included **anonymous and whistleblower** cases can be submitted through the suggestion box, suggestion boxes checked by officer in charge.

Based on the “*Logbook Keluhan*” it is known that during 2018 there are only complaints related to housing facilities, such as the repair of housing facilities of employees and have been followed up by the company. Based on stakeholder consultation with Workers' Union, the complaint was stated that at the time of the formation Bipartite, the company did not involve it in the process of its formation. This was also conveyed in the previous assessment activities. Based on this, the auditor assesses that this is an opportunity for improvement from the company to respond to it. **OFl. 2018.** Progress of complaints from the Workers' Union that do not involve the formation of an established Bipartite organization. **(Observation).**

Status: Comply

6.4

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

6.4.1, 6.4.2 & 6.4.3

There is no change in procedures to identify the legality listed in the Occupational Land Release Procedure (No. 343/PSD-OKUP/10) as well as the Land Conflict Resolution Procedure (RSPO/B.5.23/KLR). The Procedure explains that the settlement of land dispute was conducted through the negotiation phase between the company and the party claiming the land and witnessed by various parties.

Based on document review of area statement, interview with plantation agency and interview with management, there is no increase of area so there is no land compensation activity. The last land compensation activity was conducted on 2011. Records of land compensation process consist of: document of land identification and inventory, land location maps, statement of release of land rights by owner, Receipt of Payment, Minutes of compensation/Compensation and witnesses. This is stored in their respective estate according to the location of the land.

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

Company has Letter from direction No. 009/RSP-i2/II/2018 about minimum wage of Kotawaringin Timur and Seruyan Regency. It is said that minimum wage of all workers is based on Governor Decision about Minimum Wage of Kalimantan Tengah Province 2018. Company could present the payment receipt of minimum wage as indicated in personnel salary list.

Within the Company Regulation, one of condition to pay the workers is refer to working hours (max. 40 hours a week). Certification Unit has used Finger Scan tools to monitor workers presence.

Company can show employee salary list of SME, KKE, BDE, SMF in accordance with the decision of the Governor of Kalimantan Tengah Province of Minimum Wage 2018. Examples of salary documents in July, 2018.

Sukamandang Estate with employee harvesting division I and II with 25 working days with total basic salary paid of Rp 2,675,500.- or Rp 107,020 per day.

As for the example of overtime, the auditor takes a simulation calculation of SME security overtime with 2 shift system work and calculation based on fixed premiums agreed upon by all SME security employees. The determination of overtime calculation for all workers (non harvesting) has been determined for PT KLR based on Inter-Office Mail No. 086 / RSP-12 / XII / 2016 dated December 28, 2016. **OFl. 2018.** Follow up on the provisions of the Non Harvesting Premium based on Inter-Office Mail No.086 / RSP-12 / XII / 2016 dated 28 December 2016 to be consulted again with the Manpower and Transmigration Agency. **(Observation).**

6.5.2.

Employment law concerning the rights and obligations of the company are described in the company's regulation of PT KLR for the period 2016 – 2018. The company regulation has been approved by the head of labor and transmigration agency of Central Kalimantan province with the reference number KEP.1468/HL.01/IX/Nakertrans (Valid for the period of 21 September 2016 to 20 September 2018).

Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract. On the chapter which describes salary system, stated that basic wage for permanent daily worker is above daily minimum wage.

Work agreements / contracts have been prepared in a language that is understood by the worker, explained slowly by management, and signed by both parties formally. Examples of the Work Agreement for Sukamandang Factory: Work Agreement with 003 / SMF-SPKL / X / 2017 for the type of work of Mill Compound. Amount of wages (Article 6) amounting to Rp 99,113 / day with validity period 22 October 2017 - 30 September 2019. The contract worker has been registered at the Man Power of Kotim Regency (official stamp) with the registration number 03 / PKWT / XI / 2017.

The results of interviews with pesticide operator, warehouse workshops and water treatment officers explained that they had known the minimum wage in 2018 and received wages in accordance with the regulation.

Based on the explanation above, the company has provided company regulations in accordance with labor regulations and is available in clear and explained language by the management or trade unions to workers.

6.5.3.

Based on a field visit to the employee housing, the company have provided adequate housing and other basic needs such as adequate housing, electricity from the source of the generator which lights up from 03.00 - 05.30 and 17.00 - 23.00 Indonesia time, clean water supply (always available all year), medical services in the form of first aid posts in central clinic and which are facilities of BPJS at SME, educational facilities for children, school buses, religious facilities in the form of mosques and churches, sports facilities and employee halls.

As a result of interviews with workers in housing, the source of water came from the bore wells made by the company. The source of electricity comes from the generator set provided by the company. For domestic waste or household waste, companies provide officers who transport household waste at least two or three times a week to be disposed of in a landfill

6.5.4

Based on interviews and observations in the field, auditors assess the company has shown tangible efforts in helping workers get adequate and affordable food through the existence of employee cooperatives. The cooperative is located near the housing of SME employees and provides some basic daily necessities such as staple food, side dishes, various kitchen needs at quite affordable prices.

Based on interview known that the workers have felt fulfilled with the infrastructure and facilities that have been provided by the Certificate Holder.

Status: Comply

6.6

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

6.6.1. & 6.6.2

PT Kridatama Lancar has a Social Policy signed by Head Plantation Upstream Indonesia in December 2011. At point 5 it is mentioned that the company respects the right of every staff to form and join the Workers Union in accordance with their choice and to bargain collectively. The document is presented in an Indonesian format that is easily understood by all workers and is available at the audit site.

The Workers Unions have been formed in each estate, the SKU Workers Unions that are based on the "Workers Unit of PT Kridatama Lancar Working Unit" with evidence of registration by the Regency Office of Social, Manpower, and Transmigration, Regency of Kotawaringin Timur, Central Kalimantan No. 560.567/47/HL-Kesj/XI/2013, dated 13th November 2013.

During stakeholder consultation with Manpower Agency of Kotawaringin Timur District, both organization has been registered and approved officially. Based on interviews with the Head of Labor Unions noted that the CH has facilitated the establishment.

Worker Unions meetings both internally and with management to do if there are labor issues that have been raised by the company. The company showed internal meeting minutes of Workers Union, for example the meeting at November, 15 2017 about assessment preparation.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1.

Certificate Holder have the policy regarding minimum age for worker regulated on Company Regulation period of 2016 – 2018 mentions one of the requirements that must be fulfilled in the recruitment of prospective workers, which are at least 18 years of age at the time of admission, or already married.

Field observation in Sukamandang Mill and estate, there are no worker under 18 years old and interview at public consultation with Manpower and Transmigration Agency of Kotawaringin District, there is no issue regarding child labor in company.

Based on field observations during the assessment, the auditor does not find harvesters accompanied by his wife or children while working (forced to work).

Status: Comply

6.8

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

6.8.1.

The certificate holder has a company policy on non-discrimination and equal opportunities. The company shows document No. Policy 724 / TQEM-SPMS / 09 dated December 2, 2011 signed by the Chief Executive Officer who explained the policy of recognizing equal opportunities and treatment. In the Policy and Purpose Chapter, the Plantation Upstream Indonesia Sub-Section Policy on Social Policy point 1 states that all staff / employees must be treated fairly and fairly in matters relating to recruitment, progress, conditions and description of employment, regardless of race, degree, ethnicity, gender, skin color, imperfection (disability), sexual orientation, organizational membership, political views, religion, and age.

Document review shows an example of employee recruitment that applies to the public with requirements according to procedures, such as employee to become new employees in harvesting activities. Also included in the letter are other supporting documents such as a certificate, family card, occupational health check letter, self identity and other supporting certificates.

Public consultations with agencies and worker unions stated that there were no cases of discrimination in obtaining employment opportunities.

6.8.2 and 6.8.3

The process of selection, recruitment and promotion of workers can be demonstrated. In the SOP of Human Resource management which is owned by the company can be seen that the process has been based on the expertise, capacity, quality and medical health of prospective labor / labor. The Company has a policy of recognizing equal opportunities and treatment (No. Policy 724/TQEM-SPMS/09 dated 2nd December 2011) stating that all staff/employees should be treated fairly and fairly in matters relating to recruitment, progress, conditions and work descriptions, regardless of race, degree, ethnicity, sex, color, imperfection, sexual orientation, organizational membership, political views, religion, and age.

Based on interviews with local contractors and workers which are local communities, said that community members around the company interviewed explained that the company had provided equal opportunities to local communities and migrants in receiving employees according to their respective skills.

Spray employees interviewed on Block K24 Division III Sukamandang Estate admitted that they had no complaints about the risk of work or suspected discrimination in the company. Spray workers come from various backgrounds (heterogeneous).

Status: Comply

6.9

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

6.9.1, 6.9.2 & 6.9.3.

Company has the Policy to prevent sexual harassment and abuse on Policy No. 724/TQEM-SPMS/09 dated 27th August 2010), which develops and enforces policies to protect women workers from crimes and sexual harassment and to protect rights related to reproduction. Documents are presented in an easily understandable Indonesian format and available at the audit site.

These policies are documented, implemented and communicated to all levels of workers. For example, at Sapiri Estate Sapiri Estate, date July, 30 2018 followed by 241 participant..

Gender Committee has been formed with the organizational structure, namely Patron, Chairman, Vice Chairman, Clerk, Treasurer, Secretary, and Section (Sports, Education, Health, Spirituality, and Public Relations).

There are regulations concerning female menstruation leave as much as 2 days/month (first and second day) with a medis examination, as well as maternity leave 1.5 months before giving birth and 1.5 months after birth with the calculation of a doctor's examination. The CH's procedure of Handling of Complaints and Grievances assured the anonymity of the reporting and the revealer of the case. The determination for the start date of maternity leave (H2) should be on the recommendation of the company doctor based on the estimated day of birth calculated referring to the last menstrual day and ultrasound examination of the obstetrician. The gender committee stated that there is no reporting of violations related to the rights of women workers for H1 and H2 leave, with evidence of the wages of workers being fully paid.

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

	Status: Comply	
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6.10

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

6.10.1 & 6.10.2

Until the ASA 1.2 assessment, Sukamandang Factory only processed FFB from its own estate. There is no purchase of FFB from outside parties. Therefore, there is no need to have a mechanism regarding pricing of FFB.

6.10.3 & 6.10.4

Until the ASA 1.2 assessment PT Kridatama Lancar only processed FFB from its own estate and did not purchase FFB from outside parties. Job contracts that currently include transportation of CPO & FFB. For example SPK No 008/SPK-LKL/VI/2018/FFB Transport dated June 23, 2018 between Sapiri Estate Manager representing PT Minamas and Purnomo as FFB transport contractors

Based on interviews it is known that both parties have understood the contents of the agreement letter. In addition, each party also holds a signed copy of the agreement letter so that the information obtained in the agreement is equally known.

Payments to local contractors are made through Bank transfers, as stated in the contract (Article 9 paragraph 5), that Payments are made through the BNI Branch Bank Sampit. Documentation of contractor payment transactions is stored in the form of Minutes of Payment Check which explains the calculation of FFB transport payments.

For example, payment to the FFB transport contractor, Purnomo, on July 20, 2018 for transporting TBS for the period 1 - 30 June 2018. In addition, there is proof of payment for the transportation of CPO for the period of 07 to 30 May 2018 a. CV Mitra Suryan Permai.

Based on an interview with the CPO contractor, it was explained that payments were always made on time in accordance with the employment agreement

	Status: Comply	
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6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1

The company has compiled a CSR budget estimates for the period 2017-2018, categorize into five groups of items,

namely: education program, donations, health, infrastructure and development, economic empowerment. In the preparation for CSR programme has involved the the local community, when company determined CD/CSR priorities.

Detaile of realization CSR report can be shown for year 2017-2018, as many as 32 amount of assistance to surrounding villages have been implemented.

Community members from Sukamandang Village and Kapuk Village, who were interviewed by the auditors, admitted that the community around the company was pleased with the results of the company's consultations related to CSR. In addition, the company has also provided work opportunities openly to local communities. This can be seen from the list of employees, some of whom are residents of villages around the company.

6.11.2

Based on the results of the examination of documents and interviews with the management representatives it is known, that the company did not carry out plantation development activities with a plasma scheme.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2, and 6.12.3

Based on field observation in sample location during this audit, auditor found that there is no evidence for forced or trafficked labor, and contract substitution is used. The CH's covered policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list, field observation and interview with workers, Labor Unions, and Manpower Agency known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1.

Minamas Plantation Group is committed to protect all kinds of employee rights,. whereas the human rights policy which has been signed by the chairman of SOU 2 of Sukamandang POM – PT KLR on May 2015. such as Rights of life, for marry and continue the offspring, self development, justice, of personal freedom, secure, of prosperity, Rights to be participated in government, women rights, child rights.

Based on interviews with workers known that the company has socialized company policies regularly including policies on human rights. Socialization is done by sticking to the policy in offices, socializing in the housing and socialization to workers during the morning briefing before the activities started.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1

Up to the current audit, PT Kridatama Lancar did not expand the new plantation. There is only replanting activity that began in 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 & 7.2.2

Certification Holder does not carry out activities to expand operational areas. The activities carried out are replanting. In the PT Kridatama Lancar semi-detailed soil survey for the 2017-2022 period made by the MRC, it is known that land suitability classes for the company's operational area are S2 (Suitable) to S3 (Moderately Suitable)

Land Suitability Class and Potential Crop

Land Suitability Class		Potential crop (ton/ha/year)
S1	Highly Suitable	>30
S2	Suitable	25 – 30
S3	Moderately Suitable	20 – 25
N1	Currently Unsuitable	15 – 20
N2	Permanently Unsuitable	<15

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.

The results of the 35th BHCVWG meeting, explained that "Certified units continue to be certified for another year with the condition that the RaCP has to be completed".

Based on the Email from the RSPO Compensation on August 9, 2018, it is known that LUCA status from PT KLR has not been completed and the RSPO Compensation is still waiting for the company to send LUC raw data. This is in accordance with RSPO Compensation email to the company on July 31, 2018, where the company was asked to send LUCA data. **This is nonconformity no. 2018.05 with Major Category.**

7.3.2; 7.3.4 & 7.3.5.

The HCV assessment had been done in 2010 (after the new replanting in 2005 until 2008). In order to complete the study of HCV, in 2015 the analysis change of land closing of PT KLR from 2005 to 2015 has been done to identify the availability of HCV area or primary forest which are opened for plantation.

The analysis change of land closing and the calculation of land cover coefficient have been made by using the historical data of landsat image 7 for the mature plant in 2005, 2009 and 2014. Based on the study result, it's shown that all areas of new planting after 2005 was done above the shrub with coefficient "0". There's no indication that shown the new planting in the area of HCV or primary forest.

7.3.3.

Date of land clearing for the plant in 2005 was recorded in the form of completion work report and the payment of land clearing.

7.3.1 Status: nonconformity no. 2018.05 with Major Category.
7.4

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

7.4.1 & 7.4.2

Certification Holder does not carry out operational area expansion activities above 2005.

Status: Comply
7.5

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

7.5

Up to the current audit, PT Kridatama Lancar did not expand the new plantation. There is only replanting activity that began in 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 Up to the current audit, PT Kridatama Lancar did not expand the new plantation. There is only replanting activity that began in 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.		
7.7.2 Certification Holder does not carry out operational area expansion activities above 2005.		
	Status: Comply	
7.8 New plantation developments are designed to minimise net greenhouse gas emissions.		
Up to the current audit, PT Kridatama Lancar did not expand the new plantation. There is only replanting activity that began in 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 Certification Holder has implemented the IPM and implemented it widely, for example integrating all pest control techniques to be recognized by censuses and monitoring, the use of biological agents such as owls and banafacial plants and agrochemichal applications if the pest attack has exceeded the threshold.		
<ul style="list-style-type: none">• RSPO SMF internal audit Held on July 7, 2018 and found 7 non-conformities. As of August 2018 3 Nonconformities are declared closed and Four nonconformities are declared open.		
<u>Social Impact</u> The CH has conducted a Social Impact Assessment in each of the management units . The Company has implemented identifiable social impact management plan. Evaluation of the implementation of social impact management plan is done at least annually involving the surrounding communities.		
<u>Environmental Impacts</u> The CH has undertaken environmental management and monitoring activities in accordance with its environmental document matrix. CH will continue to make efforts to reduce waste and pollution, such as boiler, generator and heavy equipment emission testing, reducing the use of diesel fuel and replacing it with shells and fibe for boiler, POME utilization for land application and etc.		
	Status: Comply	

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

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>The mill take legal ownership for all FFB within its scope, as well all phisically handling.</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>The mill does not use traders and distributors. All of selling certified product has been done by the mill.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>RSPO IT Platform member registration number: RSPO_PO1000000322</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>There is no processing aids in the operational SMF.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>Question: Has the organization applied the Supply Chain Model correctly?</p> <p>SMF until audit ASA-2 is still implemented a model of supply chain Identity Preserved. SMF only received and processed FFB from certified plantation. The volume of products sold by using Identity Preserved claim.</p> <p>Based on verification document and interview with weighbridge operator and security, Sukamandang Factory (SMF) only received and processed FFB from certified plantation. The FFB supplied from own estate; consist of Sukamandang Estate, Sapiri Estate, Kuala Kuayan Estate dan Baras Danum Estate. In addition, along with little volume supplied from PT Teguh Sempurna, another certified plantation (under the same Holding Company, Sime Darby Plantation).</p>

	Status: Comply
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
	Question: Has the organization applied a combination of Supply Chain Model correctly?
	SMF just apply one supply chain models which is Identity Preserved (IP)
	Status: Comply
5.3	Documented procedures
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.
	<p>Questions : Documented procedures established and covering all provisions following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.
	<p>The Certificate Holder has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. 001/SCCS/SMF/2018 dated on 02 May 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) both physical and office administration. The summary of this procedure were explain on below points:</p> <p>4.2.1. The procedure is documented</p> <p>4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.</p> <p>4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.</p> <p>4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.</p> <p>4.5. Third party activities (outsourcing)</p> <p>4.6. Sales and goods out Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.</p> <p>4.8. Training→ The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.</p> <p>4.9. The record keeping The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.</p> <p>4.10 Conversion Factor Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.</p> <p>4.11. Claim pursuant to RSPO communication and claim.</p> <p>4.12. Complaint Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.</p> <p>4.13. Management review Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.</p>

Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.	
	Status: Comply
5.3.2	
The site shall have a written procedure to conduct annual internal audit	
Question :	
Documented annual internal audit procedures established and covering all provisions :	
i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	
ii) Effectively implements and maintains the standard requirements within its organization.	
Internal Audit procedure has been include on SOP of RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. 001/SCCS/SMF/2018 dated on 02 May 2018 which describes Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.	
CH can show the result of internal audit conducted on 20-21 April 2018 In the Audit Report document, it is known that the mill has performed an internal audit using SCCS standard. There are 6 non-compliance and has been comply on May 2018, for example the mill does not have plan and realization of SCCS training.	
	Status: Comply
5.4	Purchasing and goods in
5.4.1	
The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Question :	
All RSPO product information is provided by suppliers in accordance with :	
<ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). • The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. • A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. • The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements. 	
SMF does not purchase RSPO certified oil palm products. SMF is the producer of RSPO certified oil palm products	
	Status: Comply

5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
Question :	Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?
SMF does not purchase RSPO certified oil palm products. SMF is the producer of RSPO certified oil palm products	
	Status: Comply
5.5	Outsourcing activities
5.5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.
Question :	Are the outsourcers RSPO certified?
SMF doesn't outsource refining and crushing activity. The company uses third party contractors for CPO transportation activities. PK transportation are delivered by own truck.	
	Status: Comply
5.5.2	Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:
<ul style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing	
For transportation of certified products, the company uses contracting services. Based on the contractor's list, there are 5 contractors to transport CPO to bulking. The company has also shown work contract with all CPO transport contractors, for example:	
<ul style="list-style-type: none"> • Transportation Agreement Letter No. 014/Jasa Pengangkutan/KLR-NB/VII/2014 Addendum IV dated 29 December 2017 with CV Nabila with a validity period until 31 May 2018. • Transportation Agreement Letter No. 013/ Jasa Pengangkutan/KLR-MSP/VII/2014 Addendum IV dated 29 December 2017 with CV Mitra Suryan Permai with a validity period until 31 May 2018. • Transportation Agreement Letter No. 011/ Jasa Pengangkutan/KLR-GS/VII/2014 Addendum IV dated 29 December 2017 with CV Gelora Seruyan with a validity period until 31 May 2018. 	
Based on the documents verification of Transportation Services Agreement, it is known: Non-conformity No. 2018.06	
<ul style="list-style-type: none"> • There is no contractor's commitment to providing separate transportation equipment specifically for transporting IP certified products. This is not in accordance with the RSPO SCCS Manual (SOP of SCCS) at point 4.5.3. • The validity period of the transport service agreement has expired on May 31, 2018. There has been a meeting minutes related to the contract extension on July 20, 2018, but until the ASA-2 audit activity, the company has not been able to show an extension of the contract. This is consistent with interviews with CPO transporter, where there is no addendum to the work contract/agreement. 	
Based on a review of Delivery Order documents and interviews with bulking staff, it is known that there are contractors to transport CPO from bulking to buyers. But the company has not been able to show a contract or work agreement with the contractor. Non-conformity No. 2018.06	

	Status: Non-conformity No. 2018.06
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.
	Question : Has the site maintained names and contact details of all outsourcers?
	The Certificate Holder has record names and contact details of all contractors on document of " <i>Data Transportir</i> ", such as: <ol style="list-style-type: none"> 1. CV. Mitra Suryan Permai as CPO transporter. 2. CV Ayawan Jaya as CPO transporter 3. CV. Karya Bahtera Utama as CPO transporter 4. CV Gelora Seruyan as CPO transporter 5. CV Nabila Armada as CPO transporter
	Status: Comply
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products
	Question : Has MUTU informed about any new outsourcers?
	Based on interview with mill manager and list of contractors, there are only five outsourcers which physical handling of RSPO certified oil palm products. It will be verified on next surveillance, if any new contractor.
	Status: Comply
5.6	Sales and goods out
5.6.1	The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer
	Question : All RSPO product information is provided by the organisation in accordance with : <ul style="list-style-type: none"> • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. •
	CPO Information relating to the sale of CSPO are listed in the document: <ul style="list-style-type: none"> • Delivery Order that explains the quantity, quality target, name of seller and buyer, plan of loading, name of ship up to loading basis. For example DO no. 00967/00768/06/18/L-KLR-MKS dated June 21, 2018 which explained the quantity of 1,000 tons, the FFA target of 5%, Moisture and Dirt 0.5%, the seller is PT KLR, the Buyer is PT Hasil Abadi Perdana, the date loaded June 21-23, 2018 with the name of the ship TK KAN VII on the basis of CFR (transport of dependents of the seller). • Minutes of CPO Handover explaining buyer name and location, No. DO and Contract, Model Supply Chain, No. RSPO Member, No. RSPO Certificate, Quantity of CPO shipments up to CPO quality (FFA, Moist, Dirt), for example Minutes No. 000967/00768/06/18/L-KLR-MKS dated June 23, 2018, selling CPO to PT Hasil Abadi Perdana in Surabaya with

No. DO 000967/00768/06/18/L-KLR-MKS; No. Contract 00768/KLR/KTR-MKS/LOK/VI/2018, Model Supply Chain Identity Preserved (IP); No. Member 1-008-04-000-00; No. Certificate MUTU-RSPO/003; 1,000 tons of CPO; quality of CPO: FFA 4.77%, Moist 0.22%, Dirt 0.02%.

PK

Information relating to the sale of CSPK are listed in the document:

- Delivery Order that explains the quantity, quality target, name of the seller and buyer, loading plan. For example DO no. 00253/00249/06/18/L-KLR-IKS dated June 23, 2018 which explained the quantity of 200 tons PK, Moisture and Importities targets of 16%, sellers is PT KLR, Buyers PT TSA, loaded date June 23-30, 2018.
- Weighing ticket that explains the name of the buyer, quality, vehicle number, the quantity, SCCS model, No.certificate, No. DO. For example weighing Ticket No. 097727 dated June 27, 2018; No vehicle KH9031FM; the number of PK is 7,480 Kg; Supply Chain Identity Preserved model; No.certificate MUTU-RSPO/003; No. Contract 00253/00249/06/18/L-KLR-IKS.

Status: Comply

5.7 Registration of transactions
5.7.1

Supply chain actors who:

- are mills, traders, crushers and refineries; and
- take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable

Question :

Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)

RSPO IT Platform member registration number: **RSPO_PO1000000322**.

All transaction of RSPO certified oil palm products has been registered in RSPO IT Platform (see indicator SCCS 5.7.2).

Status: Comply

5.7.2

The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.
- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

Question :

Did the organization correctly perform the applicable actions on RSPO IT Platform?

The SMF has been take action at RSPO IT Platform with the data:

- **Certified CPO sold to each buyer period of 07 October 2017 to 04 August 2017**

Date	Buyer	Volume
05 July 2018	PT. Hasil Abadi Perdana	1,000.00
03 July 2018	PT.Wahana Citra Nabati	1,000.00
24 May 2018	PT Golden Hope Nusantara	795.53
24 May 2018	PT Golden Hope Nusantara	1,396.43
24 May 2018	PT Golden Hope Nusantara	998.32

24 May 2018	PT Golden Hope Nusantara	498.97
16 May 2018	PT Golden Hope Nusantara	1,395.23
16 May 2018	PT Golden Hope Nusantara	997.03
14 May 2018	PT.Wahana Citra Nabati	1,000.00
19 April 2018	PT.Wahana Citra Nabati	1,000.00
05 April 2018	PT Golden Hope Nusantara	1,497.71
05 April 2018	PT Golden Hope Nusantara	1,098.35
05 April 2018	PT Golden Hope Nusantara	900.45
14 March 2018	PT.Wahana Citra Nabati	1,000.00
06 March 2018	PT.Wahana Citra Nabati	1,001.77
25 January 2018	PT Golden Hope Nusantara	1,600.70
25 January 2018	PT Golden Hope Nusantara	1,099.18
25 January 2018	PT Golden Hope Nusantara	499.62
25 January 2018	PT Golden Hope Nusantara	1,599.43
25 January 2018	PT Golden Hope Nusantara	898.74
12 January 2018	PT.Wahana Citra Nabati	1,000.00
09 January 2018	PT.Wahana Citra Nabati	1,000.00
11 December 2017	PT.Wahana Citra Nabati	1,000.00
09 November 2017	PT Golden Hope Nusantara	1,243.55
09 November 2017	PT Golden Hope Nusantara	998.30
24 October 2017	PT.Wahana Citra Nabati	1,000.00
11 October 2017	PT Golden Hope Nusantara	1,497.03
11 October 2017	PT Golden Hope Nusantara	1,492.96
11 October 2017	PT Golden Hope Nusantara	996.29
11 October 2017	PT Golden Hope Nusantara	1,098.75
Total		32604.34

• **Certified Palm Kernel sold to each buyer period of 07 October 2017 to 04 August 2017**

Date	Buyer	Volume
17 July 2018	PT Teguh Sempurna	1010.77
03 May 2018	PT Teguh Sempurna	700.42
02 April 2018	PT Teguh Sempurna	696.94
02 March 2018	PT Teguh Sempurna	441.36
07 February 2018	PT Teguh Sempurna	790.99
03 January 2018	PT Teguh Sempurna	510.02
04 December 2017	PT Teguh Sempurna	846.66
05 November 2017	PT Teguh Sempurna	743.96
Total		5741.12

All transactions have been shown in shipping announcement, for example Shipping Announcement no. TR-ce9a9eb4-49c9 dated 05 July 2018 related to the sale of CPO of 1000 tons to PT Hasil Abadi Perdana.

Based on Balance Sheet-RSPO Certified Product data, on October 2017-06 August 2018 (palmtrace period) CPO production was 40,505.18 tons and PK production was 10,013.26 tons, but on Transaction Report data on Palmtrace period 07 October 2017- 04 August 2018, there are CPO sales as many as 32,604.34 tons and PK sales of 5,741.12 tons. This shows that not all sales of certified products have been registered (shipping / remove) on Palmtrace data. **Non-Conformity No.2018.07**

	Status: Non-Conformity No.2018.07
5.8	Training

5.8.1

The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff

Question :	
Has the organization established RSPO training plan?	
Mill has a SCCS Training Program in 2017/2018 with training types including SCCS SOP training for recipients, processing, reporting, dispatching planned in May 2018 and SCCS training for bulking in February 2018.	
Mill has shown the SCCS Training Program in 2017/2018, but has not been able to show the SCCS training program to contractors who handle certified CPO products. Non-Conformity No 2018.08	
	Status: Non-Conformity No 2018.08
5.8.2	
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
Question :	
Has the organization Delivered Effective RSPO training?	
Based on interviews with Weight Bridge Operator and security, it is known that the personnel have been aware of the duties and responsibilities related to the implementation of supply chain, for example the weighbridge officer can explain that in the suspended period it is not permissible to make RSPO claims by means of all weighing tickets for CPO and Kernel cannot be given an RSPO stamp.	
The company showed proof of SCCS training to SMF employees conducted on August 10, 2018 with a total of 44 employees, training CPO to bulking transport contractors on August 10, 2018 to 10 contractor workers and training to bulking workers on March 10, 2018 to 14 bulking workers. However the company has not been able to show evidence of training to contractors who handle certified CPO products from bulking to buyers. Non-Conformity No. 2018.09	
	Status: Non-Conformity No. 2018.09
5.9	Record keeping
5.9.1	
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
Question :	
All records are accurate, complete, up-to-date and accessible?	
Based on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. 001/SCCS/SMF/2018 dated on 02 May 2018 which explains that record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.	
	Status: Comply
5.9.2	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Question :	
All records are kept for minimum two years and comply with legal and regulatory requirements?	
Based on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. 001/SCCS/SMF/2018 dated on 02 May 2018 which explains that record keeping all of documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.	
	Status: Comply
5.9.3	
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
Question :	
For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?	

<p>Estimates of CPO and PK produced by SMF obtained from the actual data of 12 months before the audit activities and have been described in this ASA-2 report, consist of:</p> <p>FFB: 236,836 ton</p> <p>CPO: 50,920 ton (OER: 21.5%)</p> <p>PK: 11,842 ton (KER: 5 %)</p>	
	Status: Comply
5.10	Conversion factors
<p>5.10.1</p> <p>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p>	
<p>Question :</p> <p>Conversion rates applied accurately?</p>	
<p>SMF only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.</p>	
	Status: Comply
<p>5.10.2</p> <p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	
<p>Question :</p> <p>Conversion rates periodically updated?</p>	
<p>SMF only performs FFB processing up to CPO and PK. Based on RSPO SCCS Manual, it is explained that the conversion factors of CPO and PK are based on actual extraction.</p>	
	Status: Comply
5.11	Claims
<p>5.11.1</p> <p>The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	
<p>Question :</p> <p>Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?</p>	
<p>Based on transaction report documents, all CSPO and CSPK submitted are in accordance with the applied supply chain model that is Identity Preserved.</p>	
	Status: Comply
5.12	Complaints
<p>5.12.1</p> <p>The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>	
<p>Question :</p> <p>Documented procedures for stakeholders complaints established?</p>	
<p>Procedure for Receiving and Settlement of Complaints is include on RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. 001/SCCS/SMF/2018 dated on 02 May 2018. The person responsible for handling complaints is the Manager or the representative, such as an assistant and administration chief. The response to complain about the product must be followed up at least 14 days.</p>	
<p>Up to ASA-2 audits, there is no complain on the certified product sold. This is stated in the Management Review on July 10, 2018.</p>	

	Status: Comply
5.13	Management review
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken
	Question : Management reviews performed annually at planned intervals?
	The CH has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. 001/SCCS/SMF/2018 dated on 02 May 2018 which explains that management review activity is done at least once a year.
	Status: Comply
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement.
	Question : Has all input required above has been included in the management review?
	The CH shows Management Review Minutes conducted on July 10, 2018 with a total of 12 workers discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.
	Status: Comply
5.13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs.
	Question : Has all output required above has been included in the management review?
	The CH shows Management Review Minutes conducted on July 10, 2018 with a total of 12 workers discussing the results of internal audits, discussion of operational quality, follow-up from previous review management to discussion of changes that could improve the quality management system.
	Status: Comply

3.2.2. (Module D) CPO Mills Identity Preserved Requirements

Clause	Requirement																														
D1	Definition																														
D.1.1																															
A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.																															
Based on verification document and interview with weighbridge operator, Sukamandang Factory (SMF) only received and processed FFB from certified plantation. The FFB supplied from own estate; consist of Sukamandang Estate, Sapiri Estate, Kuala Kuayan Estate dan Baras Danum Estate. In addition, along with little volume supplied from PT Teguh Sempurna, another certified plantation (under the same Holding Company, Sime Darby Plantation).																															
	Status: Comply																														
D.2	Explanation																														
D.2.1																															
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report																															
Estimates of CPO and PK produced by SMF obtained from the actual data of 12 months before the audit activities and have been described in this ASA-2 report, consist of:																															
FFB: 236,836 ton																															
CPO: 50,920 ton (OER: 21.5%)																															
PK: 11,842 ton (KER: 5 %)																															
	Status: Comply																														
D.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).																															
The Sukamandang Factory - PT Kridatama Lancar has been registered of certified products of RSPO (CSPO and CSPK) with Member ID: RSPO_PO1000000322. The certified Crude Palm Oil (CPO) and Palm Kernel (PK) sold to each buyer are describe in table below.																															
● Certified CPO sold to each buyer period of 07 October 2017 to 04 August 2018 (palmtrace period)																															
<table><tr><th>Date</th><th>Buyer</th><th>Volume</th></tr><tr><td>05 July 2018</td><td>PT. Hasil Abadi Perdana</td><td>1,000.00</td></tr><tr><td>03 July 2018</td><td>PT.Wahana Citra Nabati</td><td>1,000.00</td></tr><tr><td>24 May 2018</td><td>PT Golden Hope Nusantara</td><td>795.53</td></tr><tr><td>24 May 2018</td><td>PT Golden Hope Nusantara</td><td>1,396.43</td></tr><tr><td>24 May 2018</td><td>PT Golden Hope Nusantara</td><td>998.32</td></tr><tr><td>24 May 2018</td><td>PT Golden Hope Nusantara</td><td>498.97</td></tr><tr><td>16 May 2018</td><td>PT Golden Hope Nusantara</td><td>1,395.23</td></tr><tr><td>16 May 2018</td><td>PT Golden Hope Nusantara</td><td>997.03</td></tr><tr><td>14 May 2018</td><td>PT.Wahana Citra Nabati</td><td>1,000.00</td></tr></table>		Date	Buyer	Volume	05 July 2018	PT. Hasil Abadi Perdana	1,000.00	03 July 2018	PT.Wahana Citra Nabati	1,000.00	24 May 2018	PT Golden Hope Nusantara	795.53	24 May 2018	PT Golden Hope Nusantara	1,396.43	24 May 2018	PT Golden Hope Nusantara	998.32	24 May 2018	PT Golden Hope Nusantara	498.97	16 May 2018	PT Golden Hope Nusantara	1,395.23	16 May 2018	PT Golden Hope Nusantara	997.03	14 May 2018	PT.Wahana Citra Nabati	1,000.00
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11 December 2017	PT.Wahana Citra Nabati	1,000.00
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11 October 2017	PT Golden Hope Nusantara	1,492.96
11 October 2017	PT Golden Hope Nusantara	996.29
11 October 2017	PT Golden Hope Nusantara	1,098.75
Total		32604.34

• **Certified Palm Kernel sold to each buyer period of 07 October 2017 to 04 August 2018 (palmtrace period)**

Date	Buyer	Volume
17 July 2018	PT Teguh Sempurna	1010.77
03 May 2018	PT Teguh Sempurna	700.42
02 April 2018	PT Teguh Sempurna	696.94
02 March 2018	PT Teguh Sempurna	441.36
07 February 2018	PT Teguh Sempurna	790.99
03 January 2018	PT Teguh Sempurna	510.02
04 December 2017	PT Teguh Sempurna	846.66
05 November 2017	PT Teguh Sempurna	743.96
Total		5741.12

Status: Comply

D.3 Documented procedures

D.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

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

The Certificate Holder has RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. 001/SCCS/SMF/2018 dated on 02 May 2018. The scope of RSPO Supply Chain System: FFB Certificate processing from raw material acceptance to storage and delivery process produces Certified Sustainable Palm Oil (CSPO) and CSPK with module D (IP) both physical and office administration. The summary of this procedure were explain on below points:

4.2.1. The procedure is documented

4.2.2. Internal audits are conducted at least annually to ensure: the organization complies with RSPO SCCS requirements and

- RSPO Market Communication & Claim documents. Where the internal audit is done at least 2 months before the external audit. The internal audit results are included in the management review conducted at least once a year.
- 4.3. The Mill ensures the purchase of incoming goods, however the marketing division in Jakarta's is responsible for checking the validity of supplier certificates, licenses for traders and distributors.
- 4.3.2. The Unique code/ unique identification number aims to ensure that products are sold through quality tests and can be traced back to the beginning of the process.
- 4.5. Third party activities (outsourcing)
- 4.6. Sales and goods out
Units that need to make announcements and trade confirmations in the RSPO IT Platform, this should also include making shipping announcements (each shipment/shipping group by the marketing division). Certified products sold through other schemes or conventional means or in case of lack of production, lost or damaged shall be removed.
- 4.8. Training → The training plan for RSPO SCCS requirements process should be reviewed continuously/annually.
- 4.9. The record keeping
The record keeping of all documents are minimum 10 years for financial report documents and transactions; and minimum two years for data other than financial documents.
- 4.10. Conversion Factor
Conversion value is determined by marketing division in Jakarta, based on data sent by Mill on the basis of the resulting of FFB processing, so that the conversion value obtained is the same as the actual obtained by the Mill, and the conversion reference by marketing follows the mill manager monthly report period.
- 4.11. Claim pursuant to RSPO communication and claim.
- 4.12. Complaint
Stakeholders may complain by email or face directly to the management representative. The complaint should be handled no later than one month after the complaint is received. Especially for complaints related to salary rights, incentive benefits, product complaints, and payments is should be acted upon no later than 14 days after the complaint has been received. All complaints and responses should be recorded.
- 4.13. Management review
Management review plan is established: after internal audit, before external audit checks and minimally done once in twelve months /one year.
Input for management review should include information: internal audit results of SCCS requirements, production achievements, customer feedback, preventive and corrective action status, follow up on review management, changes that may affect system management and improvement recommendations.

Status: Comply

D.3.2

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

The procedure about acceptance and processing FFB has include in the RSPO SCCS Manual- RSPO Supply Chain Certification Standard No. 001/SCCS/SMF/2018 dated on 02 May 2018. (see D.3.1)

Status: Comply

D.4

Purchasing and goods in

D.4.1

The site shall verify and document the tonnage and sources of certified FFBs received.

The entire processed FFB in Sukamandang POM came from own estate of PT Kridatama Lancar (Sukamandang Estate, Sapiri Estate, Baras Danum Estate & Kuala Kuayan Estate) and from PT. Teguh Sempurna. The entire processed FFB is 100% *RSPO certified* and Sukamandang POM does not receive FFB from other not certified unit.

- **Certified and non-certified FFB received period of 02 September 2017 to 04 August 2018**

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
02-30 September 2017	19,760,720		19,760,720
October 2017	21,301,270		21,301,270

November 2017	18,911,780		18,911,780
December 2017	16,201,380		16,201,380
January 2018	15,262,770		15,262,770
February 2018	13,667,730		13,667,730
March 2018	16,328,090		16,328,090
April 2018	17,921,550		17,921,550
May 2018	21,881,260		21,881,260
June 2018	18,830,440		18,830,440
July 2018	24,360,720		24,360,720
1-4 August 2018	4,684,470		4,684,470
Total	224,650,710		224,650,710

	Status: Comply
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D.4.2

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

In the previous certified (Re-certification) period September 02, 2016 until September 01, 2017, production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 70,703.60 Ton → Total estimate in certificate is 71,884Ton
- PK: 14,274.25 Ton → Total estimate in certificate is 15,308 Ton

For this period (ASA-1.1) from September 02, 2016 until 6 August 2018, SMF production of CSPO and CSPK does not exceed the RSPO certificate issued.

- CPO: 44,710.90 Ton → Total estimate in certificate is 61,881 Ton
- PK: 11,052.49 Ton → Total estimate in certificate is 12,498 Ton

	Status: Comply
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D.5

Record keeping

D.5.1

The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.

The Sukamandang Factory – PT Kridatama Lancar, has a monitoring report for RSPO certified product (CPO & PK).

Month	CPO			
	Production (Kg)		Sold (Kg)	
	Certified	Non-Certified	Certified	Conventional
02-30 September 2017	4,205,724			
October 2017	4,595,803			
November 2017	4,106,931			
December 2017	3,600,316			
January 2018	3,297,605			
February 2018	2,979,482			
March 2018	3,500,083			
April 2018	3,637,565			
May 2018	4,660,017			
June 2018	3,961,870			
July 2018	5,098,302			
1-4 August 2018	1,067,205			
Total	44,710,903			

Month	PK			
	Production		Sold	
	Certified	Non-Certified	Certified	Conventional
02-30 September 2017	1,039,235			
October 2017	1,488,081			
November 2017	1,298,432			
December 2017	1,201,949			
January 2018	673,469			
February 2018	601,178			
March 2018	777,876			
April 2018	801,519			
May 2018	1,056,442			
June 2018	790,633			
July 2018	1,083,004			
1-4 August 2018	240,676			
Total	11,052,494			

The company has not been able to show separation of record sales of CPO & PK products with claims certified and non-certified/conventional. **Non-Conformity No.2018.10**

	Status: Non-Conformity No.2018.10
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D.6	Processing
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D.6.1
The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.

The entire accepted and processed product in Sukamandang POM comes from RSPO certified own estate. Until now, Sukamandang POM does not accept and process FFB from not certified sources.

Based on interview weighbridge personnel and security personnel, the worker explained that the Sukamandang POM just receive FFB from own Estate and PT. Teguh Sempurna. All of FFB Delivery Note form Sukamandang Estate, Baras Danum Estate, Sapiri Estate and Kuala Kuayan Estate & PT. Teguh Sempurna has been stamped with RSPO code. The stamp also given for CPO and Kernel weighbridge ticket that sent from the Sukamandang factory.

	Status: Comply
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3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-1.2	PT Kridatama Lancar (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024"	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1.2	PT Kridatama Lancar (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024"	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
ASA-1.2	PT Kridatama Lancar (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024"	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate logo.	X or√
ASA-1.2	PT Kridatama Lancar (Sime Darby Plantation Bhd) do not use RSPO trademark and CB Logo. Trademark License Number of Sime Darby Plantation Bhd is "RSPO-1106024"	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

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

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

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Bhd based on their Time Bound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

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

		reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.
i.	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: A new mill will be set up in Liberia and planned for commissioning in February 2016. Preparation to undergo the RSPO Certification process is in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. Internal assessment against the draft Liberia NI has been completed and closing of gaps is in progress. *Note: RSPO NPP Announcements for SDP can be found at http://www.rspo.org/certification/new-planting-procedures/public consultations/ page/14</p> <p>Auditor Verification:</p> <ul style="list-style-type: none"> • Karya Palma Estate (PT Sandika Natapalma) and Baturus Estate (PT Budidaya Agro Lestari) any new planting after January 1st 2010 and due to not conduct NPP. • RSPO NPP process has been completed in 2011 for a new mill in Liberia.
ii.	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: Sime Darby (Liberia) Plantation Inc. Status: Box G - Close for Monitoring Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/46 PT Mitra Austral Sejahtera (Sime Darby Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> • PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities • PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components

3.5.1. Identification of Findings, Corrective Actions and Observations at ASA 1.1

<i>NCR No.</i>	: 2017.01	<i>Issued by</i>	: Brigitta Prita
<i>Date Issued</i>	: 13 July 2017	<i>Time Limit</i>	: 12 September 2017
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 15 September 2017
<i>Standard Ref. & Requirement</i>	: 1.1.2 Records of requests for information and responses to the information requested shall be available.		
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>			
Based on interviews with the Plantation Office of East Kotawaringin District, there is a request for information regarding monitoring and reporting of HCV from the Plantation Office. This matter could be evidenced with the availability of evidence receipt by Minamas Group on 15 June 2017. But until now (28 days), the company has not been able to show evidence of response related to the request for such information. It is not in accordance with the Communication SOP (Policy Number 725 / PSQM-ESH / 2016) explaining that information from external sources must be responded by the parties / units no later than 15 days after the information is received.			
<i>Root Cause Analysis (filled by organization audited):</i>			
The root cause analysis for NCR 2017.01 can be explained as follows:			
<div>1. Letter of request for information from the Agriculture / Plantation Agency of East Kotawaringin Regency received by Sampit Representative Office on June 15, 2017. However, the document is not directly forwarded to the operational unit because the distance between KPW Sampit and Operating Unit takes 4 hours of travel and no access expedition. So for the document up to the Operational Unit, waiting for a vehicle first from the Operational Unit to KPW Sampit. The new document was received by the Operations Unit on 01 July 2017.</div> <div>2. Preparation of data requested by the Agriculture / Plantation Agency of Kotawaringin Timur District on High Conservation Area Data takes at least> 30 days, given the requested data in large quantities and required updates from the data.</div> <div>3. The process of approval of documents that must be from Head Office Jakarta takes time.</div>			
<i>Correction (filled by organization audited):</i>			
Documents requested by the Agriculture / Plantation Agency of Kotawaringin Timur Regency have been responded and sent on 11/09/2017.			
<i>Corrective Action (filled by organization audited):</i>			
To anticipate that the nonconformity as above does not happen again, then do:			
<div>1. Coordinate with KPW Sampit, if there is an incoming letter from Local Government or other parties regarding request information, then KPW Sampit will send Photo of the document via Whatsapp. It is intended that the Operational Unit can immediately know about the request for such information.</div> <div>2. For documents that require a long preparation time, after the letter of request for information received by the Operations Unit, the Operations Unit will send the first response letter explaining that it takes time to prepare the document.</div> <div>3. The management system of PT. Kridatama Lancar is now concentrated in Sukamandang (CEO, OC, AC,</div>			

Dept. Support), so that the approval process can be done immediately.

For procedures specifically not available, but the Operating Unit Party issued IOM (Inter Office Mail) addressed to Sampit KPW Employees who explain the procedure when there is an incoming letter from government agencies or other important institutions.

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

Verification, September 14, 2017.

Based on evidence of improvements submitted, the company has shown evidence of HCV data transmission (High Conservation Value) on September 11, 2017 to Agriculture / Plantation Agency of East Kotawaringin. Kindly re-submit any evidence of HCV report / data that has been submitted. Based on the above explanation then this indicator is still stated OPEN.

Verification, September 15, 2017.

The Company has shown evidence of submission of HCV report (Map and management plan) on September 11, 2017 to the Agriculture / Plantation Agency of Kotawaringin Timur Regency. In addition, there is an Inter Office Mail (IOM) from East Kalimantan Controller Area that is addressed to employees of KPW Sampit on August 1st, 2017 which explains the procedures for reporting incoming mail to operational units. Based on the above explanation then NCR No.2017.01 stated compliance.

Verified by : **Brigitta Prita**

<i>NCR No.</i>	:	2017.02	<i>Issued by</i>	:	Muhammad Rinaldi
<i>Date Issued</i>	:	13 July 2017	<i>Time Limit</i>	:	12 September 2017
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	06 September 2017
<i>Standard Ref. & Requirement</i>	:	2.1.1 Evidence of compliance with relevant legal requirements shall be available.			
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>					
Based on interviews with Plantation Agency and document review, the company has not been able to show proof of report on the Progress Report of Plantation Business Development 1st Quarter of 2017. This is not in accordance with the Registration License and Plantation Minister Regulation No. 98 of 2013.					
<i>Root Cause Analysis (filled by organization audited):</i>					
PT Kridatama Lancar has been reported Plantation Progress Report (LKUP), but copies of reporting evidence are available in Head Office (HO) Jakarta and are not available in the business unit.					
<i>Correction (filled by organization audited):</i>					
PT Kridatama Lancar has coordinated with Head Office (HO) in Jakarta to get a copy of the reporting evidence.					
<i>Corrective Action (filled by organization audited):</i>					
PT Kridatama Lancar will coordinate with Head Office (HO) in Jakarta regarding confidential documents and available only in Head Office (HO) in Jakarta, if necessary for Certification Audit to be sent to business unit or to the Auditor directly.					

- For the future mechanisms, documents that are in the HO may be available during the audit is can be sending an official letter on behalf of SOU/PT to the relevant Department at HO to be able to send the document to the unit up to 14 days after the document is issued by HO or if it is confidential, the document may be sent to the Auditor directly before or during the audit process.
- For PIC regarding the provision of Legal aspect documents is the PSD Staff of Central Kalimantan, in this case is Bpk. Tonni Manurung.

Assessor Evaluation and Conclusion (filled by auditor):

02 September 2017

The Company shows reporting evidence of Proceeds of Plantation Business Progress report Quarter I & II 2017 conducted on 30 August 2017. **However, the company needs to re-identify corrective action so that non-conformity will not be repeated in the next assessment.**

Based on the above explanation, the Non-Conformity No. 2017.02 is not fulfilled

06 September 2017

Based on the above explanation, the preventive action will be taken by requesting proof of report delivery on 14 days after the document is submitted and done by the PSD Staff. **Based on this explanation, the Non-Conformity No. 2017.02 is Closed and will be observed during the next surveillance.**

Verified by : **Muhammad Rinaldi**

<i>NCR No.</i>	: 2017.03	<i>Issued by</i>	: Brigitta Prita
<i>Date Issued</i>	: 13 July 2017	<i>Time Limit</i>	: 12 September 2017
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 23 August 217
<i>Standard Ref. & Requirement</i>	: 5.3.2 There shall be evidence that all chemicals and their empty containers are disposed of responsibly		
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>			
Based on the field visit to the housing area of KKE Division II, it's known that there's still an availability of hazardous waste which is used as water container shelter. This matter is not comply with the standard operational procedure of hazardous waste management and non hazardous waste (SOP No. RA 012) on 1 April 2010.			
<i>Root Cause Analysis (filled by organization audited):</i>			
The findings of chemical packaging (Pertamina drums) in the housing area of employees Division II KKE, due to weak control and supervision assistant to the housing environment. In addition, there is also no rules and socialization regarding the prohibition of the use of chemical packaging in residential areas. However, we can explain that the drum is not the hazarouse packing drum produced by the KKE unit, but the result of employees buying privately on the market for additional water storage. Basically, the KKE unit has provided water reservoirs such as permanent water storage buildings and profile caps tanks with capacity 750 liters per house.			
<i>Correction (filled by organization audited):</i>			
Corrective action was conducted by the KKE unit is to take all chemical packaging (pertamina drums) from the employee housing area. In addition, the management of KKE made a rule regarding the prohibition of the use of			

chemical packaging and other hazardous packaging. The rules are socialized to all employees (The evidence has been attached).

Corrective Action *(filled by organization audited):*

The management of KKE will routinely socialize the rules regarding the prohibition of the use of chemical packaging and other hazardous waste. In addition, regular monitoring of employee housing areas will be conducted.

The form of monitoring conducted by the KKE Management is a routine checking of every house conducted by Krani Division every month. Checks include the presence or absence of hazardous waste findings and housing conditions that include housing and environmental hygiene conditions. Evidence of monitoring has been attached.

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

Verification, August 16, 2017.

The Company showed evidence of improvements in the form of a memo prohibited on the use of hazardous waste in the employee housing area (memo number 001 / EM-Div / KKE / VII / 2017) on July 15, 2017 by Estate Manager. In addition, there is evidence of socialization of a prohibited on the use of hazardous waste packaging in an employee housing environment on 21 July 2017 (Evidence of attendance list).

Verification, August 23, 2017.

Available documentation of taking back the hazardous waste from KKE employee housing on July 22, 2017 (Documentation has been attached) In addition, there is an employee housing check sheet is explanation regarding housing conditions, cleanliness of the environment, and hazardous waste findings made on August 14, 2017. Based on the above explanation, indicator 5.3.2 has been Compliance.

Verified by : **Brigitta Prita**

<i>NCR No.</i>	:	2017.04	<i>Issued by</i>	:	Brigitta Prita
<i>Date Issued</i>	:	13 July 2017	<i>Time Limit</i>	:	12 September 2017
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	23 August 2017
<i>Standard Ref. & Requirement</i>	:	6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.			
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i>					
There's the documentation of salary and list of absence for the period of June 2017 for the employee with current time agreement status of Sukamandang POM. Based on the documentation, it's known that the calculation of work and over time wage of current time agreement employee still not appropriate with the minister of labor's decision with the reference number 102 in 2004 regarding to the hour for over time and its wage. Such as the employee of gardener, the employee of mill compound, and servant.					
<i>Root Cause Analysis (filled by organization audited):</i>					

1. The work agreement system for Contract Workers who applied in Sukamandang Factory (SMF) is currently following the system of work agreement in applicable last year where the amount of overtime calculation using actual hours, so the employee's overtime pay is also in accordance with actual overtime hours. Another thing that causes the problem is the default made by the management of SMF related to the arrangement of overtime hours and wages of employees Contract Workers.
2. Lack of SMF management information regarding regulations governing overtime and wages of employees of Contract Workers.

Verification, August 18, 2017.

Socialization has been conducted on Employee Working Hours and Wages from Labor Agency Kotawaringin Timur. In the socialization is explained by the Agency regarding Employee Hours and wage calculation procedures, both basic wage and overtime pay for Permanent Employees / Permanent or Contractor Workers (Working Agreement of Certain Time). The evidence are attendance list of the meeting and Photograph.

Correction *(filled by organization audited):*

Overtime system and wages of Contract Workers in Sukamandang Mill have been adjusted with the regulation in decree of the minister of labor Number 102 Year 2004, So in July 2017 for rpayment in June 2017. The underpayment of wages that should have been paid in July 2017 (Evidence has been attached).

In addition, the company has socialized understanding of Working hours & Working hours overtime Employees permanent workers & Contractor workers by the Labor Agency of Kotawaringin Timur to management representatives on 15 August 2017.

Corrective Action *(filled by organization audited):*

Corerctive action was conducuted by the Management Sukamandang Factory (SMF) are as follows:

1. Ensure that any regulations of the Government concerning Overtime and Wages shall be reviewed and realized in accordance with the provisions of the regulations.
2. Ensure that all rules by the Government and the Company concerning Contractor Workers covering the rights and obligations are conducted properly and appropriate.
3. Coordinate with Dept. HRM and PSD concerning changes in the Contractor workers regulations covering rights and obligations including overtime and payments. Coordination can be done via email or direct meetings.

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

Verification, August 16, 2017.

The company shows the recapitulation document on the payment of Mill employees (Sukamandang Mill) in June 2017 as many as 26 employees of Contract Workers (Gardener, Mill Compund, and Servant). For example:

- Employee on Name Giman, number of working days is 24, Total overtime hours 183. Overtime rate per hour IDR 2,621,109, - (Rp 14,323 / hour), working day wage Rp 2,378,773, -, workday wage + overtime Rp 4,999,882; the wages paid on Payments of June 2, 2017 amounted to IDR 3,461,881 and deficit is IDR 1,538,001.

Based on the above explanation, the company has paid the deficit of overtime wage in June 2017 for 26 Mill employees amounted to IDR 27,594,355, -.

Verification, August 23, 2017.

The company showed the documentation of Working Hours & Overtime Wages of Permanenr & Contract employees by the Labor Agency of Kotawaringin Timur Regency attended by 11 participants (Section Head, Assistant, Plantation Service Department / PSD and others) on August 15, 2017. Based on the above explanation, indicator 6.5.1 can be stated Compliance.

Verified by	: Brigitta Prita
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NCR No.	: 2017.05	Issued by	: Brigitta Prita
Date Issued	: 13 Juli 2017	Time Limit	: 12 September 2017
NC Grade	: Major	Date of Closing	
Standard Ref. & Requirement	: 7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		

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

Based on the document review, the company still could not shown the evidence that the land use change analysis of PT KLR has been already submitted to RSPO Compensation.

Root Cause Analysis (filled by organization audited):

Based on information from Head Office (HO) Jakarta, LUCA has been sent to the RSPO Secretariat according to the following table:

No	Submission Records	Date
1	Disclosure of Areas Cleared without Prior HCV Assessment since Nov 2005	July 2014
2	Progressive submission of Land Use Change Analysis Results for Areas Cleared without Prior HCV Assessment since Nov 2005	Sept 2014
3	Progressive Submission of Land Use Change Analysis Results in Accordance to the RSPO Remediation and Compensation Procedures	Dec 2014
4	Response by RSPO on our First Batch of Submission	Jan 2015
5	Meeting/Teleconference with WRI and RSPO Office to clarify on the reviewers' comments and submission of documents for review as well as consent by WRI to proceed with next submission	March 2015
6	Submission of LUCA – final batch	Aug 2015
7	Submission of Compensation Concept Note to RSPO office	March 2016
8	SDP received LUCA reviewers' comments and R&D Department is currently working on the items required	April 2016
9	SDP has sent updates on our LUCA report to RSPO office	June 2016
10	SDP received comments on our Compensation Concept Note	June 2016
11	Response to comments on Compensation Concept Note Submission of Social Liability and Revised SOP to RSPO office	Aug 2016
12	Compensation panel final discussion and endorsement on Compensation Concept Note	Dec 2016
13	Revision of LUCA submission progressively based on feedback by LUCA reviewers	On-going

Then the RSPO Secretariat requested Sime Darby Plantations to change the calculation methodology in the LUCA that initially used the percentage to the land area so that Sime Darby Plantations took time to change the entire LUCA Report.

Correction (filled by organization audited):

Change the LUCA report methodology as requested by the RSPO Secretariat (Corrective action attached by

email).

Corrective Action *(filled by organization audited):*

Sime Darby Plantations agreed to change all LUCA reports, but due to changes in the calculation methodology, the SDP takes time to revise the report. The RSPO agrees that as long as Sime Darby Plantations can showed commitment and active participation with RSPO, to the revision and completion of the LUCA report, the certification / surveillance process should not be disrupted. Therefore, the RSPO will inform CB to continue the audit. As for the nonconformity related indicator 7.3.1, the RSPO will issue a formal response to the CB involved, explaining the situation of Sime Darby Plantations. If no other nonconformities are identified, the unit may continue to be certified.

CB is welcome to contact RSPO, Ms. Khing Su Li or Mr. Dillon Sarim to confirm LUCA related to some PT in Minamas.

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

Verification, September 11, 2017.

The Company has showed the evidence of delivery of LUCA on May 12, 2017 to RSPO Compensation then CB contacted RSPO Compensation related to the development of the LUCA. Then on September 8, 2017 there was a response from the RSPO stating that in accordance with the decision of BHCVWG 7.3.1 nonconformity can be compliance and the certificate can be continued. However the RACP is still incomplete and should be noted in the RACP audit report to be completed at the next audit (ASA 2) if it failed then the certificate can be Suspend.

Based on the above explanation, NCR No.2017.05 can be compliance with observation note at the next surveillance.

Verified by : **Brigitta Prita**

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

<i>NCR No.</i>	: 2018.01	<i>Issued by</i>	: Muhammad Rinaldi
<i>Date Issued</i>	: 11 August 2018	<i>Time Limit</i>	: 10 November 2018
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 28 August 2018
<i>Standard Ref. & Requirement</i>	2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
Evidence observed & Non-Conformance Description (filled by auditor):			
The company has not been able to show evidence of the report on the use of HGU to the head of the Local Land Agency in accordance with Ministerial Regulation of Agrarian and Spatial Planning No. 7 of 2017			
Root Cause Analysis (filled by organization audited):			
Reports on the use of HGU are sent late by the Head Office through the LDL PSD Jakarta			
Correction (filled by organization audited):			
Has sent a report on the use of HGU to Land Agency of Kotawaringin Timur District			
Corrective Action (filled by organization audited):			
Coordination with PSD Jakarta so that reports on the use of HGU are routinely sent every year			
Assessor Evaluation and Conclusion (filled by auditor):			
The company shows evidence of reporting of the HGU ude to the Head of the Land Agency of Kotawaringin Timur Regency and Seruyan in accordance with letter No. 311 / KLR / UM / PSD / VIII / 2018 dated August 6, 2018. the letter was sent on August 15, 2018.			
Based on this explanation, this Nonconformity is stated to be fulfilled			
<i>Verified by</i>	: Muhammad Rinaldi		

<i>NCR No.</i>	: 2018.02	<i>Issued by</i>	: Muhammad Rinaldi
<i>Date Issued</i>	: 11 August 2018	<i>Time Limit</i>	: 10 November 2018
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 10 September 2018
<i>Standard Ref. & Requirement</i>	2.2.1 Legal documents showing legal ownership or leasing, history of ownership conditions, time period and actual land use must be available.		
Evidence observed & Non-Conformance Description <i>(filled by auditor):</i> Based on a field visit on boundary pole No.14-15 in Sapiri Estate, it is known that there is planting outside the HGU on block E30. This is also shown from overlay of coordinate of aid pole No.36 on the operational map is inside of the block E30.			
Root Cause Analysis <i>(filled by organization audited):</i> At the moment, we cannot yet legally confirm from the BPN that block E30 has plantations outside the HGU because it has not obtained a valid coordinate point from Land Agency			
Correction <i>(filled by organization audited):</i> PSD sent a second letter to Land Agency regarding the request to update PT Kridatama Lancar Cultivation Rights Title geographical coordination list and ensure that this letter was responded to (along with NCR 2.2.2). The current action taken is not to take management actions in part of the Sapiri E30 block which is allegedly located outside the Cultivation Rights Title (statement attached) until there is a clear decision from the Local Land Agency			
Corrective Action <i>(filled by organization audited):</i> 1. The company will follow up with BPN, regarding the coordinates of PT KLR HGU every 6 months and if it does not respond it will send a return letter. 2. Unit Management will conduct a survey of HGU stakes every once a year. 3. The company will conduct an inventory of HGU stakes within 1 year			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> September 10, 2018 The Company shows Application Letter for PT KLR Geographical Coordinate List on September 3, 2018 received at the National Land Agency on September 7, 2018. Explain about the re-application of the coordinates of PT KLR HGU boundaries pole as a follow-up to the application letter on September 15, 2017. Based on the explanation above, the nonconformity is stated to be fulfilled and will be observed in the next assessment.			
<i>Verified by</i>	: Muhammad Rinaldi		

<i>NCR No.</i>	: 2018.03	<i>Issued by</i>	: Muhammad Rinaldi
<i>Date Issued</i>	: 11 August 2018	<i>Time Limit</i>	: 10 November 2018
<i>NC Grade</i>	: Minor Upgrade to Major	<i>Date of Closing</i>	: 10 September 2018
<i>Standard Ref. & Requirement</i>	2.2.2 Legal boundaries must be clearly defined and seen to be taken care of.		
Evidence observed & Non-Conformance Description <i>(filled by auditor):</i> Based on corrective actions for ASA-1.1 Non-conformity, there is a Time Frame to verify the HGU Pole (made on September 18, 2017) which describes the plan to verify the coordinates of the HGU pole in according to the letter from the BPN planned from November 2017 - January 2018. However, till this ASA-1.2 activities (August 2018), there is no evidence of the implementation of the plan that has been made.			
Root Cause Analysis <i>(filled by organization audited):</i> Info from PSD Jakarta, Until now the response from Land Agency to the PSD letter No: 333 / KLR / UM / PSD / IX / 2017 regarding the application for updating the HGU coordination list of PT Kridatama Lancar has not received a response, so that the plan to verify the coordinates of the stakes according to the timeframe planned for November 2017 - January 2018 cannot yet be implemented			
Correction <i>(filled by organization audited):</i> PSD sent a second letter to BPN regarding the request to update PT Kridatama Lancar HGU geographical coordination list and ensure that this letter was responded to.			
Corrective Action <i>(filled by organization audited):</i> 1. The company will follow up with Land Agency, regarding the coordinates of PT KLR HGU every 6 months and if it does not respond it will send a return letter. 2. Unit management will conduct a survey of boundaries pole every once a year. 3. The company will conduct an inventory of boundaries pole in a period of 1 year.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> September 13, 2018 The Company showed a Request Letter of PT KLR Geographical Coordinate List on September 3, 2018 received at the Land Agency office on September 7, 2018, which explained the re-application of the coordinates of PT KLR's HGU stakes as a follow-up to the application letter on September 15, 2017. Based on the explanation above, the nonconformity is stated to be fulfilled and will be observed in the next assessment.			
<i>Verified by</i>	: Muhammad Rinaldi		

<i>NCR No.</i>	: 2018.04	<i>Issued by</i>	: Rizliani Aprianita Hasibuan
<i>Date Issued</i>	: 11 August 2018	<i>Time Limit</i>	: ASA-1.3
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	:
<i>Standard Ref. & Requirement</i>	5.6.3 Plans and results of periodic monitoring of emissions and pollutants from plantation activities and palm oil mills must be provided using appropriate methods		
Evidence observed & Non-Conformance Description <i>(filled by auditor):</i> CH has shown GHG calculations using RSPO Palm GHG version 3.01. However, there are still differences in HCV area with HCV statement area.			
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>			
<i>Verified by</i>	:		

NCR No.	: 2018.05	Issued by	: Muhammad Rinaldi			
Date Issued	: 11 August 2018	Time Limit	: 10 November 2018			
NC Grade	: Major	Date of Closing	: 21 September 2018			
Standard Ref. & Requirement	SCCS General COC 5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. 					
Evidence observed & Non-Conformance Description (filled by auditor): Based on the documents verification of Transportation Services Agreement, it is known: <ol style="list-style-type: none"> There is no contractor's commitment to providing separate transportation equipment specifically for transporting IP certified products. This is not in accordance with the RSPO SCCS Manual (SOP of SCCS) at point 4.5.3. The validity period of the transport service agreement has expired on May 31, 2018. There has been a meeting minutes related to the contract extension on July 20, 2018, but until the ASA-2 audit activity, the company has not been able to show an extension of the contract. This is consistent with interviews with CPO transporter, where there is no addendum to the work contract/agreement. Based on a review of Delivery Order documents and interviews with bulking staff, it is known that there are contractors to transport CPO from bulking to buyers. But the company has not been able to show a contract or work agreement with the contractor 						
Root Cause Analysis (filled by organization audited): <ol style="list-style-type: none"> The work agreement (addendum II) is an extension from first work agreement that still adapts the contents of the previous work agreement so that it still does not comply with the RSPO SCCS Manual at point 4.5.3, because the latest SOP is issued in 2018 while the work agreement addendum 2 is carried out in 2017. When auditing the work agreement still under evaluation by the logistics department in Jakarta work agreement for transportation of CPO from bulking to buyers is at the Jakarta head office and cannot be shown during audit activities 						
Correction (filled by organization audited): <ol style="list-style-type: none"> Extend and renew the contents of the transportation work agreement according to the SOP Sending evidence of coordination of requests for improvements to the contents of the work agreement. Send copies of the bulking transportation work agreement to the buyer who has been requested from the logistics department. 						
Corrective Action (filled by organization audited): <ol style="list-style-type: none"> The Head Clerk of Factory will coordination with the logistics department to ensure the contents of the work agreement extension is in accordance with the SCCS SOP and conducting the control of work agreement validity period 						

2. Work agreement transportation from bulking to the buyer will be requested periodically from the logistics Department and archived by the Head Clerk of Factory

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

21 September 2018

The company shows some proof of improvement including:

- The Company shows the Work Agreement No.024 / KPS-KLR / FN / VI / 2018 dated June 8, 2018 related to the CPO transport agreement with PT Karunia Pratama Sejahtera (Barge of TB.KAN.VI)
- The company showed the draft of work agreement CPO Transport contractor with CV. Ayawan jaya, CV Mitra Suryan Permai, CV Nabila with a validity period until 30 November 2018 which includes a clause that "the second party provides separate vehicles specifically for transporting IP certified products"
- The company shows communication with the Legal Department on September 7, 2018 which explains the work agreement extension process with plans signed by the board of directors on September 14, 2018.

Based on the explanation above, the nonconformity is stated to be fulfilled and will be observed in the next assessment.

Verified by : **Muhammad Rinaldi**

<i>NCR No.</i>	: 2018.06	<i>Issued by</i>	: Muhammad Rinaldi
<i>Date Issued</i>	: 11 August 2018	<i>Time Limit</i>	: 10 November 2018
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 05 October 2018
<i>Standard Ref. & Requirement</i>	SCCS General COC 5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 		
Evidence observed & Non-Conformance Description <i>(filled by auditor):</i> Based on Balance Sheet-RSPO Certified Product data, on October 2017-06 August 2018 (palmtrace period) CPO production was 40,505.18 tons and PK production was 10,013.26 tons, but on Transaction Report data on Palmtrace period 07 October 2017- 04 August 2018, there are CPO sales as many as 32,604.34 tons and PK sales of 5,741.12 tons. This shows that not all sales of certified products have been registered (shipping / remove) on Palmtrace data.			
Root Cause Analysis <i>(filled by organization audited):</i> Procedures related to registration in Etrace have not adjusted to the latest SCCS standards			
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none"> Shows revision of SOP etrace according to the latest SCCS standards Conduct socialization to PICs that register in etrace (marketing department) 			
Corrective Action <i>(filled by organization audited):</i> Updating the balance sheet data every month and ensuring registration on Etrace is carried out for all certified product sales including conventional sales every 3 months. The PIC for this matter is production clerk and monitored by the local PSQM.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 05 October 2018 The company shows SOP E-trace with effective date July 2017 which explains the mechanism for registering certified products including removing stock on palmtrace if there is a sale of certified products sold as conventional. In addition, there has been socialization related to the procedure on October 3, 2018 to 6 staff including 4 people from the Marketing Department by the Head of PSQM. Based on the explanation above, the nonconformity is stated to be fulfilled and will be observed in the next assessment.			
<i>Verified by</i>	: Muhammad Rinaldi		

<i>NCR No.</i>	: 2018.07	<i>Issued by</i>	: Muhammad Rinaldi
<i>Date Issued</i>	: 11 August 2018	<i>Time Limit</i>	: 10 November 2018
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 20 August 2018
<i>Standard Ref. & Requirement</i>	SCCS General COC 5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff		
Evidence observed & Non-Conformance Description <i>(filled by auditor):</i> Mill has shown the SCCS Training Program in 2017/2018, but has not been able to show the SCCS training program to contractors who handle certified CPO products			
Root Cause Analysis <i>(filled by organization audited):</i> The company does not know the obligation to conduct SCCS training to contractors so SCCS training program in 2017/2018 does not yet contain the training.			
Correction <i>(filled by organization audited):</i> The SCCS training program has been prepared for 2018/2019 which has included training for land CPO (truck) and Sea (barge) transport Contractors.			
Corrective Action <i>(filled by organization audited):</i> Carry out the arranged training programs according to the schedule that has been made.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 20 August 2018 The CH has demonstrated the Sukamandang Factory SCCS Training Program for 2018/2019 which includes training plans for all employees (May 2019), bulking employees (February 2019) and CPO transport contractors (May 2019). Based on the explanation, this nonconformity is Closed and will be observed again towards the implementation of the training in the next assessment.			
<i>Verified by</i>	: Muhammad Rinaldi		

<i>NCR No.</i>	: 2018.08	<i>Issued by</i>	: Muhammad Rinaldi
<i>Date Issued</i>	: 11 August 2018	<i>Time Limit</i>	: 10 November 2018
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 21 August 2018
<i>Standard Ref. & Requirement</i>	SCCS General COC 5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed		
Evidence observed & Non-Conformance Description <i>(filled by auditor):</i> The company showed proof of SCCS training to SMF employees conducted on August 10, 2018 with a total of 44 employees, training CPO to bulking transport contractors on August 10, 2018 to 10 contractor workers and training to bulking workers on March 10, 2018 to 14 bulking workers. However the company has not been able to show evidence of training to contractors who handle certified CPO products from bulking to buyers.			
Root Cause Analysis <i>(filled by organization audited):</i> The SCCS training is still not carried out because the company does not know about the obligation to socialize the barging transport contractor from Bulking to the buyer.			
Correction <i>(filled by organization audited):</i> The Pangkalan Banteng Bulking Team conducted a socialization of contractor employees in bulking when loading CPO from bulking to the Buyer.			
Corrective Action <i>(filled by organization audited):</i> 1. Socialization will be carried out before loading the CPO from Bulking to the Buyer 2. Marketing will do the socialization to each barge contractor who cooperates for the transport of CPO and PK (email request attached)			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 20 August 2018 The CH has shown evidence of communication (by email) on 14 August 2018 related to the notification for the implementation of the socialization to the barge transport contractor by HO marketing in Jakarta. The CH showed training evidence to 15 employees of the CPO barging contractor on August 14, 2018 in the form of minutes and photos, but the company did not show evidence of the attendance list. Based on this explanation, this non-conformity is still Open. 21 August 2018 The CH has been able to show evidence of the attendance list of the SCCS socialization to 15 employees of the CPO barging transport contractor on 14 August 2018 consisting of barge captain, surveyors, chief officers and others. Based on the explanation, this nonconformity is Closed.			
<i>Verified by</i>	: Muhammad Rinaldi		

NCR No.	: 2018.09	Issued by	: Muhammad Rinaldi	
Date Issued	: 11 August 2018	Time Limit	: 10 November 2018	
NC Grade	: Major	Date of Closing	: 16 September 2018	
Standard Ref. & Requirement	: D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.			
Evidence observed & Non-Conformance Description (filled by auditor): <p>The company has not been able to show separation of record sales of CPO & PK products with claims certified and non-certified/conventional</p>				
Root Cause Analysis (filled by organization audited): <p>Update Data on record sales of the latest CPO & PK products with certified and non-certified / conventional claims are still in HO Marketing on Jakarta and are being requested during the audit.</p>				
Correction (filled by organization audited): <p>Sending the SCCS balance sheet update until 06 August 2018.</p>				
Corrective Action (filled by organization audited): <p>Ensure data on sales records of CPO & PK products with certified and non-certified / conventional claims from HO marketing in Jakarta is obtained every month by Sukamandang Factory.</p>				
Assessor Evaluation and Conclusion (filled by auditor): <p>September 16, 2018 The CH has shown Balance Sheet-Supply Chain data which has explained production data and sales records of CPO & PK products with claims certified and not certified / conventional with the following data:</p>				
Month	CPO			
	Production (Kg)		Sold (Kg)	
	Certified	Non-Certified	Certified	Conventional
02-30 September 2017	4,205,724		4,718,549	118,735
October 2017	4,595,803		2,038,929	2,200,000
November 2017	4,106,931		4,101,383	-
December 2017	3,600,316		3,664,957	1,100,000
January 2018	3,297,605		1,452,350	-
February 2018	2,979,482		4,002,898	-
March 2018	3,500,083		4,200,000	-
April 2018	3,637,565		3,400,000	-
May 2018	4,660,017		-	4,200,000
June 2018	3,961,870		4,116,864	500,000
July 2018	5,098,302		2,000,000	1,000,000
1-6 August 2018	1,067,205			
Total	44,710,903		33,695,930	9,118,735
Month	PK			
	Production		Sold	
	Certified	Non-Certified	Certified	Conventional
02-30 September 2017	919,808		1,109,027	

October 2017	1,079,491		781,149	
November 2017	846,241		843,558	
December 2017	679,783		508,787	
January 2018	673,469		1,284,921	
February 2018	601,178		439,898	
March 2018	777,876		246,881	500,000
April 2018	801,519		698,819	
May 2018	1,056,442		941,145	
June 2018	790,633		994,768	
July 2018	1,083,004		63,319	600,000
1-6 August 2018	240,676		490,599	-
Total	9,550,120		8,402,871	1,100,000

Based on the explanation, **this non-conformity is Closed.**

Verified by	:	Muhammad Rinaldi
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3.5.3 Opportunity for Improvement

No	Ref. Std.	Description Deskripsi
1	2.1.1	Company need to ensure the implementation of training plans for the lifting of Sukamandang Estate and Sukamandang Factory. (Observation) .
2	4.4.2	Ensure the limits and signs of border areas for rivers and other water bodies in accordance with applicable regulations.
3	4.6.11	Ensure plans for the implementation of health checks for spray workers in September 2018. (Observation) .
4	4.7.2	The company needs to ensure the evaluation of HIRAC and has covered all types of activities
5	4.7.4	There are opportunities for improvement to ensure the management of the SMF & SME OHS Expert Certificate and the approval of the P2K3 SMF team. (Observation) .
6	4.7.5	Need to ensure the effectiveness of first aid training
7	5.2.5	Ensure documentation of HCV socialization, its minutes and ensure progress of Set-aside HCV negotiations (Observation)
8	5.3	Ensuring the Management of hazardous Waste and Domestic Waste (Observation)
9	6.3.2	Progress of complaints from the Workers' Union that do not involve the formation of an established Bipartite organization. (Observation) .
10	6.5.1	Follow up on the provisions of the Non Harvesting Premium based on Inter-Office Mail No.086 / RSP-12 / XII / 2016 dated 28 December 2016 to be consulted again with the Manpower and Transmigration Agency. (Observation) .
11	7.3.1	Need to re-ensure the progress of RACP PT KLR (Observation)

3.5.4 Noteworthy Positive Components

No	Descriptions
1	Teamwork, PIC competence, and good document presentation during the assessment process
2	Have an ISPO and RSPO certificate.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Sub-Department of Agriculture Kotawaringin Timur District – Head of Agriculture Division <ul style="list-style-type: none"> • There has been no additional operational area of the company • Ownership status is Land Use Tile • Never been informed about land dispute or conflict • Mandatory reporting such as Report on the development of the plantation business directly to the Province. District level has not received cc • Report on facilities and infrastructure and monitoring of land fires delivered to the province • There is no information overlapping land with mining areas • The HCV report as stated in regulation No. 41 of 2014 goes directly to the province 	<p>Has been verified in criterion 2.2</p>
Manpower and Transmigration Agency Kotawaringin Timur District– Head of Department; Head of Industrial Relationship Division <ul style="list-style-type: none"> • The company has made mandatory reporting; submission of reports to related agencies • There is no issue related to employment • Company regulations have been ratified in the province • The company facilitates the formation of labour union and supports the activities 	<p>Has been verified in criterion 6.5</p>
Sukamandang Village <ul style="list-style-type: none"> • Land clearing was carried out from 1995 with oil palm commodity types • There is no additional land since the first land clearance • Currently, there are no land disputes • There is no mining area within the company • CSR has been provided by the company in the form of road maintenance, religious activities and school operational assistance. • Has known the HCV area • Has been involved in identifying social and environmental impacts • 65% of the people work in the company • There are traditional activities and there has been assistance by the company • There is no environmental pollution including land burning • For CSR activities so far carried out on request, there has been no direct involvement for the preparation of CSR programs 	<p>This is in accordance with the criteria 2.2, 5.1, 5.2, 5.5, 6.1 and 6.11</p> <p>The preparation of CSR programs is carried out by participating in the village development meetings. The company can show the invitation letter and the minutes meeting.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
Tanjung Beras Village (village officials and previous land owner) <ul style="list-style-type: none"> Land clearing was carried out from 1995 with oil palm commodity types Initial land compensation is done by establishing a land acquisition team that involves community leaders. The compensation activity has been done through by negotiation. There is no mining area within the company CSR has been provided by the company in the form of road maintenance, religious activities and school operational assistance. Has known the HCV area, some of HCV land in Baras Danum Estate are own by the community There is no environmental pollution including land burning. 	<p>This is in accordance with the criteria 2.2, 5.1, 5.2, 5.5, 6.1 and 6.11</p> <p>For HCV area that own by the community has been observe on the indicator 5.2.5</p>
Gender Committee of PT KLR (Sukamandang Estate) <ul style="list-style-type: none"> Gender committee is still active. Annual routine programs have been partially realized such as socialization or training of Sexual Harassment Prevention. Other routine programs that are still implemented such as monthly posyandu, socialization of prevention of sexual harassment and reproductive health. Within 2017/2018 there were no reports of sexual harassment, violence against women workers or reproductive rights policy violations. Socialization of prevention policies of sexual harassment and protection of women's rights has been submitted to all workers and guarantee protection for the complainant or victims and witnesses. There is no reporting of discrimination especially on women workers conducted by the company. The company has provided opportunities to work without discriminating gender. The Company has consistently implemented H1 and H2 mechanisms. The procedure is still the same until this assessment. H1 should get approval from the assistant division and get examination at the clinic. Workers rest in the clinic / home during work permits and without pay cuts. Aspiration: <ol style="list-style-type: none"> Uniform procurement for gender committee during socialization. The management board of Gender Committe has not been known by the management and employees. 	<p>Based on document review has been shown some gender committee programs that have been realized and documented by the Officer of each unit.</p> <p>No issue of employment discrimination by sex, sexual harassment or infringement of the reproductive rights of women workers.</p>
CV Mitra Seruyan Permai, CPO Transport – Rantau Pulut Village <ul style="list-style-type: none"> There are 10 units (7 that are used). From Sukamandang Factory to Sibukat Mill. Every employment contract is made in accordance with the agreement of both parties and held by the copy of each party. The employment agreement contains articles such as payment methods, occupation, OHS aspects and employment such as the provision of PPE and registration on accident insurance of contractor workers by the 	<p>This is in accordance with criterion 6.10.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>contractor.</p> <ul style="list-style-type: none"> • Payments by the company have been made on time and in accordance with the agreement. • Contractors assess the company has given opportunity to local contractors. • There are no work accidents. • Aspiration: filling in the morning CPO is a bit late, hopefully it can be early, there is still much access to the road from the Mill out of the Estate. 	
<p>CV Ayawan Jaya, CPO Transport – Ayawan Village, Kuala Pembuang District.</p> <ul style="list-style-type: none"> • Start working with PT Kridatama Lancar since 2001. Operated with 7 unit trucks and drivers. • Contracts of employment with the company are made on the basis time of completion of work is 6 months. • Every employment contract is made in accordance with the agreement of both parties and held by the copy of each party. • The employment agreement contains articles such as payment methods, occupation, OHS aspects and employment such as the provision of PPE and registration on accident insurance of contractor workers by the contractor. • Payments by the company have been made on time and in accordance with the agreement. • Contractors assess the company has given opportunity to local contractors. • Aspiration: <ol style="list-style-type: none"> 1. Mill has not been shown the extension of the last contract (contractor with SMF has passed 1 year). 2. There has been no evidence of PPH deduction from the company. 	<p>The documents review relating to contracts made has been signed by both parties covering technical aspects, implementation reports, payments, OHS aspect and employment.</p>
<p>Worker Union of PT KLR</p> <ul style="list-style-type: none"> • Start from 2013 to 2016 it has only been active. And now active for the last 4 months due to lack of communication between the company and workers. • Number of members are 450 workers at estate and Mill. • The internal meeting of SPSI is in accordance with the needs of each work unit in the company. • There are no specific issues related to labor and industry. • The latest listing in the Man Power Agency District at 2013. • The Company has implemented a minimum wage of 2018 that is IDR 2,675,500, -. • Internal meetings or meetings with management have been conducted and the results are documented in the form minutes of meetings. • Aspirations : <ol style="list-style-type: none"> 1. The Worker Union complained that the company did not involve them in the formation and organization of the 	<p>This is in accordance with criterion 6.5, 6.6.</p> <p>For the formation on Bipartit Organization has been noted as observation for next assessment.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Bipartite that had been formed. Even though it has been recorded in the Man Power Agency.</p> <p>2. Progress of appointment of permanent workers is more transparent.</p>	
<p>FFB Contractor Local</p> <ul style="list-style-type: none"> • Every employment contract is made in accordance with the agreement of both parties and held by the copy of each party. • The employment agreement contains articles such as payment methods, occupation, OHS aspects and employment such as the provision of PPE and registration on accident insurance of contractor workers by the contractor. • Payments by the company have been made on time and in accordance with the agreement. • Contractors assess the company has given opportunity to local contractors. • There are no work accidents. 	<p>This is in accordance with criterion 6.10.</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	<p>Formal Sign-off of Assessment Findings</p> <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Kridatama Lancar Head of PSQM Minamas Plantation, Sime Darby Plantation Bhd</p>  <p><u>Mohamad Pirabaharan</u> 5 October 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Muhammad Rinaldi</u> 5 October 2018</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1.	Plantation Agency Kotawaringin Timur	District Kotawaringin Timur	-	Interview	7 August 2018	√	-
2.	National Land Agency Kotawaringin Timur	District Kotawaringin Timur	-	Interview	7 August 2018	-	√
3.	Labor Agency Kotawaringin Timur	District Kotawaringin Timur	-	Interview	7 August 2018	√	-
4.	Environment Agency Kotawaringin Timur	District Kotawaringin Timur	-	Interview	7 August 2018	-	√
5.	Village Community Council of Tajur Beras & Sukamandang Village	District Kotawaringin Timur	-	Interview	7 August 2018	√	-
6.	FFB Local Contractor	District Kotawaringin Timur	-	Interview	7 August 2018	√	-
7.	Union Labour PT KLR	District Kotawaringin Timur	-	Interview	7 August 2018	√	-
8.	Gender Committee PT KLR	District Kotawaringin Timur	-	Interview	7 August 2018	√	-
9.	Sukamandang Factory <ul style="list-style-type: none"> • 3 grading officer • 3 sterilizer operator • 1 engine operator • 1 boiler operator • 1 kernel room operator • 1 WTP officer • 1 warehouse officer • 2 mechanic • 6 firefighter officer • 1 security • 1 weighbridge officer • 1 logistic clerk 	District Kotawaringin Timur	-	Interview	10 August 2018	√	-
10.	Sukamandang Estate <ul style="list-style-type: none"> • 1 security • 1 generator operator • 1 BSS officer • 2 mechanic • 2 warehouse officer • 3 daycare officer • 2 paramedic • 7 spray worker 	District Kotawaringin Timur	-	Interview	10 August 2018	√	-
11.	Sapiri Estate <ul style="list-style-type: none"> • 3 manuring worker • 1 warehouse officer • 1 BSS & BMS officer • 1 mechanic • 1 hazardous waste temporary storage officer 	District Kotawaringin Timur	-	Interview	10 August 2018	√	-

	<ul style="list-style-type: none"> • 3 daycare officer • 1 generator operator • 1 water machine officer 						
12.	Baras Danum Estate <ul style="list-style-type: none"> • 2 harvester • 4 manuring worker • 3 Spray worker 	District Kotawaringin Timur	-	Interview	10 August 2018	√	-
13.	Kuala Kuayan Estate <ul style="list-style-type: none"> • 6 manuring worker • 5 spray worker 	District Kotawaringin Timur	-	Interview	10 August 2018	√	-
14.	WALHI	Jakarta	informasi@walhi.or.id	email	31 July 2018	-	√
15.	Sawit Watch		info@sawitwatch.or.id	email	31 July 2018	-	√
16.	WWF		wwf-indonesia@wwf.or.id	email	31 July 2018	-	√
17.	AMAN		rumahaman.cbn.net.id	Interview	31 July 2018	√	-

Appendix 2. Assessment Program

DATE	06-10 August 2018	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 06 August 2018		
06.00 – 08.00 08.30 – 14.00 15.00 – 15.30 15.30 – 17.00	JAKARTA → Sampit Sampit → PT. KLR Opening Meeting PT. KLR Document Review: <ul style="list-style-type: none"> Review of Previous Visit Non-conformance (RC) Collect Basic Information (Mill and Estates) Review of Partial Certification and Time Bound Plan 	• ALL Team
Tuesday, 07 August 2018		
08.00 – 12.00	<ul style="list-style-type: none"> Public Consultation with Government in Sampit Stakeholders consultation to Nearest village and community leader (Biring Kapuk & Sukamandang Village) Stakeholders consultation to Labour Union, Committee Gender, EFB/CPO transporter, Local Contractor 	RAN & HKR MRD DWH
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team
Wednesday, 08 August 2018		
08.00 – 12.00	Field Observation SAPIRI & BARAS DANUM ESTATE <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect. 	All Team
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team
Thursday, 09 August 2018		
08.00 – 12.00	Field Observation KUALA KUAYAN & SUKAMANDANG ESTATE <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application, Fragile Soil Management Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect. 	All Team
	Field Observation to Bulking Area	MRD
12.00 – 14.00	Break	

DATE	06-10 August 2018	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team
Friday, 10 August 2018		
08.00 – 11.30	Field Observation SUKAMANDANG POM <ul style="list-style-type: none"> Workshop, Chemical Storage, Loading Ramp (Grading), waste management Supply Chain & Operational activities WWTP (IPAL), Land Application (LA), WTP, Hazardous Waste Material (LB3) management 	All Team
11.30 – 15.00	Break and internal tim auditor	
15.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	All Team
Saturday, 11 August 2018		
08.00 – 10.00	<ul style="list-style-type: none"> Closing Meeting PT KLR → PT TSA 	All Team