

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

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

Name of Management Organisation : **Mustika Factory – PT Sajang Heulang subsidiary of SIME DARBY PLANTATION Berhad**

Plantation Name : **PT Sajang Heulang- Mustika Estate, KKPA-2, KKPA-3 and KKPA-5**

Location : **Kuranji Village, Kuranji Sub-district, Tanah Bumbu District, Province of Kalimantan Selatan, Indonesia**

Certificate Code : **MUTU-RSPO/027**

Date of Certificate Issue : 03 July 2018 Date of License Issue : 03 July 2018

Date of Certificate Expiry : 02 July 2023 Date of License Expiry : 02 July 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	04 – 09 May 2018	Moh Arif Yusni, Sofyan Hadi Lubis, Satria Adi Putra, Rindu Galih Rezza Rachmansyah, Steve Mualim	Ganapathy Ramasamy	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	03 August 2018

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Figure 1. Location Map of PT Sajang Heulang



Figure 2. Operational Map of PT Sajang Heulang

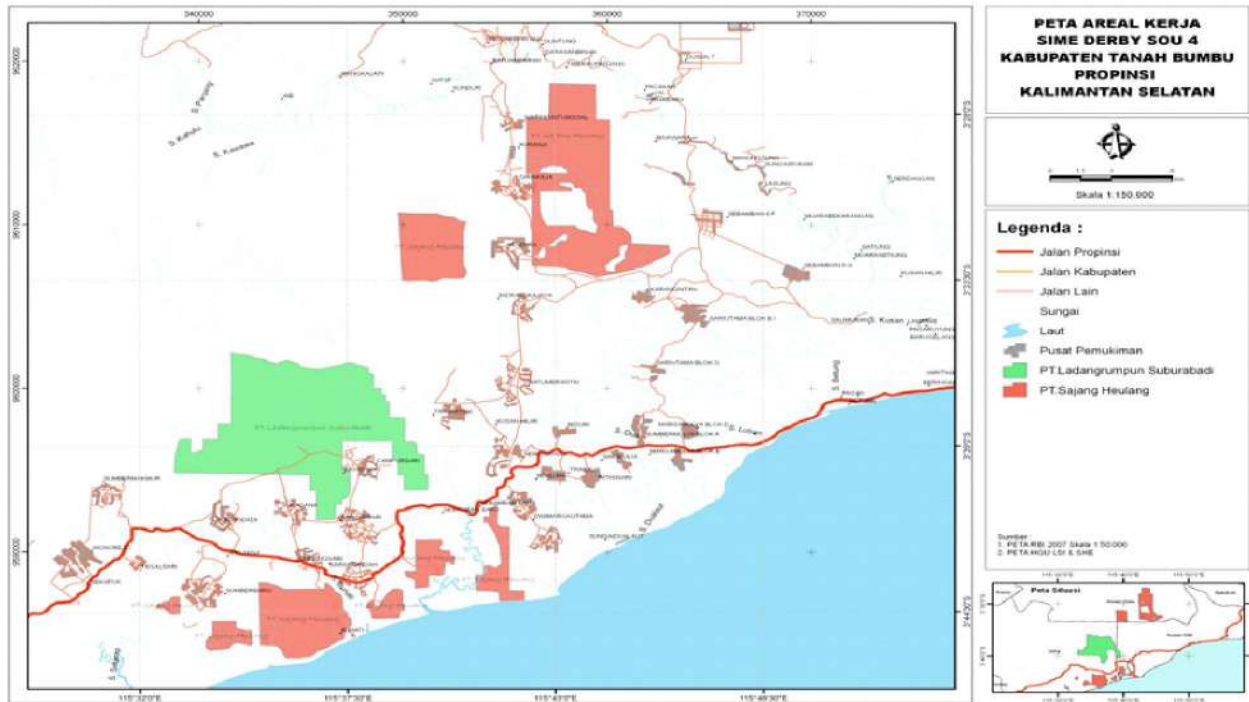
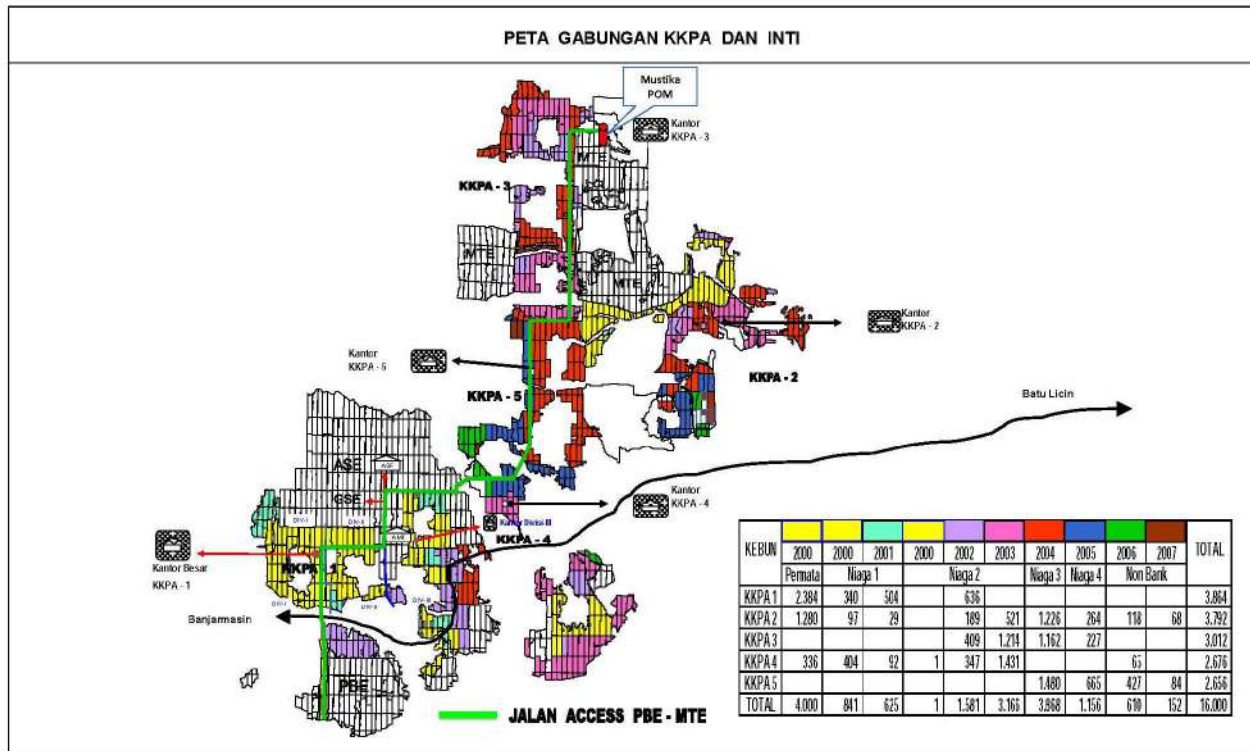


Figure 3. Operational Map of Mustika Estate, KKPA-2, KKPA-3, KKPA-5



Abbreviations Used

AMDAL	: Analisis Mengenai Dampak Lingkungan (<i>Social and Environmental Impact Assessment</i>)
ASA	: Annual Surveillance Assessment
BOB	: Barn Owl Box
BOD	: Biological Oxygen Demand
BPJS	: <i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance Agency)
BPN	: Badan Pertanahan Nasional (<i>National Land Agency</i>)
BSS	: Block Spraying System
CB	: Certification Body
CSR	: Corporate Social Responsibility
CD	: Community Development
CEO	: Chief Executive Officer
CH	: Certificate Holder
COD	: Chemical Oxygen Demand
CPO	: Crude Palm Oil
EFB	: Empty Fruit Bunch
EHS	: Environment Health and Safety
EIA	: Environmental Impact Assessment
EWS	: Early warning system
FFB	: Fresh Fruit Bunches
FPIC	: Free Prior and Informed Consent
GHG	: Green House Gases
GM	: General Manager
HCV	: High Conservation Value
HGU	: Hak Guna Usaha. (<i>Land Use Permit</i>)
HIRAC	: Hazard Identification Risk Assessment and Risk Control
HPO	: Head Plantation Operation
HPUI	: Head Plantation Upstream Indonesia
IPM	: Integrated Pest Management
IUP	: Izin Usaha Perkebunan. (<i>Plantation Operation Licence</i>)
KER	: Kernel Extraction Rate
KKPA	: <i>Kredit Kepada Koperasi Primer untuk Anggotanya</i> (Associated smallholder)
KUD	: <i>Koperasi Unit Desa</i> (Village Unit Cooperatives)
LSU	: Leaf sampling unit
LUCA	: Land Use Change Analysis
MRC	: Minamas Research Centre
MSDS	: Material Safety Data Sheet
MTE	: Mustika Estate

MTF	: Mustika Factory
NGO	: Non-Government Organizations
OER	: Oil Extraction Rate
OFI	: Opportunity of Improvement
OHS	: Occupational Health and safety
P2K3	: <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Occupational Safety and Health Committee)
PIC	: Person in Charge
PK	: Palm Kernel
POM	: Palm Oil Mill
POME	: Palm oil mill effluent
PPE	: Personal Protection Equipment
PSD	: Plantation Services Departement
RACP	: Remediation and Compensation Plan
RKL	: Rencana kelola lingkungan (Environment Management Plan)
RKS	: Rencana kelola sosial (Social Management Plan)
RPL	: Rencana pemantauan lingkungan (Environment Monitoring Plan)
RPS	: Rencana pemantauan sosial (<i>Social Monitoring Plan</i>)
RTE	: Rare, Threatened or Endangered
SCCS	: Supply Chain Certification Standard
SEIA	: Social Environment Impact Assessment
SHE	: Sajang Heulang
SGM	: Senior General Manager
SIA	: Social Impact Assessment
SOP	: Standart Operational and Procedure
WTP	: Water Treatment Plant
WWTP	: Waste Water Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT						
1.1	Assessment Standard Used		<ul style="list-style-type: none"> <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016</i> <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Rev. June 2017 (Module D / E for CPO Mill)</i> <i>RSPO Certification Systems approved by RSPO Executive Board 26 June 2007, revised 30 August 2011</i> 				
1.2	Organisation Information						
1.2.1	Organisation name listed in the certificate	PT Sajang Heulang - Sime Darby Plantation Plantation Berhad					
1.2.2	Contact person	Mohamad Pirabaharan					
1.2.3	Organisation address and site address	RSPO registered company: No 2, Plantation Tower, PJU 1A/7Street, Petaling Jaya, Malaysia 47301. Liaison Office: The Plaza Office Tower, 36 Floor, JL. MH Thamrin Kav. 28-30, Jakarta 10350, Indonesia.					
1.2.4	Telephone	+62-21-29926000					
1.2.5	Fax	+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					
1.2.9	Registered as RSPO member	1-0008-04-000-00 07 September 2004					
1.3	Type of Assessment						
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and its supply base: <ul style="list-style-type: none"> Mustika factory supplied by four (04) estates: Mustika Estate, KKPA-02, KKPA-03 & KKPA-05. 					
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 <table border="1"> <tr> <th>Latitude</th> <th>Longitude</th> </tr> <tr> <td>S 3° 29' 19"</td> <td>E 115° 44' 19"</td> </tr> </table>	Latitude	Longitude	S 3° 29' 19"	E 115° 44' 19"
Latitude	Longitude						
S 3° 29' 19"	E 115° 44' 19"						
	Mustika Factory	Kuranji Village, Sub District of Kuranji, District of Tanah Bumbu, Province of Kalimantan Selatan, Indonesia					
1.4.2	Location of Certification Scope of Supply Base						

	Name of Supply Base	Location	Coordinate			
			Latitude	Longitude		
	KKPA-2	Sari Utama Village, Harapan Jaya Village, Sub District of Sungai Loban; Angley Village, Berangan Village, Sub District of Kusan Hulu; Ringkit Village, Sub District of Kuranji; District of Tanah Bumbu, province of Kalimantan Selatan, Indonesia	S 3° 33' 51"	E 115° 47' 29"		
	KKPA-3	Kuranji Village, Giri Mulya Village, Tiberau Panjang Village, Tapus Village, Waringin Tunggal Village, Sub District of Kuranji, District of Tanah Bumbu, province of Kalimantan Selatan, Indonesia.	S 3° 28' 22"	E 115° 41' 07"		
	KKPA-5	Indraloka Jaya Village, Trimartani Village, Kertabuana Village, Batu Martani Village; Sub District of Kuranji; District of Tanah Bumbu, Province of Kalimantan Selatan, Indonesia	S 3° 35' 02"	E 115° 41' 17"		
	Mustika Estate	Kuranji Village, Sub District of Kuranji, District of Tanah Bumbu, Province of Kalimantan Selatan, Indonesia.	S 3° 29' 20"	E 115° 42' 58"		
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		7,794	Ha		
	• Community		9,761.83	Ha		
<i>*Total land use title (HGU) of PT. SHE is 7,794 Ha which is 5,078.93 Ha is under Mustika Estate, the remaining area is owned and managed by Pantai Bonati Estate (under scope of Angsana Factory).</i>						
1.5.2	Area Statement					
			PT SHE (Ha)	KKPA (Ha)	Total (Ha)	
	• Total area		5,078.93	9,761.83	14,840.76	
	• Mature area		3,723.73	9,460.00	13,183.73	
	• Immature area		85.97	0	85.97	
	• Mill		39.47	0	39.47	
	• Emplishment / Workers Quarter		58.24	21	79.24	
	• Infrastructure (Road & Bridges)		132.1	280.83	412.93	
	• Occupation		221.93	0	221.93	
	• Others area (rivers & hill)		517.79	0	517.79	
	• HCV		299.70	0	299.70	
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		Mustika Estate	KKPA-2	KKPA-3	KKPA-5	Total
	1995	484.23	-	-	-	484.23
	1996	1,198.59	-	-	-	1198.59
	1997	408.38	-	-	-	408.38
	1998	286.91	-	-	-	286.91

	1999	255.14	-	-	-	255.14	
	2000	-	1,377.00	-	-	1377.00	
	2001	9.81	29.00	-	-	38.81	
	2002	-	189.00	409.00	-	598.00	
	2003	-	521.00	1,214.00	-	1735.00	
	2004	-	1,226.00	1,162.00	1,480.00	3868.00	
	2005	688.86	264.00	227.00	665.00	1844.86	
	2006	280.07	118.00	-	427.00	825.07	
	2007	111.75	68.00	-	84.00	263.75	
	2016	85.97	-	-	-	85.97	
	TOTAL	3,809.71	3,792.00	3,012.00	2,656.00	13,269.71	
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 (MT/hour)	FFB Processed (MT/year)	CPO		Palm Kernel	
				Out put (MT)	Extraction (%)	Out put (MT)	Extraction (%)
	Mustika	60	178,546.86	37,941.21	21.25	7,677.51	4.30
	<i>*Production data source from May 2017 – April 2018</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (MT/year)	Yield (MT/ha/year)	Supplied to Mill	
						FFB (MT/year)	%
	Mustika	5,078.93	3,809.70	56,086.00	14.72	53,247.60	94.94
	KKPA-2 (2,208 SH)	3937.00	3792.00	60,454.87	15.94	60,309.61	99.76
	KKPA-3 (2160 SH)	3012.00	3012.00	46,416.73	15.41	46,416.73	100.00
	KKPA-5 (1601 SH)	2812.83	2656.00	37,736.19	14.20	18,572.920	49.22
	TOTAL	14,840.76	13,269.70	200,693.79	15.12	178,546.86	88.96
	<i>*Production data source from May 2017 – April 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 (MT/year)		
	-	-	-	-	-		
	TOTAL						
	<i>*Production data source from May 2017 – April 2018</i>						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product		Actual certified product				

		September 2017 – August 2018 (MT/year)						
	• FFB Production	178,546.86						
	• CPO Production	39,162.32						
	• Palm Kernel (PK) Production	8,091.26						
1.8.2	Product selling							
	Tonnage of selling product	Period of actual selling product (September 2017) to (August 2018)						
	• CSPO sold as RSPO certified product	36,143.51 MT						
	• CSPK sold as RSPO certified product	7,977.45 MT						
	• CSPO sold under other scheme	-						
	• CSPK sold under other scheme	-						
	• CSPO sold as conventional	-						
	• CSPK sold as conventional	-						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (MT/year)	Yield (MT/ha/year)			
	Mustika	5,078.93	3809.70	59,025	15.49			
	KKPA-2 (2,208 SH)	3,937.00	3792.00	60,782	16.03			
	KKPA-3 (2,160 SH)	3,012.00	3012.00	46,017	15.28			
	KKPA-5 (1,601 SH)	2,812.83	2656.00	37,725	14.20			
	TOTAL	14,840.76	13269.70	203,549	15.34			
	<i>*Projected FFB production for 03 July 2018 to 02 July 2019</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (MT/ hour)	FFB Processed (MT)	CPO (MT)	Palm Kernel (MT)	Supply Chain Module		
	Mustika Factory	60	203,549	44,781	9,151	IP		
	<i>*Projected CSPO and CSPK production for 03 July 2018 to 02 July 2019</i>							
1.9	Other Certifications							
	ISO 9001:2008		-					
	ISO 14001: 2004		-					
	OHSAS 18001:2007		-					
	ISCC		-					
	Others		-					
1.10	Time Bound Plan							
1.10.1	Sime Darby Plantation Berhad Time Bound Plan							
	Management Unit		Supply Base	Time Bound Plan	HGU on Process		Location	Status
	Mill	Time Bound Plan			Ha	Time Bound		

					Plan		
INDONESIA							
Sekunvir. PT. Indotruba Tengah	2010	Sekunvir	2010			Seruyan and West Kotawaringin District – Central Kalimantan	Certified
		Seruyan	2010				Certified
Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010			Rokan Hilir District – Riau	Certified
		Manggala 2	2010				Certified
		Manggala 3	2010				Certified
Bukit Ajong PT. Sime Indo Agro	2010	West	2010	1,652	2019	Sanggau District –West Kalimantan	Certified
		East	2010				Certified
		Sei Mawang	2018				-
		East Plasma	2010				Certified
		West Plasma	2010				Certified
Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	421.31	2020	Pekanbaru, Siak District – Riau	Certified
		Pinang Sebatang	2011				Certified
		Aneka Persada	2011				Certified
Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	308.25	2020	Musi Rawas District – South Sumatera	Certified
		Bukit Pinang	2012				Certified
Pemantan g. PT. Teguh Sempurna	2011	Pemantang	2011			Seruyan and East Kotawaringin Dist rict – Central Kalimantan	Certified
		Kawan Batu	2011				Certified
		Hatan Tiring	2011				Certified
		Batang Garing	2011				Certified
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011			Rokan Hilir District – Riau	Certified
Teluk Bakau. PT. Bhumireks a Nusa Sejati	2011	Teluk Bakau	2011			Indra Giri Hilir District – Riau	Certified
		Nusa Perkasa	2011				Certified
		Nusa Lestari	2011				Certified
Mandah PT. Bhumireks a 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 Ladangrum	2011	Angsana	2011			Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011				Certified
		KKPA-4	2013				Certified

pun Suburabad i		PT.SHE					
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				
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	765	2020	Kotabaru District – South Kalimantan	Certified
		Gunung Kemasan	2011				Certified
		Laut Timur	2011				Certified
		Pantai Timur	2011				Certified
		KKPA BSS	2020				-
Bebunga. PT. Langgeng Muaramak mur	2011	Sungai Cengal	2011	1,162	2020	Kotabaru District – South Kalimantan	Certified
		Bebunga	2011				Certified
		KKPA Sungai Cengal	2014				Certified
Sukamand ang PT Kridatama Lancar	2011	Sukamandang	2011			Seruyan and East Kotawaringin Dist rict – Central Kalimantan	Certified
		Sapiri	2011				Certified
		Barasdanum	2011				Certified
		Kuala Kuayan	2011				Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	1,120	2020	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012				Certified
		Rampa	2012				Certified
		Sesulung	2012				Certified
Selabak *) PT Swadaya Andhika	2012	Selabak	2012	63	2020	Kotabaru District – South Kalimantan	Certified
		Randi	2012				Certified
		Sangkoh	2012				Certified
		Lanting	2012				Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012			Kotabaru District – South Kalimantan	Certified
		Matalok	2012				Certified
Betung. PT Laguna Mandiri	2014	Betung	2012			Kotabaru District – South Kalimantan	Certified
		Sekayu	2012				Certified
Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012			Morowali District – Sulawesi Tengah	Certified
		Plasma TGK	2015				Certified
Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	1,639	2020	Muaro Jambi District - Jambi	Certified
		Plasma BGR	2020				-

Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	4,133	2020	Musi Banyuasin District – South Sumatera	Certified
		Bumi Ayu	2012				Certified
		Karang Ringin	2012				Certified
		Napal	2012				Certified
		Mangun Jaya	2012				Certified
		Sungai Jernih Estate and GPI KKPA	2017				-
Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	1,286	2020	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
		Batang Ara (PT PSK)	2013				Certified
		Blang Simpo- 01	2013				Certified
		Blang Simpo- 02	2013				Certified
MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2018			Sanggau District – West Kalimantan	-
		MAS 1	2018				-
		MAS 1	2018				-
		Plasma MAS	2020				-
Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014			Ketapang District – West Kalimantan	Certified
		Awatan	2014				Certified
		Karya Palma	2018				-
		KKPA SNP	2020				-
		Pelanjau (PT BAL)	2018				-
		Sungai Putih (PT BAL)	2018				-
		Baturus (PT BAL)	2018				-
		KKPA BAL	2020				-
MALAYSIA							
Sg Dingin SOU 1	2010	Bukit Hijau	2010			Kerangan, Kedah	Certified
		Padang Buluh	2010				Certified
		Bukit Selangor	2010				Certified
		Sg Dingin	2010				Certified
		Jentayu	2010				Certified
		Anak Kuli	2010				Certified
		Somme	2010				Certified
Chersonese SOU 2	2011	Chersonese	2011			Kuala Kurau, Perak	Certified
		Holyrood	2011				Certified
		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
Tennamara m 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
	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
<ul style="list-style-type: none"> • Mosa • Kumbango • Kapiura • Namumdo • Waraston 	2008		Bebere	2008		West New Britain	Certified
			Kumbango	2008			Certified
			Togulo	2008			Certified
			Dami	2008			Certified
			Waisisi	2008			Certified
			Kautu	2008			Certified
			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)K aulong / 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 Berhad 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 Berhad 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					
	Mustika factory does not receive FFB from third parties (outgrower) but receive FFB from Associated Smallholders (KKPA) that's certified since 2013					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
RC	<p>1. Moh Arif Yusni (Lead Auditor). Indonesian citizen, bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection) Faculty of Agriculture. He has a working experience for 2 (two) years since 2010 as Operational staff in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. Training attended: ISO 19011, ISO 9001; ISPO 14001, RSPO Lead Auditor, ISPO Lead Auditor, OHS Expert, OHS Auditor based on National Government No 50 year of 2012. Since 2012 has been following many audit as auditor for ISPO and RSPO Scheme for several aspect, such as land Legality, Worker Welfare, OHS, transparency, long term economic aspect and Supply chain for palm oil mill. During the assesment the auditor Legality, SCCS, land dispute and OHS aspect.</p> <p>2. Steve Mualim (Auditor). Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as Environmental management consultant (2012) and Sustainable palm oil assurance auditor since 2013. Has been attended several trainings e.g : ISCC in house training, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, and ISO 9001:2008. Has been conducted several audits for RSPO / ISPO scheme since 2013 for best management practices, conservation, and environmental management. Fluent in bahasa and chinese mandarin. During this audit, he assigned to verify environmental management aspect and HCV.</p> <p>3. Sofyan Hadi Lubis (Auditor). Sofyan Hadi Lubis (Auditor). Master's Program in Environmental and Natural Resource Management and Bachelor of Social Economic Agriculture. Has been involved as a researcher at the Research Centre of Forestry and Climate Change and Cooperation IPB-ETH Zurich Swiss-NUS Singapore regarding carbon stock analysis. The training has been followed, among other climate change mitigation and adaptation for agricultural productivity in Southeast Asia, Asian Carbon Update and Network and Climate Change Mitigation and Adaptation for Agricultural Productivity, Environmental Impact Assessment (EIA), Lead Auditor ISPO (Indonesian Sustainable Palm Oil), IHT-RSPO, ISO 9001, HCV, ISO 14001, Calculation of Greenhouse Gases (GHG), ISCC Plantation Audit and Land Use Assessment, Green Industry and ISCC EU and Plus Basic Training. Furthermore, he also worked as a staff environmental consulting firm and currently working as an auditor in the certification body (PT Mutuagung Lestari). He has has conducted audits for ISPO scheme, RSPO and ISCC in oil palm plantations as an auditor. During this audit, he verified environment, conservation, and GHG aspect.</p> <p>4. Satria Adi Putra (Auditor Trainee). Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Awareness, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011 and ISO 22000. During this audit, he assigned is support to collect data related to best management practices for Mill and Estate.</p> <p>5. Rindu Galih Rezza Rachmansyah (Auditor Trainee). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 1 year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reklamation on BUMN Indonesia as Assistant. Training which had attended including Training Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, Training ISPO, RSPO awareness, RaCP and NPP awareness for RSPO, OHSAS 18001 : 2007. During this audit, he assigned is support to collect data related to transparancy and worker welfare.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
RC	<p>Number of auditors : 3 auditor and 2 auditor trainee</p> <p>Number of days for RC at site: 4 days</p> <p>Number of working days for RC at site : 12 Working days</p>
2.2.2	Assessment Process
RC	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT.

Sajang Heulang 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 June 2017 (Module E for CPO Mill).*

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) 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 Recertification delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-1.1).

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

The assessment program please find Appendix 2.

2.2.3	Locations of Assessment
RC	<p>Number of units in this certification activity is four (4) estates, which supply the raw material (FFB) to Mustika palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are Mustika palm oil mill and Mustika estates and KKPA-3 estate)</p> <p>Mustika Factory</p> <ol style="list-style-type: none"> Security. Observation and interview with key personnel related to implementation of Supply Chain Requirement Weighbridge. Observation and interview with key personnel related to implementation of Supply Chain Requirement Grading Station. Observation and interview with key personnel related to implementation of FFB grading system. All processing station (Sterilizer, Hoisting Crane, Thresher, Pressing, Digester, Clarifier). Observation on FFB processing, worker welfare and OHS Aspect WTP Station. Observation on water management plan for Mill processing. Boiler Station. Observation of renewable fuel using Fibers and shell, and interview of OHS implementation with key personnel. Workshop. Observation on maintenance activities and interview with foreman related understanding of working procedure. Warehouse complex (Chemical, material warehouse, and workshop). Observation and interview on environmental aspect, OHS implementation and understanding of working procedure. Hazardous Waste Temporary Warehouse. Observation on hazardous waste management. Emergency Response at Mill. Observation on emergency response facilities (hydrant hose reel) and drill. Sparepart store. Observation related to OHS and hazardous material handling Waste water treatment plant. Observation for waste water management Solid Waste area , observation about solid waste management <p>Mustika estate</p> <ol style="list-style-type: none"> Harvesting division IV. Observation on harvesting, OHS, and welfare aspect. Circle and path spraying division III. Observation on weed control by agrochemical, OHS, and worker welfare aspect. Pondok 3 housing. Observation related OHS and workers welfare Pondok 1 housing. Observation related OHS and workers welfare EFB application block K20. Observation related waste utilization Land application block J32/J33. Observation related waste utilization landfill block H32. Observation for domestic waste management Chemical store. Observation related to OHS and hazardous material handling

22. **Fertilizer store.** Observation related to OHS and hazardous material handling
23. **Sparepart store.** Observation related to OHS and hazardous material handling
24. **Temporary hazardous waste storage.** Observation related to OHS and toxic and hazardous material handling
25. **Block spraying system and block manuring system.** Observation for agrochemical handling and PPE storage
26. **Children daycare.** Observation for workers welfare
27. **Workshop.** Observation for OHS and workers welfare
28. **Landfires facilities and emergency response team simulation.** Observation for landfires facilities
29. **Bakarang riparian block G24/H24 div 4.** Observation for HCV management
30. **Boundary markers no. 43 Division I and boundary markers no. 38 Division III Mustika Estate.** Observastion related to Boundary markers.

KKPA 3

31. **Kuranji riparian block G14/G15 div 1.** Observation for HCV management
32. **Mustika riparian block L15 div 3.** Observation for HCV management
33. **Diesel fuel tank.** Observation related to OHS and emergency response facilities
34. **Gasoline and lubricants store.** Observation related to OHS and emergency response facilities
35. **Block spraying system and block manuring system.** Observation for agrochemical handling and PPE storage
36. **Workshop.** Observation for OHS and workers welfare
37. **Chemical store.** Observation related to OHS and hazardous material handling
38. **landfill block G10.** Observation for domestic waste management
39. **KKPA-3 housing.** Observation related OHS and workers welfare/facilities

Stakeholders

40. Relevant agencies : Agriculture Agency and Manpower & Transmigration Agency of Tanah Bumbu District
41. Surrounded village : Relevant community in Mustika Village and Kuranji Village
42. Local Stakeholder : Worker union, gender commitee, worker cooperative and local contractor

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
RC	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Sajang Heulang was held by:</p> <ul style="list-style-type: none"> • Public Announcement at Mutuagung website www.mutucertification.com and www.rspo.org on 28 March 2018. • Consultation with Government Agency (Manpower and Transmigration Agency, Agriculture Agency of Forestry and Plantation Departement) on 07 May 2018. • Consultation with with relevant community in Mustika Village and Kuranji Village on 08 May 2018. • Consultation with with Village Coperative Unit of Luwuh Sari on 08 May 2018. • Consultation with Internal Stakeholders (Labor Union and Gender Comitee) on 08 May 2018. • Consultation with Local Contractor on 08 May 2018
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit ASA-1.1 will be determined 8 to 12 months after certificate issued

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of **Mustika Factory – PT Sajang Heulang, Sime Darby Plantation Berhad** consisting of one (1) mill and supplied by one (1) oil palm estates and three (3) associated smallholders.

During the assessment, there were nine (9) Nonconformities were assigned against Major Compliance Indicators, four (4) nonconformities were assigned against Minor Compliance Indicators and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. Those corrective actions taken that consist of nine (9) Major non-conformities had been Closed shall be verified during next assessment.

MUTUAGUNG LESTARI found that **Mustika Factory – PT Sajang Heulang, Sime Darby Plantation Berhad** 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 June 2017 (Module D / E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO **Certification of compliance is issued**

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>The company has the list of stakeholder updated on 31 December 2017, consist of government, leader community, contractors, worker organizations, and NGOs. Based on interview with company's management, the list of stakeholders have been updated every time there is a revision or will be updated every year. The company has a list of information that can be accessed by relevant stakeholders, namely:</p> <ul style="list-style-type: none"> • Document of Land Clearing, mature & immature area and List of Infrastructure Facilities. • Document of Plantation Business Permit, SEIA, and Land Use Title, • OHS Document • HCV Document • Pollution Prevention and Reduction Plans • Details of Complaints and Complaints, Negotiation Procedures, Sustainable Improvement Plans • Public Summary of Certification Assessment • Human Rights Policy • Etc. <p>Based on interview with Agriculture Agency and Manpower & Transmigration Agency of Tanah Bumbu District, they've already know the person in charge for communication with stakeholder. Head of Administration is in charge for providing and updating the list of stakeholder and communicating, and provide, update and response the information for stakeholders.</p>	

Based on the result of document review and interview with the management it is known that PT Sajang Heulang has not been able to show evidence of HGU reporting to the Related Institution. It is not in accordance with the Regulation of the Minister of Agrarian Affairs and Spatial Planning / Head of National Land Agency Number 7 of 2017 concerning Arrangement and Procedure for the Right to Use of Business, Article 40 stating "That Rightsholders are obliged to: (point g)" submit report regarding the use and utilization of the Right to Business to the Head of the local Land Office, written at the end of each year ". Based on the explanation then this raised **Non conformance No.2018.01 with minor category**

1.1.2

Procedure for respond to stakeholder is also written on "SOP of Information Request" revision 2 dated 1st February 2016. It explains the kind of documents that can be accessed publicly and the time given to respond the request for information from stakeholders. Based on procedure, the time to respond to information if it does not require approval from the Department Head is 1 week. If head department approval is required, the response time is 1 month.

The company was documented all of incoming and outgoing letter from stakeholder. Based on document verification of incoming letter and the respond by the company, until May 2018 for example there was incoming information requests, proposals, and invitation to attend meeting held by stakeholders. The company was respond these requested and the documentation of aid was showed.

Minor 1.1.1	Status: Non conformance NC.2018.01 with minor category
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1.2

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

1.2.1

The company has list of document that can be accessed publicly and documents that can be accessed publicly which is written on SOP of Information Request revision 2 dated 1st February 2016. The public documents, such as OHS, Social and Gender Policy, Working Progress on OHS Program, EIA analysis, HCV documents, licensing includes land use title and decree of land use title, operational licenses of plantation activities, OHS program, identification risk, land use data, report of position and the amount of labor, and so on. The information was not listed above, categorized as confidential or limited information by the company, for example; business strategic and financial system.

Based on interviews with with Agriculture Agency and Manpower & Transmigration Agency of Tanah Bumbu District,, known that the stakeholders understand how to obtain information from the company. The company maintains records of request for information and responses under "*Buku surat masuk dan surat keluar*" on each unit management. Based on document verification, there are information requests, proposals, and invitation to attend meeting held by stakeholders. The company was respond these requested and the documentation of aid was showed.

Status: Comply

1.3

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

1.3.1

Company has code of conduct No. 440/HRM-COC/07 ratified on 27th April 2007. That document which is available in Bahasa, This code of conduct explains that company has a commitment to building a mutually beneficial long-term relationship with stakeholders, such as optimally enhancing shareholder value, treating employees equally in all aspects. Does not engage in political activity and is not affiliated to the political party nor does it make any contribution concerning political activity and is not allowed to provide, offer or accept anything of value which may be categorized as a bribe to or from customers, angry providers & services or government officials and others so Influence the desired decision. Based on interview with workers, labor union, representatives of gender committees and local contractors, they know about code of integrity and ethical behavior.

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

The certificate holder shown compliances towards land use legalities:

1. PT Sajang Heulang

- Land Use Right Certificate (HGU) No. 26, 04/12/2000 = 150 Ha.
- Land Use Right Certificate (HGU) No. 27, 04/12/2000 = 56 Ha.
- Land Use Right Certificate (HGU) No. 28, 04/12/2000 = 200 Ha.
- Land Use Right Certificate (HGU) No. 34, 14/05/2002 = 5,260 Ha (Mustika)
- Land Use Right Certificate (HGU) No. 35, 14/05/2002 = 2,128 Ha.

Total area with Land Use Rights is 7,794 Ha.

2. KKPA 2, 3 & 5

All of KKPA (associated smallholder) area entirely owned by community and handed over to be managed by PT.SHE based on agreement with the Cooperative of Tuwuh Sari as representatives of the community on January 5, 2000. Total area under KKPA area 16,000 hectares, spread over 27 Village 4 Districts, with the number of farmers of 8,100 members. Only 3 (three) KKPA's is under this scope of certificate: KKPA-2 (3,937 Ha – 2,208 smallholding); KKPA-3 (3,012 Ha – 2,160 smallholding) and KKPA-5 (2,812.83 Ha – 1,601 smallholding).

KKPA was established according to recommendation of the Government of Kotabaru District number 590/1849 / Tibum dated March 18, 2000 and Recommendation of Tanah Bumbu District number 525/1023 / BUN / 2005 dated December 22, 2005. Evidences of KKPA land ownership are still retained by creditor bank due to loan agreement with Bank.

Compliances for Operator licences for examples:

- OHS Competency Certification for Electricians. The company has presented training documents on behalf of Ahmad Asroni with the date of validity of the certificate since 19 June 2015.
- Boilermen license on behalf of M Sobirin with the validity period of the Operating Permit until 02 December 2021
- Welder class III license No 566/20/Disnakertrans/2015 on behalf of Hendra
- Welder class III license No 566/062/Disnakertrans/2015 on behalf of Dedy S

Based on the results of the document review, it is known that license for Heavy equipment operators has expired, related to this the company has shown positive progress, by showing the Letter No. 051/MTF-Eks/III/2018 to the Head of the Manpower and Transmigration Service dated 10 March 2018 which contains the issuance of Heavy equipment operators extension license.

PT Sajang Heulang has not been able to show evidence of compliance with relevant laws and regulations, including:

1. The result of document verification and interview with the worker know that there is not enough evidence that all employees of Working Covenant of Certain Time have obtained copy of Work Agreement having same legal force, this is because the company keeps the original work agreement 2 (two) duplicates while the employee only given work agreement fotocopy only for example employees contract worker with No contract MTE / SPK-PKWT / X / 2017/137; MTE / SPK-PKWT / X / 2017/138. This is not in accordance with Law no. 13 of 2003 on Employment under article 54, paragraph 3, which states that companies and workers obtain employment agreements with the same legal force.
2. Based on the study of guard list document of security guard in May 2018 the company establishes working day for security guard at Mustika Estate and KKPA 3 is 7 days a week and workers do not get day off. This is not in accordance with:
 - UU no. 13 of 2003 on Employment in article 77 paragraph 2 stating that working days in 1 week is 6 days for 7 hours / day and 5 days for 8 hours work / day.
 - UU no. 13 of 2003 on Employment in article 79 paragraph 2 stating that for workers who work 6 days in 1 week must get a day off for 1 day.

Based on that's explanation raised **Non conformance N0.2018.02 with major category**

2.1.2; 2.1.3; 2.1.4

The Management Unit already has a list and a copy of the applicable laws and regulations. The legal requirements documentation system contained in the Legal Requirements Procedure (No. Policy 701/TQEM-ESH/10). Responsible for

identification, inventory and evaluation of regulatory compliance are ESH, PSQM and PSD Department. Internal audits are conducted once a year to ensure the implementation of compliance with the law. The last internal audit for compliance with the law has been conducted in 30th April 2018.

The compliance of the Safety Act such as provision of appropriate PPE to all employees, regular safety training, provision of first aid kit in work place and work accident monitoring. In addition, regarding to safety requirements there boiler man, electricians and welder are authorised by the relevant authorities to perform their jobs with also required by Occupational Health and Safety Management System by Ministry of Labor of Republic Indonesia). Related to implementation of workers wages, referring to South Kalimantan Governor Decree 188.44/0492/KUM/2017 regarding to minimum wage of district 2018 is IDR 2,454,671.80 per month.

Major 2.1.1	Status: Non conformance NC.2018.02 with major category
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2.2

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

2.2.1

The company able to demonstrate the land use right for PT SHE as follows:

1. PT Sajang Heulang

- Land Use Right Certificate (HGU) No. 26, 04/12/2000 = 150 Ha.
- Land Use Right Certificate (HGU) No. 27, 04/12/2000 = 56 Ha.
- Land Use Right Certificate (HGU) No. 28, 04/12/2000 = 200 Ha.
- Land Use Right Certificate (HGU) No. 34, 14/05/2002 = 5,260 Ha (Mustika)
- Land Use Right Certificate (HGU) No. 35, 14/05/2002 = 2,128 Ha.

Total area with Land Use Rights is 7,794 Ha.

Based on field visits, there is a small area of indication of outside planting, but the auditor cannot confirm it thoroughly. Related to this, the company ensures not to manage, including harvesting areas that are outside the given permit.

Total land use title (HGU) PT SHE is 7,794 Ha which is 5,078.93 Ha is under Mustika Estate, the remaining area is owned and managed by Pantai Bonati Estate (under scope of Angsana Factory).

2. KKPA 2, 3 & 5

All of KKPA (associated smallholder) area entirely owned by community and handed over to be managed by PT.SHE based on agreement agreement with the Cooperative of Tumbuh Sari as representatives of the community on January 5, 2000. Total area under KKPA area 16,000 hectares, spread over 27 Village 4 Districts, with the number of farmers of 8,100 members. Only 3 (three) KKPA's is under this scope of certificate: KKPA-2 (3,937 Ha – 2,208 smallholding); KKPA-3 (3,012 Ha – 2,160 smallholding) and KKPA-5 (2,812.83 Ha – 1,601 smallholding).

KKPA was established according to recommendation of the Government of Kotabaru District number 590/1849 / Tibum dated March 18, 2000 and Recommendation of Tanah Bumbu District number 525/1023 / BUN / 2005 dated December 22, 2005. Evidences of KKPA land ownership are still retained by creditor bank due to loan agreement with Bank.

Based on verification of land legality documents, until know there is no change of land status. Based on field visits, there is a small area of indication of outside planting, but the auditor cannot confirm it thoroughly. Related to this, the company ensures not to manage, including harvesting areas that are outside the given permit. Its been OFI No 1

2.2.2

Based on the results of monitoring and field visits to the boundary markers no. 43 Division I and boundary markers no. 38 Division III Mustika Estate, known that the boundary markers in well maintained condition.

The auditor also visit to KKPA-3 unit, there was no boundary marking issued by the land agency, the KKPA-3 area boundary was marked by the road, it was because KKPA land came from the farmer's own land.

2.2.3

From document verification and consultation with community representatives, it was found that there were no issues of land disputes over the past year. Related to the occupation area of 221.91 Ha has been resolved by agreement and there is no dispute between company and the community.

In addition to the occupation area, no other land claims cases are in progress until the resertification activities are carried out. All land has been replaced as indicated by the completion report of occupation land accupation.

KKPA 2, 3 & 5

All KKPA land belongs to the community so there is no land conflict with the company.

2.2.4; 2.2.5

From document verification and consultation with community representatives, known that there were no issues of land disputes over the past year. Related to the occupation area of 221.91 Ha has been subscribed in **indicator 2.2.4**.

2.2.6

Based on consultation with the company's management representative, representatives of workers and local community representatives know that there is no indication of the use of violence or intimidation from the company in maintaining security and order.

2.2.1	Status: Opportunity for improvement
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2.3

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

2.3.1; 2.3.2

Based on interviews with community representatives of Kuranji Village and Mustika Village, it is known that there is no customary / *ulayat* above HGU PT. SHE and KKPA. The company already has HGU certificate in land use, while KKPA land comes from transmigration area.

2.3.3; 2.3.4

Based on interviews with community representatives of Kuranji Village and Mustika Village, it is known that there is no customary / *ulayat* above HGU PT. SHE and KKPA. The company already has HGU certificate in land use, while KKPA land comes from transmigration area.

A copy of the agreement in the form of a cooperation agreement on the development of plasma (KKPA-2, KKPA-3 and KKPA-5) between village communities (represented by *KUD Tuwuh Sari*) and the company (PT SHE) dated January 5, 2000. All agreements are made in Bahasa Indonesia.

Status: Comply

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

3.1

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

3.1.1

The company has shown a budget and projection production document 2018-2023. The document describes projections of areal statement for palm oil mature area, projections of immature area and replanting, production of FFB, production and price of CPO and PK, capacity, cost and revenue. Evaluation of achievement conducted annually, changes will be made if necessary. One of its control functions is to conduct an annual evaluation by the relevant staff (PSQM) and to include it in the report.

3.1.2

The company has long-term plans which include explaining about the replanting program for the next 5 years. Based on the document note that the replanting plan is for Mustika Estate. Related to this matter, the company has shown document Mapping of Soil Fertility Mustika Estate Period 2013-2018. The data aims to determine the status of soil fertility by knowing nutrient content in the soil layer, management history, land potential and further management.

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

Certificate holder have operational procedures consist of agricultural and processing procedures. Agricultural procedure in document of Agricultural Reference Manual (No. 110/EST-ARM/08), covering planting material, nursery technique, replanting, land preparation, planting density, maturity age, field upkeep, manuring, canopy management, ablation, standard ripeness, harvesting interval, traceability, plant protection.

The procedure of processing (No. 110/POD-FAC/07 & No.130/POD-FAC/07) covering from reception of FFB, about the basics of palm oil processing such as reception of FFB, boiling (sterilization), striping, digesting, pressing, clarification, separation of seed and fiber, kernels stations, stockpiling oil and palm kernel, laboratory management, boiler, engine power, the types of plant machinery, security and safety works, and dispatch.

Based on observation result at Field H002 of Mustika Estate on leaf sampling activity, it is known that the labor has understood related to the standard and working procedure of sampling of leaf such as determining the sample, determining the frond sample and labeling on leaf sample.

4.1.2; 4.1.3

The Company already has SOP master list for all procedure. Based on document review it is known that all SOPs and Work Instructions are available in appropriate language (Bahasa Indonesia). The Company has internal control mechanisms listed in audit finding monitoring & action issued by Plantation Sustainable Quality and Management. Internal monitoring activities are conducted by examining the implementation of the SOP. If there are findings, the company should search for root causes, responses from auditees (action taken), fixing timeline, fix the action & evidence implementation, finding status and remarks.

In addition, the company has shown records related to the annual evaluation results contained in the Minamas Management Committee Meeting document for KKPA3 and Mustika Estate. For example, the Management Meeting in Mustika Estate in April 2018 discusses the updated area statement, the hectare statement of the plant area, the replanting program, the immature plant, the achievement of the FFB production, the achievement of the yield (ton / ha), harvesting rotation interval, realization of fertilization program for 2017-2018 period on crop yield and replanting area, evaluation of harvest cost, evaluation of road maintenance, discussion of replanting program (update), spraying, selective weeding, pruning, work accident monitoring, realiation of CSR program and monitoring of labor and staff training.

4.1.4

Certificate holder has procedures related to product identification and search capabilities (No. 65/RSPO/65/SCPP/SHE) dated 14 January 2013. KKPA management has a mechanism for receiving fruit through FFB delivery order. Based on the document review, Mustika Factory only receives fruits from certified sources, that is Mustika Estate, KKPA 2, KKPA 3 and KKPA 5. Details of the number of received FFB can be seen in the basic information section of this report.

Status: Comply	
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4.2
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.
4.2.1; 4.2.2

The Company has SOP Fertilization Section 8 Version 3 dated 01 September 2013 which contains organic and anorganic fertilization methods of immature/mature crops. The method regulates among others the determination of the type of fertilizer, guidance dose of compound fertilizer, time of application of fertilization, standardization of fertilizer application time, fertilization frequency and its application system.

The Company (Mustika Estate and KKP3) has shown recording of fertilizer realization program (July 2017-April 2018). The recording of Fertilization KKP3 Estate among others is done fertilization in KKP3 on Afdeling 1 to apply MOP fertilizer in April 2018 as much as 3,250 kg. This has been in accordance with the recommended fertilization recommendations.

Based on field observation in Field C09 of Division 3 of KKPA3 Estate, it is known that workers have understood the procedures related to fertilization activities such as the doses used, the type of fertilizer used, the fertilization mechanism

and the related understanding of the areas that can be fostered and can not be nurtured (river border / water body) . In addition the company has performed fertilization in accordance with the recommended dosage.

4.2.3

The Company already has SOPs on soil sampling, leaves and visual observations. The purpose of soil sampling, leaf and visual observation is as a reference fertilizer recommendation for the coming year. Soil sampling, leaf and visual observations for KKPA3 and Mustika Estate have been included in document Mapping of Soil Fertility Mustika Estate Period 2013-2018.

In addition, the company has also shown records of land sampling with No. 105-LHU / UN8.2.1 / PL / 2017 on April 18, 2017 as many as 24 samples. The purpose of these observations is to identify the conditions of nutrient deficiencies such as deficiency of N, Mg, K, B, and CuSO₄.

In addition, the company has also carried out testing and sampling of leaves carried out on July 7, 2017. The company carries out soil and leaf sampling for the basis of fertilizer recommendations for the coming year.

4.2.4

The Company has a strategy of recycling nutrients, such as application of effluent, utilization of crop residues after replanting, empty fruit bunches application and Liquid waste application. All activities are monitored and well documented. Implementation of nutrient recycling practices have been recorded and monitored periodically by mill and estate, covering: monitoring of volume of applied EFB, location/area of EFB application, debit of POME application, location/area of POME application and time of application.

Based on the results of a field visit to block C40 / 41 Division 3 Mustika Estate, it was discovered that the company had conducted nutritional recycling activities by chipping for replanting plants and conducting chipping on row, besides that the company had also planted Legume Cover Crop (LCC) on all replanting areas.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The company has a soil survey Mustika Estate for oil palm plantation which includes the land slope map for KKPA3 and Mustika Estate. The map is available on a 1: 125,000 scale. There's no limitation factors like topography and soil fertility. Based on soil survey was not identified peat area.

4.3.2

The Company has presented the Soil Fertility Survey Period 2013-2018 No.0186 / MRC / EST / II / 2014 issued on 27 February 2014 and authorized by VP1, Head of MRC.

Based on the document, it is known that the topography of Mustika Estate is 0-4% or 0-2 ° (flat) slope covering an area of 2,846.45 Ha (93.4%) and a slope of 4-12% or 2-6 ° (undulating) of 201.14 Ha (6.6%). Beside that, the topography of KKPA3 is 0-2% (flat) area of 2,108 ha (70%) and slope 2-6% (undulating) of 904 ha (30%).

Based on the results of field visits to the Mustika Estate and KKPA3 it was found that the plantation area was dominated by flat topography, so no special treatment was needed.

In addition, the company has shown the planting documents listed in the MMCM report in April 2018 stating that the planting of cover crops (LCC) has been carried out in the area of replanting in Division 3 of Mustika Estate covering an area of 85 ha. This is done with the aim of increasing the nitrogen content in the soil and reducing the occurrence of runoff.

4.3.3

Company has a Road Maintenance 2018 that contains road maintenance at KKPA3 and Mustika Estate. Total road maintenance until April 2018 for Division 1 along 43,267 meters and for Division 4 along 44,360 meters. Based on field visit at KKPA3, its known that the company take a mechanic road maintenance (grader).

4.3.4; 4.3.5 and 4.3.6

The company has a soil survey Mustika Estate for oil palm plantation which includes the land slope map for KKPA3 and Mustika Estate. The map is available on a 1: 125,000 scale. There are no limitation factors like topography and soil fertility. Based on soil survey was not identified peat area.

Based on the document, it is known that the topography of Mustika Estate is 0-4% or 0-2 ° (flat) slope covering an area of 2,846.45 Ha (93.4%) and a slope of 4-12% or 2-6 ° (undulating) of 201.14 Ha (6.6%). Besides that, the topography of KKPA3 is 0-2% (flat) area of 2,108 ha (70%) and slope 2-6% (undulating) of 904 ha (30%).

In relation to the management of cover crops, the company has shown the planting documents contained in the April 2018 MMCM report stating that the LCC planted on the replanting area in Division 3 of Mustika Estate covering 85 Ha. The purpose of planting is to increase the nitrogen content in the soil and reduce the occurrence of runoff.

Status: Comply

4.4

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

4.4.1

Water management plan for 2018 (KKPA, Mustika estate, and POM) is documented in the Environmental Management and Monitoring Plan document, i.e. mill effluent management prior to application to Mustika estate, vegetation conservation in the riparian, the prohibition of chemical applications on the riparian, testing the quality of POME, testing of aquatic biota, water availability, water needs calculation, water resources, water quality testing and water usage monitoring for POM. Result of all testing parameters for surface water and clean water testing has been reported to environmental agency for every semester.

4.4.2

River flow map of PT SHE and KKPA (scale 1:70000) shown there are some water bodies that are located and across the company's operation area. Based on the results of field visits in Bekarangan blok G24 (Mustika estate) and Kuranji riparian blok G14 (KKPA3) known that there was no indication of chemical application along the riparian. The company has marked the riparian border and there is a sign board of HCV areas identity, protected species and restrictions of undermine the HCV area. The management unit has also been planting woody plants and maintaining ground cover vegetation such as *Nephrolepis sp.* Field visit during audit also found that replanting activities on Mustika estates are not yet conducted on areas with riparian / river stream.

4.4.3

Effluent produced by the mill is managed on Waste Water Treatment Plant (WWTP) before it is applied to Mustika estate. This POME application was conducted based on decree of Head of Environmental Agency Tanah Bumbu Regent No. 660.4/125/BLHD/2016 valid until 2019. Examination of documents showed that the effluent quality monitoring is conducted regularly every month by Accreditation Laboratory and reported to Environmental agency of Tanah Bumbu Regency. Results of testing for Jan-Apr 2018 showed that all the test parameters are met the quality standards, for examples BOD on April are 90 mg/l and on March 2018 are 130 mg/l. Field visit on Mustika POM and land application block J32/33 Mustika estate shown there is no leakage indications and these areas are managed well.

4.4.4

The factory has documented boiler, process and domestic water usage on a regular basis every day and recap every month. The results of field visits indicate that there are 3 flowmeter and all in functional state.

Based on monthly report document review, it is known that the water use budget for 2017/2018 is 1.50 M³ / Ton FFB, while the realization of water usage is 1.54 M³ / Ton FFB so it can be concluded that water consumption for process and domestic activities is above the specified budget. This is due to the high domestic water usage used for water supply of Mustika and KKPA3 Estate. The evaluation action provided is to make efficiency on the use of water and perform maintenance periodically for the production machine.

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

The company has a recording of pest and disease control for KKPA3 and Mustika Estate. Control techniques by detection

and census. If the census results have not crossed the threshold then there is no need to control using pesticides.

The company controls biologically by using useful plants (*Turnera subulata* and *Casia cobanensis*), besides the company also uses natural enemies such as *Tyto alba* as a predator against rat pest.

The company has demonstrated monitoring of pesticide use at PT Sajang Heulang. In the recording is known that the use of chemicals increased compared with the previous year. Based on the justification from the company, it is known that the increase of pesticide use with active ingredient of glyphosate, methyl metsulfuron and triklopir is due to replanting activity in Mustika Estate area. In high crops, the use of chemicals is small because weeds are shaded by oil palm crops so that weed populations are suppressed, while in the aftermath of replanting the area becomes open and weeds thrive so the area of the spraying area becomes wide.

The Company has reviewed the pest control planning at the time of replanting, as planned for BOB development. The BOB installation program until this period is 67 BOB.

The Company has presented recording evidence related to the implementation of Integrated Pest Management training (for KKPA3 and Mustika Estate) among others, the census method training on February 21, 2017 with the number of participants as many as 50 people.

Based on the results of interviews with pest and disease officers at the Mustika Estate Field H002, it is known that the labor has participated in training activities, in addition the labor can also explain related pests and diseases census procedures such as determining sample points, calculating the number of pest attacks and identifying types of nettle caterpillar.

Status: Comply

4.6

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

4.6.1; 4.6.2

The Company has a Plant Protection SOP (Part 15 Version 3) dated September 01, 2013, in which the procedure regulates pest control activities adjust to the plant's age/phases (nursery, immature and mature area). In addition, the procedure also regulates the recommended use of pesticides adjust to the target species.

In addition, the company has listed the pesticides used in Mustika and KKPA3 Estate. The document contains among other types of trademark pesticides, pesticide active ingredients and content, pesticide class, pesticide properties and formulations, target weed determination and dosage formulations such as:

- Audit 486 SL with active ingridiens is Isopropyl Amine Glyphosate, class III. Target weed : Systemic herbicides to control narrow/wide-leaved weeds.
- Kenlon 480 EC with active ingridiens is Triclopir, class II. Target weed : Systemic herbicides to control narrow/wide-leaved weeds.

The Company has listed the use of pesticides, active ingredients, LD50, targeted area and active ingredients used per hectare at KKPA3 and Mustika Estate period 2017-2018.

The Company has also demonstrated recordings of active ingredients per hectare and active ingredients per ha such as:

- Total use of pesticides (Ken Up) in period 2017-2018 is 1,005 Liters, active ingredient / ha usage of 0.96-1.92 g a.i /Ha application.
- Total use of pesticides (Metafuron) in periode 2017-2018 is 13 kg, active ingredient / ha usage of 0.20- 10 g a.i/Ha application.

In addition, based on the document review, it is known that all pesticides have distribution permits and are in accordance with regulations, such as Audit 486 SL pesticides having licenses number RI 01030120031863 with permission valid until 12 December 2018.

Based on interviews with spray workers at Mustika Estate Division 3 Block B/C 34. It is known that workers have understood the limits of spray applications around water bodies, target weed determination, workers have also attended pesticide training, workers understand related to spray bans for pregnant women and breastfeeding.

4.6.3; 4.6.4

The company has plans for IPM handling in KKPA3 and Mustika Estate such as planting of *Turnera subulata*, *Casia cobanensis* and BOB Installment for 2017-2018 period. Pest and disease control programs implemented by the company through monitoring and evaluation every month and determined control strategies used such as manual, biological or chemical control. The company does not make pesticide application prophylactic this can be proven by pest and disease control mechanism based on result of detection and census.

Based on field observation in KKPA3 Division 3 Field N15, it is known that the company has already planting a beneficial plant (*Turnera subulata*), besides that the company has also showed the implementation related to BOB installation at KKPA3 Division 3 Block M16 and its known that gupon is active .

The Company has a policy to minimize and eliminate the use of paraquat pesticides listed in Memorandum No: POD-UM-127 / X2008 dated November 4, 2008. The policy concerns the recommendation of a substitute for the application of Paraquat-Gramoxone active ingredients within Minamas Plantation. The memo contains "following the need for safety herbicides, ammonium glufosinate is recommended to replace paraquat".

The recording in minimizing and eliminating class 1A and 1B pesticides, namely by installing BOB, among others:

- Installation of BOB for the period of 2017-2018 in the TM and TBM areas as many as 19 Units in Division IV of Mustika Plantation
- Installation of BOB in Division 1 as many as 32 units
- Installation of BOB in Division 2 as many as 21 units
- Installation of BOB in Division 3 as many as 14 units

Based on document review and interview with management it is known that the company uses IB class pesticides such as Racumin (Kumatetrilil) for rat pest control. Justification related to the use of IB class pesticides is the existence of rat pest attacks that exceed the economic threshold so it needs to be done chemically. Besides to chemical control, the company has also attempted to add BOB. It is listed in the BOB install program and the number of additions is 86 BOB.

Based on a visit to warehouse of Mustika Estate, it is known that the inventory/stock pesticide recordings are in accordance with the physical amount.

4.6.8

Based on interviews with management it is known that the company does not apply pesticides by air.

4.6.5; 4.6.7; 4.6.9

The company already has guidelines related spraying activity in Block Spraying System and OHS Procedures (No. 711/TQEMS-P2K3/07), and also HIRAC. Guidelines related spraying activity in Block Spraying System explaining how to apply mixing pesticides in the field, spraying the field, washing and storage equipment as well PPE. Based on the results of field visits and interview with pesticide operators it was found that pesticide operators brought food and drinks. The item is separated from chemicals and to minimize the risk and negative impact the company prepares clean water and soap to wash hands before eating and drinking.

Training Block Spraying System was conducted on December 05, 2017. Subject of training include technical application of pesticides, K3, PPE, and first aid in case of poisoning. Based on interviews with spraying team in KKPA-3 and Mustika Estate known spraying officers is a special team that has received training related to safety use of pesticide, application technique, and Personal Protective Equipment (PPE) that must be worn. Workers understand the dangers and risks associated with the chemicals used. In addition, the facility for cleaning after work has been provide in each estate, including the space to keep PPE. The PPE provided is in accordance with the terms of the MSDS, ie glasses, masks, apron, rubber gloves, and boots.

4.6.6

Procedure for agrochemical handling and storage has presented on SOP SHE 01 on 2014. Based on field visit to mustika estate agrochemical warehouse and BSS store, it is known that the entire used-agrochemicals have been separately stored from other materials. Moreover, agrochemical storeman has been completed with PPE, this storage also equipped with occupational health and safety symbols, and series of MSDS. Material arrangement in agrochemical warehouse has

separated solid and liquid material. Used-pesticide package is managed by washing the used package, making a hole in the package, furthermore all ex agrochemicals are stored in hazardous waste storage.

4.6.10

Field visit on Mustika and KKPA 3 estate shown that agrochemicals containers are disposed based on MSDS i.e cleanly washed on pesticides optimization storehouse (BSS) and regularly submitted to licensed third party collector. All evidence for ex agrochemical disposal for examples "*berita acara pengiriman bekas kemasan pestisida*" to collector and transporter are available and verified by auditor. Both estates, Mustika and KKPA-3 estate implemented proper ways for waste disposal based on procedure SOP No 709/TQEM-ESH/10.

4.6.11

The company has listed documents on the list of PT Sajang Heulang (*Kebun dan KKPA*) spray workers in May 2018. Based on data, it is found that the company employs a total of 34 spray workers and 2 spray supervisors.

Beside that, the company has a recap of Medical Check Up examination result of PT Sajang Heulang in 2017. It is known that medical examination is done to 34 spray workers, 2 spray supervisors and 2 warehouses. The results of the examination is known that the entire labor is in the spray condition fit / normal.

4.6.12

The Company has a letter EM KKPA5 No. KP5-INT / 026 / VIII / 12 / s dated August 2, 2012, stating that the prohibition of employing certain jobs is applied to women who are pregnant and lactating. In addition, the organization is committed to protecting reproductive rights, for example by prohibiting the employment of women workers under certain circumstances.

Based on interview result with spray labor in Block C011 of Division 3 of Mustika Estate, it is known that pregnant and breastfeeding identification mechanism is done based on report to supervisor and H1 monitoring (menstruation). When identified there are workers who are pregnant and breastfeeding it will be done mutations on other jobs that are not exposed by pesticides.

Status: Comply

4.7

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

4.7.1

The Company has a OHS Policy adopted by CEO Minamas Plantation dated August 27, 2010 explaining that Plantation Upstream Indonesia is committed to improving Safety and Health covering staff / employees, contractors and visitors / guests through effective Occupational Safety and Health Management.

The Company has presented the P2K3 Program and Realization Document dated January 19, 2018 which contains a plan to improve the OSH aspect of the company. The program, among others, socialization understanding of safety and health as well as socialization and training OHS Management System which is held on cooperation between labor agency and the plantation.

Occupational Safety and Health Plan (K3) plans are readily accessible in general, including the installation of OSH policy banners in the plantation and factory offices. In addition the company has also conducted periodic inspection activities for the labor as a form of realization of the OSH plan including physical examination, spirometry, audiometry and cholinesterase against 63 high-risk labor on October 24, 2017.

4.7.2

The Company has conducted risk assessment / identification for all operational activities of the plantation and mill. The realization related to safety and health work such as training, work instructions, safe working techniques and the use of PPE.

Based on the results of field visits it is found that the precautions contained in the HIRAC have been observed and implemented in the field, such as appropriate use of PPE and training.

4.7.3

The company has demonstrated recording of K3 related training such as training of tractor operator, grader, welding training (class III) and backhoe loader.

However, based on the results of a sample field visit in the Estate and Mill, it is known that there is not enough evidence yet that the company has provided PPE foot protector in accordance with the identification of the risk assigned to all workers. This is evidenced, for example the workforce Leaf Sampling Unit at Mustika Estate, workforce at clarification station, boiler, compound and sterilizer at Mustika Factory where the results of interviews and field visits known PPE provided by the company in a condition that has been damaged so they use their own PPE. In addition, there is no evidence that the damaged PPE is caused by personal use or due to official work. Related to that, PT Sajang Heulang can show Non-Capital Purchase Requests No POM / MTF / 17/12/0021 dated December 04, 2017 but until the audit activities implemented it has not been realized. Based on that's explanation raised Non Conformance **No. 2018.03 With Major Category..**

4.7.4

The Company has identified the person responsible for the OSH implementation. The stipulation is stated in the Decree of the Head of Manpower and Transmigration Office of South Kalimantan Province No.566/131 / Disnakertrans dated March 19, 2018.

The Company has conducted regular monthly meetings that discuss about OHS, among others, the monthly meeting of P2K3 on 02 March 2018 which is held at Mustika Estate Office.

Based on the results of interviews with spray labor (10 people) in Block C011 Division 3 Mustika Estate known that the labor has known related P2K3 organization located in Mustika Estate. In addition, the labor also explained that the socialization of OHS (spray training and OHS) given to the employees was delivered by members of P2K3 and related leader.

4.7.5

The Company has an emergency SOP listed in SOP SHE Revision 01 effective January 2, 2014. The procedure covers emergencies such as fire, explosion, natural disaster.

There are also signs of emergency response such as evacuation routes that are available in estate office places, *KKPA*, and Mill. Workers in mill have also understood the emergency response mechanism.

Based on field observations at PT Sajang Heulang it was found that the first aid officers appointed to the operational section were foremen.

There are also signs of emergency response such as evacuation routes that are available in estate office places, *KKPA*, and Mill. Workers in mill have also understood the emergency response mechanism.

Based on field observations at PT Sajang Heulang it was found that the first aid officers appointed to the operational section were foremen.

Based on explanation above, auditor team concluded that nonconformance No. 2017.04 in this indicator is **COMPLY**

The Company has provided emergency response and first aid facilities at workplace accidents, but based on the results of field visits it is found that:

1. Based on field visit at temporary hazardous storage Mustika Estate, it is known that eye shower wash not in ready condition
2. Based on field visit at temporary hazardous storage Mustika POM, it is known that there is no alarm signal. This is not in accordance with the Decree of Head of Environment Agency No. 660.4 / 133 / BLHD / 2013 Article 3 stating that general and occupational safety and health equipment (standards) shall be owned by the party responsible for activities including alarms, fire extinguishers, showereye wash and emergency response facilities.
3. Based on field visit to Housing Division 3 Mustika Estate is known that there is a storage of fuel (solar) but there is no symbol / warning about OHS such as prohibition of burning, smoking and other bans. In addition there is no container as an anticipation to prevent the spillage of chemicals (Oil).

Related to this matter the company has not been able to show evidence of implementation of emergency preparedness has been implemented in all operational activities. Based on that's explanation raised Non Conformance **No. 2018.04 With Minor Category..**

4.7.6

Based on the results of interviews with workers, labour union and gender committee, stated that workers get medical services from PT Sajang Heulang in the form of clinic facilities. In addition, they have also been enrolled in the *Badan Penyelenggara Jaminan Sosial/ BPJS* (Workers Social Security Agency) Health and Employment program. This is in accordance with the “*BPJS Kesehatan dan Ketenagakerjaan*” payment document (listing the Details of Employee Contributions) for “*BPJS Kesehatan dan Ketenagakerjaan*”. PT Sajang Heulang has shown proof of payment of “*BPJS Kesehatan dan Ketenagakerjaan*”, for example, payment periode April 2018 for Mustika Estate, KKPA-3 and Mustika Factory.

Based on explanation above, auditor team concluded that nonconformance No. 2017.05 in this indicator is **COMPLY**

4.7.7

The company has a work accident document using LTA matrix that includes Mustika Estate, KKPA 2, KKPA 3, KKPA 5, and MTF. The matrix describes occupational accidents, lost time accident, work hour, frequency rate and severity rate of accidents.

The company has recorded work accident which happened for example period of May 2017 - April 2018 as in Mustika Estate, There is one case of work accident with value of frequency rate (2) and severity rate (6) and time lost as much as 11 working days.

Major 4.7.3	Status: Non conformance NC.2018.03 with major category
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Minor 4.7.5	Status :Non conformance NC.2018.04 with minor category
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4.8

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

4.8.1; 4.8.2

The company shows the training program 2016-2017 to improve the employees competence in term of the RSPO P&C. for example: OSH Regulations, HSE policy, Company policy, HIRAC, harvest procedures, spraying and fertilization procedures, first aid and simulations, pesticide handling, emergency response, use of fire extinguishers, health and hygiene, spray treatment and calibration, PPE training, FFB transport procedures, mill processing training, SCCS and maintenance tool factory. Based on interview with spraying workers and harvesting worker they can explaining about job description, responsibilities and has trained by company. In addition, worker also mentioned that they have attended safe work training and are always reminded / socialized again by the supervisor/assistant during the morning meeting. In addition to the compiled program, the company has also carried out the realization of the program and has been well documented such as:

- Harvesting training on 16 November 2017 attended by 59 workers
- Safety Town Hall on 04 April 2018 attended by 142 workers
- Block Spraying System training on 05 December 2017 attended by 26 workers

Based on interview with spraying workers and harvesting worker they can explaining about job description, responsibilities and has trained by company. In addition, worker also mentioned that they have attended safe work training and are always reminded / socialized again by the supervisor/assistant during the morning meeting. The company have training record for each worker such as:

- Jumiani (spraying workers) training records during 2017 and 2018 are spraying training, OHS, first aid training, socialization of gender comitee, human rights and HCV area.
- Ali Usman (harvesting workers) training records during 2017 and 2018 are harvesting training, OHS, first aid training, socialization of gender comitee, human rights and HCV area.
- spraying workers training records during 2017 and 2018 are spraying training, OHS, first aid training, socialization of gender comitee, human rights and HCV area.
- harvesting workers training records during 2017 and 2018 are harvesting training, OHS, first aid training, socialization of gender comitee, human rights and HCV area.

Based on explanation above, auditor team concluded that nonconformance No. 2017.06 in this indicator is **COMPLY**

Status: Comply

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

5.1

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

5.1.1

There is no changes about the document of Environmental Impact Assessment (EIA). PT Sajang Heulang and KKPA has a document of Environmental Impact Assessment (EIA) that approved by the EIA Commission Chairman of forestry and Agriculture Ministry on 26 December 2000. The scope of the EIA covers area of 40,000 ha reserve areas, and 26,000 Ha planting area, and two units palm oil mill, with each capacity of 60 tonne FFB/ hour.

5.1.2

The environmental management plan for PT Sajang Heulang are included in the Environmental Management Plan & Environmental Monitoring Plan Implementation report for semester II of 2017 such as, air quality and noise, surface water quality, land fires, and etc.

Document review and interview with management shown that on since 2016, Mustika estate conduct land preparation for replanting activities. Regarding to this, on 2016 company established environmental management and monitoring plan listed on monitoring/management plan for replanting documents. Furthermore, action plan for replanting activities has been implemented and established by mangement unit for examples related to surface water management, soil erosion, and land fire monitoring.

5.1.3

Review for environmental monitoring/management plans have been developed and listed on evaluation chapter on every semester RKL/RPL report, for examples evaluation for RKL/RPL report 2nd semester 2017 report shown that company have managed all potentials impact causes by operatonal activities including replantings activities for examples land fores monitoring and surface water quality.

RKL/RPL semester 2 2017 document review shown companies has conducted erosion monitoring on division II mustika estates. Meanwhile, companies are not able to show evidence that other erosion monitoring on division 1 (1 monitoring point) and KKPA 3 (3 monitoring point) has conducted based on RKL/RPL matrix. Based on that's explanation raised Non Conformance **No. 2018.05 With Minor Category..**

Minor 5.1.3

Status: Non conformance NC.2018.05 with minor category

5.2

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

5.2.1

Certificate Holder has identified HCV area and protected animals within operational area, carried out by competen assessor in January 2010 for Mustika Estate and October 2012 for KKPA Estate. Adequate methodology was applied refers to the HCV Toolkit RSPO. Available evidence of social data collection and consultation with stakeholders. Identification of HCV report has been reviewed by experts HCV / Independent Consultant. Assessment report has been explained about the species found, the general condition of the area, methods and HCV found. Based on the HCV Assessment in Mustika Estate unidentified RTE and protected species, whereas the identified HCV consist of HCV 1.1; 1.4; 4.1 and 4.3 an area of 336.2 Ha. While the results of the HCV assessment in KKPA 1-5 shows not identified RTE and protected species, while HCV identified consisting of HCV 4.1 and 6 covering an area of 126.49 Ha. HCV assessments have been conducted with the communities surrounding were held on January 6, 2010 and October 8 to 11, 2012. The whole area of HCV identified in this scope has been mapped and described in the report HCV.

5.2.2

Based on HCV identifications, interviews with workers and related agency during audit, and field visit found there is no species in PT SHE and KKPA operational areas categorized on RTE status. However, Companies has HCV management plant 2018 program, as follows for examples: regular species monitoring, HCV socialization to workers / communities, regular patrols for HCV areas and landfires activities.

Field visit on block G14 KKPA-3 shown that company provides HCV information signboards and marking those areas as riparian reserves. PT SHE including KKPA also conduct regular inspection for HCV/RTE species protection, last inspection

was done on March 2018 indicates there is no RTE species, no wild hunting and no landfires activities

5.2.3

Company has established policy regarding species protection listed on policy No724/TQEM-SPMS/09. Evidence for workforce education related to species protection are available for examples HCV Socialization for Mustika estate workers on January 2018 and April 2018 for KKPA 3. Based on interview with Mustika harvester and KKPA-3 housing residents acquired information that companies has conducting socialization on HCV area and protected fauna within estates operational areas which also informed by signboard. Moreover, field visit on Mustika estate and KKPA-3 estates housing found there is no RTE species reared by workers

5.2.4

Company have established HCV management plan, and implemented it well for examples marking riparian as no chemical activities areas, conduct vegetation enrichment on riparian, HCV signboard installation, and regular species monitoring.

Regular monitoring for examples on Dec 2017 record shown company has been monitored illegal fishing, hunting, and other illegal activities. All of records for semester patrols on each estate are available and verified by auditors. As the results of 2017 monitoring output, company has plan feed back into the management plan 2018 for examples enhance socialization for all workers related to riparian protections.

5.2.5

Document review and field visit during audit shown sampling unit (KKPA 3 and Mustika estate) has no HCV attributes that affected and related to local communities. Meanwhile for other KKPA, The management unit has an agreement with the community to protect HCV that found in the KKPA 1,2,4,5 i.e water source and river used by the public when the dry season.

Status: Comply

5.3

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

5.3.1

PT Sajang Heulang and KKPA Mustika has identified the type of waste and waste sources and the management control of each type of waste. Sources of waste in the operations area consists of a mill processing station, workshop, offices, warehouse, home generators, housing, block manuring system, block spraying system, operational activities of the estate and polyclinics.

5.3.2

Inventory for all chemicals usage and its containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers were kept on temporary hazardous storage at Mustika estate and Mustika POM, the company has a permit for both hazardous and toxic waste storage issued by decree of Head Environmental agency Tanah Bumbu regent, valid until 2018 and the extension of permit has been submitted to Progress of extension the permit of temporary collection hazardous waste for Estate and mill (OFI)

Based on document review and interview with management, shown all ex pesticide containers on estates are managed by washing in block spraying system store. Document review shown that company has sent all toxic and hazardous waste to PT Nazar (licensed collector by decree of national environmental minister) on May 2018 (manifest are available and checked by auditors). Observation during audits at temporary hazardous & toxic waste storage shown that all of hazardous waste are compliant with the periods in permit.

Document review, field visit, and interview with staff indicates that company are not able to shown evidence for fertilizer sack inner plastic disposal based on proper ways. This are not comply with SOP Hazardous waste management 2012 that stated all of ex agrochemicals containers should be manage and stored in hazardous waste storage. Based on that's explanation raised Non Conformance **No. 2018.06 With Major Category..**

5.3.3

All settlements waste are not disposed using open fire, certificate holder are provides landfill for domestic waste management. Field observation on block H32 Mustika estates and block G10 KKPA 3 for example, found that companies managed settlements/housing domestic waste by provide landfill on each division and sort the organic/an-organic waste. Observations also found these landfill are located far away (> 1 km) from housing and situated on flood free areas.

Based on the result of the sample of field visit around the KKPA 3 fertilizer warehouse, there was found a pile of waste of fertilizer that has been properly managed according to SOP Block Manuring System (No PF 3001 dated 01 April 2017. Based on explanation above, auditor team concluded that nonconformance No 2017. 07 in this indicator is **COMPLY**

Company are not able to shown proper implementation to avoid orr reduce pollution for examples during audit found that oil catchment for chemical store on Mustika POM in full filled condition, therefore occur overflow on surrounding areas. Based on that's explanation raised Non Conformance **No. 2018.07 With Minor Category..**

Major 5.3.2	Status: Non conformance NC.2018.06 with major category
Minor 5.3.3	Status : Non conformance NC.2018.07 with minor category

5.4

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

5.4.1

Mustika POM shown commitment to reducing fossil fuel by renewable energy usage such as shell and fiber as boiler fuel for substitute diesel fuel by generator. Shell and fiber usage have been monitored per month and realization of fossil fuel usage, for examples during March 2018 are 44,326 litre.

During Apr 17-March 18, fiber and shell usage for boiler resulting average energy efficiency for electricity grid generated by renewable energy (boiler) are 44.10 kWh/mt CPO, and for diesel fuel (used by generator) are 10.13 litre/mt CPO. Besides direct renewable energy usages, company also provides estimation for contractor fossil fuel usage for examples on March 2018 are 1143 litre.

Status: Comply

5.5

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

5.5.1 & 5.5.2

The Company has established policies and procedures for land preparation without burning outlined in policy 724/TQEM-SPMS/09 "Pedoman Manajemen Perkebunan Berkelanjutan" on 2010 which outlined the land clearing process without burning. Company has conduted replanting activities on Mustika estates since 2017. Auditors team has verified working agreement letter for examples "SPK" dated April 10, 2017 between PT SHE and PT Vidya Agung Mandiri. Field visit on replanting areas and document review shown found there is no indications that land clearance are conducted by open fire.

Status: Comply

5.6

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

5.6.1 & 5.6.2

To reduce pollution and emissions, the company has identified the source of pollution and greenhouse gases and the measures to manage them. The efforts made by the management unit to reduce the pollution and GHG emissions through the activities including engine maintenance, effluent management and waste utilization, conduct fertilization according to the dose, conduct pesticide application according to the procedure, etc. Field visits in the mill showed that the shell and the fiber has been used as a boiler fuel, thereby it's reducing the use of diesel fuel for generators.

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency peridically. 2nd Semester 2017 testing result indicates all parameters related to emission are still comply with standard quality. Monitoring of fertiliser, pesticide and chemical use was conducted through record of fertiliser, pesticide and chemical use quantity. The monitoring was conducted to evaluate the management of which has been done by each management unit. Field observations on the WWTP in Mustika Factory showed that there is no indication of leakage in the WWTP and the effluent has been used to estate.

5.6.3

Mustika POM conduct GHG calculation and its monitoring using RSPO palm GHG calculator V3.0.1 for its supply base mustika estates and KKPA Mustika. Summary of GHG emmison for Mustika POM for 2017 periods are listed as follows :

Summary of Net GHG Emissions Mustika POM

Emmision per t product	tCO2e/tProduct
CPO	1.94
PK	1.94

Production	t/yr
FFB processed	170585.56
CPO produced	38286.26
PK produced	7642.07

Extraction	%
OER	22.51
KER	4.48

Land use	Ha
Planted area	13,226.2188
Planted on peat	-
ConservationArea	343.6

***Planted areas and conservation areas are included KKPA 1-5**

Summary of Mill Emissions and Credits

Description	tCO2e	tCO2e/t FFB
Emmisions Sources		
POME	37343.35	0.22
Fuel Consumptions	1108.72	0.01
Grid Electricity Utilitation	0	0
Credits	0	0
Exports of excess electricity to Housing & Grid	0	0
Sale of PKS	0	0
Sale of EFB	0	0
Total	38452.07	0.23

Summary of field emission and Sinks

Description	Own crop			3 rd party	
	tCO2e	tCO2e/Ha	tCO2e/tFFB	tCO2e	tCO2e/tFFB
Emissions Sources					
Land conversions	147518.72	12.29	0.84	0	0
CO2 emmisions from fertilizer	12380.2	1.02	0.07	0	0
NO2 emissions	7622.97	0.66	0.05	0	0
Fuel comsumption	1868.96	0.15	0.01	0	0
Peat oxidation				0	0
Sinks					

Crop sequestration	-109515.41	-9.36	-0.64	0	0
Sequestration in Conservation area	-3112.07	-0.24	-0.02	0	0
Total	56763.37	4.52	0.31	0	0

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100.00 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

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

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

6.1.1

Nothing has changed with the previous assessment activity, that the company already has a social impacts analysis (SIA) document described in the AMDAL document of 2000 and the SIA document of 2010. The social impact assessment involves the participation of the affected parties (relevant stakeholders). Based on interview with local community its known if all impact has been covered in SIA

6.1.2

The social impact assessment involves the participation of the affected parties (relevant stakeholders). Notes of stakeholder consultation meetings are documented in AMDAL and SIA documents. Related stakeholders include: Head of Sebambaru Village, Banjarsari, Purwodadi, Bayansari, Makmur Preparation, Waringin Tunggal, Giri Mulya, Kuranji, Karang Mulya, Bekarangan, KUD Tuwuh Sari, Angsana, Karang Indah, Bunati.

Based on interviews with village community representatives, it is known that they have been involved in the social impact assessment meetings.

6.1.3

Social impact management and monitoring programs are described in RKL / RPL and RKS / RPS and CSR document that are monitored in the first semester. Implementation of RKL / RPL and RKS / RPS, among others: to provide jobs and seeks to the surrounding community, providing assistance in education, sports, religious, and road improvement, and implementing the accosiated smallholder development program.

The person in charge of the CSR program is the Head of Administration.

6.1.4

The social impact monitoring program is run and evaluated in the first semester (6 months). Monitoring results are described in the RKL / RPL and RKS / RPS implementation documents and reported to the relevant agencies every 6 months. The latest monitoring is done in periode July - December 2017. Based on monitoring results it is known that all potential social impacts have been well managed and implemented. The Company able to present a document reviewing the SIA document for the period 2018-2020 conducted by involving the participation of all affected parties.

The results of interviews with village community representatives around, it is known that they had been involved in the social impact assessment review of replanting activities.

6.1.5

All KKPA have been included in the SIA assessment process.

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; 6.2.3

The Company has the procedure for communication which is written in Communication Procedure (704/TQEM-ESH/10 for KKPA and 006/SHE-KKM/IV/12 for main estate). The objective of this procedure is to provide practical guidance for handling communications in the field of Occupational Safety, Health and Environmental Protection (K3LL) and RSPO both internally and with external parties with a maximum response of 14 days for KKPA and 10 days for main estate.

Certificate holder has the latest update of Stakeholder List and their detail address. This document was categorize each of stakeholder, comprise of the government agencies in province and regency, sub district and village government level, communities representative, NGO, and local contractors.

Based on the results of document review of "*Buku Surat Masuk & Keluar*" it is known that the company has documented all communications between the company and other relevant stakeholders. In the logbook, it is known that the recording of communication is dominated by requests for information, financial assistance, proposals for assistance, and invitations to attend village events. there is no records related to confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.

Based on consultation with related stakeholder, they already know the procedure for communication and consultation with the company. They also know the PIC for communication and consultation is head of administration. The officer will be responsible as public speaker and communication process with the related 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; 6.3.2

The mechanism, open to all affected parties and resolve disputes management in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers (where requested) are presented in their procedures "*SOP/34/PR(1)/0614 tentang Tata Cara Penerimaan Keluhan dan Penyelesaian Perselisihan Khususnya Sengketa di Luar Pengadilan*" and "*SOP Keluhan Karyawan (SOP SHE revision 01 in 02 Januari 2014)*". Based on the procedure all complaint submitted to assistant division and written in the register book, the SOP has been explain related on the secrecy of whistleblower. In the procedure was not explained explicitly about the way in submitted the complaint through the RSPO Complaints System, however based on interview with labor union it was mentioned that the complaint submission through RSPO was understood.

Complaints from external and internal recorded in the register book of complaints. Based on the Complaint Book in two estate sampling (Mustika Estate and KKPA-3), it is known that during 2017 to May 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 Result of stakeholder consultation with Village Government, Community Leader, Village Representative, there is no indication of complaint related to plantation and factory operation by the PT Sajang Heulang. Based on interview with the labor union mentioned that currently there is no employment issues, the employer obligation has been carry out in accordance with applicable regulation.

The company is consistently to implement their procedures for dealing with complaints and grievances.

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

Nothing has changed with the previous assesment, in relation to the provision of compensation for compensation has been described in the Occupation Land Acquisition (No. Policy: 343 / PSD-OKUP / 11) procedure established on 23 February 2012.

6.4.2; 6.4.3

From document verification and consultation with community representatives, it was found that there were no issues of land disputes over the past year. Related to the occupation area of 221.91 Ha has been scribed in **indicator 2.2.4**.

Status: Comply

6.5

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

6.5.1

The company has implemented decree of South Kalimantan Governor related to minimum wage and province minimum wage in 2018. The decree was reaffirmed for implementation in the form of Internal Memorandum of Head of HRD. Furthermore, the basic salary for worker is explain in appointment decree. Review of documents also show an example of pay slip which explain the details of income (basic salary, premium pay) and deduction such as employment insurance payment and other deductions. Based on the results of interviews with workers, labour unions and gender committees it is known that the company has provided wages that are higher than the minimum wage set by the government.

6.5.2.

The company has Company Regulation period of 2017 – 2019 that has been ratified by Manpower and Transmigrations Agency in June 2017. The Company Regulation describes related to company and workers duty and rights, such as wage system, assessment of worker performance, promotion, demotion, leave rights, etc. the company also has work agreement with worker in form of appointment decree for daily and monthly permanent worker. Based on the results of interviews with workers, labour unions and the gender committee, it was known that workers know about the company regulation because the socialization of company regulations was carried out by a labour union and supported by the company in carrying out the socialization.

6.5.3

PT Sajang Heulang provides facility and infrastructure for personnel welfare, such as housing, polyclinic, clean water, education facilities, worship venue, and access to electricity. Field observation at housing complex in Mustika Estate and KKPA-3 show that the facilities and infrastructures are available. Based on the interview with employees mentioned that the infrastructures provided by company. The housing facility is adequate for the worker family because one house is occupied by one family.

Field visits at the Division III Mustika Estate housing found domestic waste scattered in one house (contractor's house) and there was trash burning. As for the overall condition of the housing division of Mustika Estate Division III in addition to the contractor's house, it has been neatly arranged and there is no scattered garbage or burning trash. The company has the opportunity to reevaluate employee housing sanitation conditions including a ban on burning domestic waste. (OFI)

6.5.4

PT Sajang Heulang facilitates employees to access adequate food supply by giving an acces for small traders to selling in the company environment. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with Employees, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

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

In the social policy signed by Head Plantation Upstream Indonesia No Policy 724/TQEM-SPMS/09 on points 5 described that Plantation Upstream Indonesia is respected the rights of every staff / employees to form and join the workers union of their choice and to negotiate collectively. This document formatted in Indonesian Language, so it is easy to understand for all workers. The result of the policy is formation of Labor Unions in every unit in PT Sajang Heulang which is recorded in manpower agency and still active until now. The policy is available in bahasa.

The labor union conducted meeting periodically or where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on 16th May 2017, attended by 43 participants. The documentation is available in office unit and available for member if they were asking.

Based on interview with estate workers and labour union, it could be concluded that company has facilitate labor union according to worker aspiration and there is no intervention from the company for election of labour union structure.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

There is a policy related to personnel's age requirement. The minimum age requirement contained in policy no. Policy 724/TQEM-SPMS/09 which is approved by CEO on April 1 2010.

Based on the results of the field visit at Mustika Estate Division I on the activities of empty bunch application conducted by third party (contractor) found the contractor workers who are assisted by other parties who have not met the minimum age requirement and have no working ties with the contractor. The results of interviews with contractor workers acknowledge that the other party assisting is underage and not a company employee or contractor.

The company has not been able to demonstrate the implemented mechanism to ensure that all workers of the contractor have met the minimum age requirements. Based on that's explanation raised Non Conformance **No. 2018.08 With Major Category..**

Major 6.7.1

Status: Non conformance NC.2018.08 with major category

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 Company has a social policy which stated that every staff / employees should be handled fairly in everything relating to the recruitment, promotions, restrictions and conditions of employment without regard to personal issues such as race, degrees, ethnicity, gender, skin color (defects/imperfect), a membership organization, and political views, religious and/or age. It is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with worker in labor union and gender committee revealed that company opens work opportunity for local communities (in mill and estate) and worker from another Province. This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities.

6.8.2

Document verification and interview with management, labor union and gender committee, recruitment is based on company requirement without considering ethnic, religious, and racial and religion. All prospective workers have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with worker also reveals that there is no indication of discrimination against employees.

6.8.3

Document verification and interview with unit management, labor union and gender committee, that the selection process and recruitment of candidates is done in accordance with the applicable procedures in the company, starting from the signing of the agreements, the evaluation of the performance, until the appointment becomes permanent workers. In process there are not discrimination about race, degrees, ethnicity, gender, skin color (defects/imperfect), a membership organization, and political views, religious and/or age. Based on the results of the document review, it was found that there were recruitment of workers in 2018 based on the ability and results of the health examination of workers, this was evidenced by the recruitment documents and the results of workers' health checks.

	Status: Comply	
6.9		
There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1		
<p>The company has a policy to protect reproductive rights and prevent all forms of sexual harassment and violence. Policy regarding sexual harassment is still the same as the previous assessment that listed social policy. The policy stated that the development and implementation of policies to protect female workers from crime and sexual harassment as well as protecting the rights associated with female reproduction. The company has had a Gender Committee as a forum to ensure the policies of female workers protection are implemented. The results of interviews with gender committee and other female workers (daycare staff and sprayers) known that the company has formed a gender committee to handle the issues of female workers. In addition, also delivered that the company is given the reproductive rights, such as menstruation and pregnant leave in accordance with the applicable procedures.</p>		
6.9.2		
<p>Based on the results of interviews with Gender Committees and female workers, it was found that policies on Gender Committees had been socialized during the monthly Posyandu activities and every female worker understand about Gender policy.</p>		
6.9.3		
<p>Complaints and response mechanism is that listed on the SOP of Employee Complaints Handling. Based on document verification of Complaints Book and interview with Gender Committee, there are no complaints related to sexual harassment and violence. Based on information from gender committee, that the handling of issues about sexual harassment and violence will be resolved together with gender committee and the identity of reporter will be protected.</p>		
	Status: Comply	
6.10		
Growers and mills deal fairly and transparently with smallholders and other local businesses.		
6.10.1-6.10.4		
<p>Based on the verification of FFB acceptance documents and interviews with POM security department Mustika and weighing weigh bridges, it is known that the company received FFB from the nucleous estate and KKPA Full-managed. The price of FFB used by the company has been referring to the decision of FFB Pricing Team of South Kalimantan Province.</p> <p>The interview results have a work contract with EFB operators. Regarding this matter, the company has exercised rights and obligations in accordance with the agreed work agreement.</p> <p>Based on interviews with Cooperative Management and KKPA Full-managed, it is known that the purchase price of FFB has been in accordance with the decision of South Kalimantan Province FFB Pricing Team. Until now there are no related negative issues (complaints) related to price and payment of FFB.</p>		
	Status: Comply	
6.11		
Growers and millers contribute to local sustainable development wherever appropriate.		
6.11.1		
<p>The results of interviews with village community representatives, the priority of the main needs of today's society are children's education, places of worship and road improvements. The company's contribution to local development includes:</p> <ul style="list-style-type: none"> - Providing educational assistance, improving places of worship, road improvements, sports. - Provide jobs and business opportunities to the surrounding community. - KKPA Full-managed development <p>Based on interviews with villagers, it is known that the community has received a positive contribution from the existence of the company. Requests for assistance from the community are well responded to by the company.</p>		
6.11.2		
<p>The company has implemented a full managed plasma (KKPA) development program.</p>		
	Status: Comply	
6.12		

No forms of forced or trafficked labour are used.		
6.12.1; 6.12.2; 6.12.3		
Based on review on the list of personnel's document of PT Sajang Heulang, its known that there was no illegal personnel. The entire personnel have their position based on the signed work contract. Interview with labor union revealed that there is no force or illegal labor who work in company. The entire personnel had read their work agreement and they have signed their work agreement. Moreover, company does not hire illegal or force labor. Based on interview with several workers on each estates and factory, that known: there are no contract substitution.		
Based on field visit in Mustika Estate, Mustika Factory and KKPA-3 there is no indication the use of illegal or forced labor.		
	Status: Comply	
6.13		
Growers and millers respect human rights		
6.13.1		
The company has the Human Rights Policy, signed by SOU 5, July 2017. PT Sajang Heulang is committed to protecting the human rights of all staff and employees as well as female workers including: The right to life, right to have a family and continue the descent, the right to develop themselves, the right to justice, the right to personal liberty, the right to safe, the right on welfare, the right to participate in government, women's rights, children's rights. There was also shown documentation of Human Rights Policy Socialization for several levels of workers in each division on year of 2017. Based on consultation with internal stakeholder (labor union and Gender Committee) and the external stakeholder from several village surround, there was no information related to Human Right abuse cause by the plantation and mill operation.		
	Status: Comply	
PRINCIPLE #7 Responsible development of new plantings		
7.1		
A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
7.1.1		
There is no new planting in Mustika POM scope, some areas are replanting. Related to the Social Impact Assessment (SIA) has been explained on the indicator. 6.1.1		
7.1.2; 7.1.3		
There is no new planting in Mustika POM scope, some areas are replanting. Related to the RKL-RPL & RKS-RPS and review SIA document has been explained on the indicator. 6.1.2; 6.1.3		
	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		
The Company has documented the Mapping of Soil Fertility of Mustika Estate for the Period 2013-2018 period, based on the document it is known that the identified soil types include Typic Hapludults, Lithic Hapludalfs, Plinthic Haplodox, Plinthic Eutradox and Humic Endoaquepts. While in KKPA3 type of soil type that is identified are typic hapludults covering 618 ha, and typic plintudults covering 3,142 ha and has the potential of land suitability class S1 (very appropriate).		
Based on the data, it is known that PT Sajang Heulang does not have marginal land such as peat land, high slope and soil type, so there is no need for special management such as drainage or contour terrace.		
Treatment of an area that has an undulating topography type (slope of 2-6 °) is by making individual terraces.		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
7.3.1 & 7.3.2		
The document review showed that the company has performed land clearing after November 1, 2005 without a prior and adequate HCV assessment. Sime Darby Plantation Berhad, as the parent of PT SHE has conducted disclouser of liability		

in accordance with the letter from the Head of PSQM Department on July 15, 2015 which explained that PT SHE is performed land clearing in the period of November 2005 to November 2007 and land clearing in the period of December 2007 to December 2009.

Based on RACP and LUCA 2017 report, indicates that both of Mustika estates and KKPA 1-5 have zero liabilities and this new development has not replaced any primary forest, peat dome, fragile soils and etc. The validation progress of Remediation and Compensation Plan (RACP) for the area opened since November 1, 2005 without preceded by the identification of HCV in accordance with RACP, will be observed on next audit.

7.3.3

Based on LUCA document review and interview with management shown that initial land preparation and land clearing for Mustika estate and KKPA Mustika was done since year end of 2009. Since ASA-1 until ASA-4, Mustika estate and KKPA Mustika did not expand or develop new operational areas.

7.3.4 & 7.3.5

Since ASA-1 until RE-cert Mustika estate and KKPA Mustika did not expand or develop new operational areas, therefore HCV identifications and management plan are covered on current document see **indicator 5.2**.

Status: Comply

7.4

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

7.4.1; 7.4.2

The Company has documented the Mapping of Soil Fertility of Mustika Estate for the Period 2013-2018 period, based on the document it is known that the identified soil types include Typic Hapludults, Lithic Hapludalfs, Plinthic Haplodox, Plinthic Eutradox and Humic Endoaquepts. While in KKPA3 type of soil type that is identified are typic hapludults covering 618 ha, and typic plintudults covering 3,142 ha and has the potential of land suitability class S1 (very appropriate).

Based on the data, it is known that PT Sajang Heulang does not have marginal land such as peat land, high slope and soil type, so there is no need for special management such as drainage or contour terrace.

Treatment of an area that has an undulating topography type (slope of 2-6 °) is by making individual terraces.

Status: Comply

7.5

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

7.5.1

There is no new planting in Mustika POM scope, some areas are replanting. In relation to legal rights, customary rights, or the right to use of local communities has been described in **criterion 2.3**

Status: Comply

7.6

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

7.6.1-7.6.6

There is no new planting in Mustika POM scope, some areas are replanting. In relation to legal rights, customary rights, or the right to use of local communities has been described in criterion 6.4

Status: Comply

7.7

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

7.7.1 & 7.7.2

The results of document review, field visits and interviews found that PT SHE and KKPA Mustika did not conducting

commodity conversion or new planting or new development since the ASA-4. Zero burning policy for all current planting activities are able to see in indicator 5.5.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 & 7.8.2		
PT SAjang Heulang and KKPA Mustika has not conduct any expansion and development of plantation area after Jan 1 st 2015. Existing GHG emission calculations result are able to seen on Indicator 5.6.3		
	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.		
Based on a summary of the results of the non-conformities identified during the first cycle of the RSPO assessment (Stage 2 - ASA 4), the auditor team considered that there was a continuous improvement commitment that had not yet been fully implemented related to the recurrence of nonconformities that occurred in the second cycle re-certification activity this. As :		
<ul style="list-style-type: none"> • Recurrent non-conformity with the same indicator is shown in indicator 4.7.3; 4.7.5; 5.3.3 • Evaluation and follow-up on the internal audit results of the RSPO against the repetition of non-conformities arising. 		
Based on that's explanation raised Non Conformance No. 2018.09 With Major Category..		
Major 8.1	Status: Non conformance NC.2018.09 with major category	

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>Organization that conduct physically handled of RSPO product is Certificate Holder of Mustika POM and transporter</p> <p>Scope of certifications are PT Sajang Heulang are Mustika POM and its supply base (Mustika Estate, KKPA 2; KKPA 3 and KKPA 5). All CPO Certified products are form estate that already RSPO Certified. Mustika POM didn't buy CPO from others sources.</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>Mustika POM has been registered and met the requirement for reporting supply chain through RSPO IT Platform. Mustika POM only processed their own FFB from own manage plantation and full manage scheme smallholders that have been certified.</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>RSPO IT Platform based on Palm Trace: Member Name: PT. Sajang Heulang Member ID: RSPO_PO1000000829</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Mustika POM did not have any processing aids at site.</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>Mustika POM is certified palm oil mill which implement Identity Preserved using Module D-CPO Mill for its supply chain, because this Mill is received FFB's from certified sources only.</p>
	Status: Comply
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>Mustika POM is certified palm oil mill which implement Identity Preserved using Module D-CPO Mill for its supply chain, because this Mill is received FFB's from certified sources only. However, Mustika POM is planned to supply chain models of</p>

IP and MB in same time license period., where it has been described in the procedure manual RSPO SCCS (Standard Certification Supply Chain RSPO) document No. SCCS-Std / RSPO / PSQM/04 dated 02 January 2018 in point 4.4 regarding Transfer Processing. But in that's procedures not yet explained about processing changes from IP to MB. **Based on that's explanation raised non conformity No 2018.10 With major Category.**

Major 5.2.2 **Status: Non conformance NC.2018.10 with major category**

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.

Mustika POM has had the Manual RSPO SCCS (RSPO Supply Chain Certification Standard) document No SCCS-Std/RSPO /PSQM/02 dated 02 January 2018 for the implementation on Mill. All elements of the applicable supply chain model specified within the procedure. In the procedure it describes the Scope, RSPO Supply Chain Certification System, CPO Mills Module: Identity Preserved, CPO Mill Module: Mass Balance.

Mustika POM has had the Manual RSPO SCCS (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 for the implementation on Mill. All elements of the applicable supply chain model specified within the procedure. In the procedure it describes the Scope, RSPO Supply Chain Certification System, CPO Mills Module: Identity Preserved, CPO Mill Module: Mass Balance and the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.. But based on field observations and interview its known if

- The procedures not yet explained about processing changes from IP to MB
- No evidence that responsible officers can understand and demonstrate documentation including records of CPO certified IP, MB or Non certified when there is a change in SCCS scheme
- Evidence of all relevant officers in the application of SCCS has understood the mechanism of SCCS procedures

Based on that's explanation raised non conformity No 2018.11 With major Category.

According to point 5, the people in charge of the supply chain system are:

- Factory Manager: the mill manager is responsible for maintaining and storing all documents, records and notes of the raw material usage; verification of the product status to the vendee; holding proper SCCS training.
- Assistant of PSQM: checking the FFB quality and the raw materials as well as monitoring the product delivery and load/unload.
- Foreman/assistant of Lab: analyzing and testing the quality; maintaining and distributing the result of product and raw material analysis and test.
- Assistant/Senior Assistant/Manager of Bulking: Ensuring the transport of CPO and PK product from POM to bulking.

Production clerk: recording the administration of the receipt certified FFB and the non-certified one

According to point 5, the people in charge of the supply chain system are:

- Factory Manager: the mill manager is responsible for maintaining and storing all documents, records and notes of the raw material usage; verification of the product status to the vendee; holding proper SCCS training.
- Assistant of PSQM: checking the FFB quality and the raw materials as well as monitoring the product delivery and load/unload.
- Foreman/assistant of Lab: analyzing and testing the quality; maintaining and distributing the result of product and raw material analysis and test.
- Assistant/Senior Assistant/Manager of Bulking: Ensuring the transport of CPO and PK product from POM to bulking.

Production clerk: recording the administration of the receipt certified FFB and the non-certified one

Major **Status: Non conformance NC.2018.11 with major category**

5.3.1

5.3.2

The site shall have a written procedure to conduct annual internal audit	
In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 that's described if:	
<ol style="list-style-type: none"> The unit must perform internal audits at least annually to ensure: <ul style="list-style-type: none"> The organization has complied with the requirements of RSPO SCCS and RSPO Document Market Communication and Claim Effectiveness of implementation and maintenance of standards within the organization Internal audit is performed at least 2 (two) months prior to the external audit carried out. Non conformity that's founds during internal audits should be included in the issue of corrective action. Internal audit results and all corrective actions in correction should be included in the managementt review which is conducted at least annually. Internal audits are scheduled and implemented by the PSQM department 	
	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	
Mustika Palm Oil Mill is an FFB processing mill to produce CPO and PK. The sources of material input are FFB's only from the certified area. This Mill did not purchased CPO and/or PK from others. However Mustika POM is seeking to implement two supply chain model in the rest of license periode ahead which are IP-MB. In that situation Mustika POM is planning will received and processing the Non-RSPO Certified FFB.	
<p>- CPO</p> <p>Documents verifications its known if there is of Certified Palm Kernel sold to buyer period of 03 Oktober 2017 – 30 April 2018 with buyers PT Golden Hope Nusantara Kernel Crushing Plant (Kotabaru Kalimantan Selatan) Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:</p> <ul style="list-style-type: none"> Member name : PT Golden Hope Nusantara Member ID: RSPO_PO1000000829 Category : Refinery <p>- PK</p> <p>Documents verifications its known if there is of Certified Palm Kernel sold to buyer period of 03 Oktober 2017 – 30 April 2018 with buyers-PT Laguna Mandiri – Rantau Kernel Crushing Plant Plant (with the address in Bepara Village, Sub district of Pamukan Utara, Kotabaru Kalimantan Selatan - 72167) Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:</p> <ul style="list-style-type: none"> Member name : PT Laguna Mandiri – Rantau Kernel Crushing Plant Member ID: RSPO_PO1000002787 Category : Kernel Crushing Plant 	
	Status: Comply
5.4.2	
The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Mustika POM has had the Manual RSPO SCCS (RSPO Supply Chain Certification Standard) document No SCCS-Std/RSPO /PSQM/04 dated 02 January 2018 for the implementation on Mill. All elements of the applicable supply chain model specified within the procedure. In the procedure it describes the Scope, RSPO Supply Chain Certification System, CPO Mills Module: Identity Preserved, CPO Mill Module: Mass Balance. However, in the manual it has not explained the mechanism or procedure to handle if there is any discrepancy in product identification (MB / IP) either physically or documents. Based on that's explanation raised non conformity No 2018.12 With major Category.	
Major 5.4.2	Status:
	Non conformance NC.2018.12 with major category
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.

in the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated January 2, 2018 point 4.5.3 it is explained that if the unit cooperates with CSPO / CSPK transport with third parties, the following:

- Third parties must guarantee no contamination of IP and MB products from other contaminants (CPO / PK certified or non-certified residue from outside MTF), by:
 - Provide a separate transport tool for transporting CSPO IP (commitment set forth in work agreement)
 - Wash transport tank and make sure the tank is completely clean every time it will carry CSPO IP / MB)
 - The security guard and the dispatch supervisor must verify the transport tank prior to charging, in a way that ensures all tank contents have been removed and the tank is completely empty.
 - After filling, the upper manhole is sealed and the bottom valve, and every expenditure hole exists.
 - The security guard must always verify the seal, and record the data in and out of the means of transportation in accordance with applicable procedures.

After processed the FFB, facility only sell their certified product (CPO and PK) to the buyer directly and not seeking outsourcing activities. Mustika POM only using contractor for transporting the CPO and Palm Kernel. Currently Mustika POM have procedure to ensure the certified material (CSPO and CSPK) not being mixed with non-certified product.

Status: Comply

5.5.2

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

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

Document verification results and interviews with the management obtained information that there are contractors involved in the process of transporting CPO ie

1. HO Sarana Lestari (CPO transpotation from POM to Jetty Bonati)
2. TK Teratai Merah (No. Contract 00338/SHE/KTR-MKS/LOK/IV/2018) from Jetty Bonati to PT GHN

To ensure product quality and conformity of IP products can be presented to the auditor in the form of Minutes of Shipping of CPO explaining that the product shipped is IP, and evidence of Palka inspection

in the agreement is not explicitly stated that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary, this is because the Working Agreement is agreed before the standard applied.

based on the results of interviews with the management known that CB has access to the outsourcing contractor or operation if an audit is deemed necessary, this is evidenced by

- can be presented to the auditor in the form of Minutes of Shipping of CPO explaining that the product shipped is IP, and evidence of Palka inspection
- form of News Shipment of Palm Kernel which explains that the product shipped is IP on April 28, 2018.

it will be observed during the next surveillance assessment (ASA-1.1) focusing to the CPO and PK shipment contract agreement validity.

Status: Comply

5.5.3	<p>The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p> <p>Document verification results and interviews with the management obtained information that there are contractors involved in the process of transporting CPO ie</p> <ol style="list-style-type: none"> 1. HO Sarana Lestari (CPO transportation from POM to Jetty Bonati) 2. TK Teratai Merah (No. Contract 00338/SHE/KTR-MKS/LOK/IV/2018) from Jetty Bonati to PT GHN
	Status: Comply
5.5.4	<p>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</p> <p>Document verification results and interviews with the management obtained information that there are contractors involved in the process of transporting CPO ie</p> <ol style="list-style-type: none"> 1. HO Sarana Lestari (CPO transportation from POM to Jetty Bonati) 2. TK Teratai Merah (No. Contract 00338/SHE/KTR-MKS/LOK/IV/2018) from Jetty Bonati to PT GHN <p>It will verify in the next assessment</p>
	Status: Comply
5.6	Sales and goods out
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer</p> <p>Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO/ISCC) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.</p> <p>Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciled with the FFB acceptance record, monthly sale production and annual recapitulation, meanwhile in in the selling document inform about name and address of the seller.</p>
	Status: Comply
5.7	Registration of transactions
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable <p>Mustika POM - PT Sajang Heulang (Sime Darby Plantation Berhad) has been registered of certified products of RSPO (CSPO and CSPK) with e-trace- UTZ, Member ID: RSPO_PO1000000829</p> <p>Mustika Palm Oil Mill is an FFB processing mill to produce CPO and PK. The sources of material input are FFB's only from the certified area. This Mill did not purchased CPO and/or PK from others.</p> <p>- CPO</p> <p>Documents verifications its known if there is of Certified Palm Kernel sold to buyer period of 09 January 2018 – 30 April 2018 with buyers PT Golden Hope Nusantara (Kota Baru Kalimantan Selatan) Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:</p>

- Member name : PT Golden Hope Nusantara
- Member ID: RSPO_PO1000000829
- Category : Refinery

- PK

Documents verifications its known if there is of Certified Palm Kernel sold to buyer period of 03 Oktober 2017 – 30 April 2018 with buyers-PT Laguna Mandiri – Rantau Kernel Crushing Plant (with the address in Bepara Village, Sub district of Pamukan Utara, Kotabaru Kalimantan Selatan - 72167) Kernel Crushing Plant has been registered and met the requirement for reporting supply chain through RSPO IT Platform, describes below:

- Member name : PT Laguna Mandiri – Rantau Kernel Crushing Plant
- Member ID: RSPO_PO1000002787
- Category : Kernel Crushing Plant

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.

Yes. All requirement had been implemented.

Documentation for the Sustainable Crude Palm Oil (Sustainable CPO), consist of: daily record of the FFB acceptance, daily record of CPO production, which classified as the CSPO, CPO (RSPO/ISCC) sale record, stock record that has been reconciled with the FFB acceptance, monthly production and sale and annual recapitulation.

Documentation for the Sustainable Palm Kernel (Sustainable PK), consist of: FFB dispatch record, which further will be counted the daily production of the Sustainable PK, daily production record of the PK, which classified as the Sustainable PK, monthly recapitulation of the Sustainable PK's sale, stock record, which has been reconciliated with the FFB acceptance record, monthly sale production and annual recapitulation. Documents verifications its known if all CPO and PK produced sell as RSPO product.

example Shipping announcement dated 09 April 2018 with Seller Contract Number 0336/SHE/KTR/MKS/LOK/II/201, buyer reference Number P/GHN/0218/CPO02177 with Volume of CSPO 999.79 MT program IP to PT Golden Hope Nusantara.

Status: Comply

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

Based documents review and interview with the managements representative its known if the training plan on RSPO SCC requirements conducted annually once a year. The training program scheduled on May 2018 and that's has been conducted on 03 May 2018 with the number of participants are 18 persons including Mill Manager, Assistants, Supervisors, Operator

loading ramp and Weightbridge Operator	
	Status: Comply
5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
Based documents review and interview with the managements representative its known if the training plan on RSPO SCC requirements conducted annually once a year. The training program scheduled on May 2018 and that's has been conducted on 03 May 2018 with the number of participants are 18 persons including Mill Manager, Assistants, Supervisors, Operator loading ramp and Weightbridge Operator	
	Status: Comply
5.9	Record keeping
5.9.1 The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM/04 dated 02 January 2018 at Point 4.9 it is mentioned that: <ul style="list-style-type: none"> - The organization shall maintain accurate, complete, up to date and properly accessible reports and records covering all aspects of this RSPO SCCS requirement - Retention times for all records are minimum 10 years for financial documents and minimum 2 years for the other than financial documents 	
MTF has provide an update of monthly summary of RSPO FFB certified and non-certified from its supply bases. Furthermore, MTF has record and balance of all RSPO product (CSPO and CSPK) produced, as well as its dispatch.	
	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	
In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM/04 dated 02 January 2018 at Point 4.9 it is mentioned that Retention times for all records are minimum 10 years for financial documents and minimum 2 years for the other than financial documents.	
Facility showed the procedure regarding to retention time for all records and reports of supply chain. The 2016 documents can be showed during te audit conducted.	
	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.	
In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 at Point 4.9 it is mentioned 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.	
Has been set the estimated certified products that will be produced by Mustika POM, for one year license period are: <ul style="list-style-type: none"> - FFB → 203,549 MT - CPO → 44, 781 MT - PK → 9,160 MT 	

	Status: Comply
5.10	Conversion factors
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries
	<p>In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 at Point 4.10 described if</p> <ul style="list-style-type: none"> - If available a conversion rate must be applied to provide a reliable estimate of the availability of the number of certified product outputs from the associated inputs. Organizations can set their own conversion values that should be based on prior experience, documented and applied consistently - Conversion value determined by marketing jakarta based on data submitted by POM on the basis of FFB processing result, so that the conversion value obtained equal to actual POM and conversion reference by marketing following monthly report period of POM - Conversion values must be updated to ensure accuracy of actual or industry level achievements where appropriate <p>During assestment conducted Mustika POM only received and processed of FFB's as material input form estate under scope of certification. This mill did not purchase FFB, CPO and/or PK from others. Therefore, this mill did not using conversion factors.</p>
	Status: Comply
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.
	<p>No.</p> <p>Facility did not using conversion rate.</p> <p>In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 at Point 4.10 described if Conversion values must be updated to ensure accuracy of actual or industry level achievements where appropriate</p> <p>During assestment conducted Mustika POM only received and processed of FFB's as material input form estate under scope of certification. This mill did not purchase FFB, CPO and/or PK from others. Therefore, this mill did not using conversion factors.</p>
	Status: Comply
5.11	Claims
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.
	<p>All certified product claims, the CH never using RSPO symbol or logos. A unique identification number, certificate number and supply chain model are available on relevant documents. Also, the CH using RSPO Palm Trace for communication, transaction, confirmation status and shipping announcement.</p> <p>In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 described if the claim has been referred to RSPO Rules on Market Communications and Claims.</p>
	Status: Comply
5.12	Complaints
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.
	In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated

	<p>02 January 2018 at Point 4.12 described if</p> <ul style="list-style-type: none"> - Stakeholders may complaint via written letter or Email addressed to MR or orally by facing directly to MR - Complain from stakeholders must be followed up by MR orally, written letter or email data
	<p>Status: Comply</p>
<p>5.13</p>	<p>Management review</p>
<p>5.13.1</p>	
<p>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p>	
<p>In the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 at Point 4.13 described if</p>	
<p>1. The organization should establish a management review plan implemented:</p> <ul style="list-style-type: none"> • After internal audit • Before external audit • Minimum once in 12 months (1 year) <p>2. Input for management review should include the following information:</p> <ul style="list-style-type: none"> • Internal audit results of SCCS requirements • Achievement of production • Feedback from customers • Status of preventive and corrective actions • Follow up on prevention and improvement • Changes that can affect the management system • Recommendations for improvement 	
	<p>Status: Comply</p>
<p>5.13.2</p>	
<p>The input to management review shall include information on:</p> <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. 	
<p>Result of Management Review report on 26 April 2018 , the following information was discussed:</p> <ul style="list-style-type: none"> - Internal audit SCCS - Performance process and product Mustika Factory - Status of improvement and conformity of NC - Corrective recommendation 	
	<p>Status: Comply</p>
<p>5.13.3</p>	
<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
<p>Improvement of the effectiveness of the management system and its processes and resource needs is already included within the Management Review.</p>	
	<p>Status: Comply</p>

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	Requirement																				
D1	Definition																				
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). 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. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>																				
	<p>Mustika POM only receive FFB from certified sources: Mustika Estate (nucleus estate), KKPA-2, KKPA-3 and KKPA-5 (associate smallholders full managed).</p> <p>According to the document of FFB receipt period of June 2016 – April 2018, all FFB supplied to the mill are from certified units and there is no FFB from non-certified source. Based on explanation above, Mustika POM apply the requirements of SCCS Module D (IP).</p>																				
	Status: Comply																				
D.2	Explanation																				
D.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>																				
	<p>Estimated tonnage of CPO and PK products Mustika POM as follows:</p> <table><tr><th>Product</th><th>Estimated based on Certificate RSPO/027 July 2017 – 2 July 2018</th><th>Actual certified product sell out based on Palm Trace transaction period 3 July 2017 – 30 April 2018</th><th>Estimated for next period</th></tr><tr><td>FFB</td><td>203,549</td><td>145,757.450</td><td>203,549</td></tr><tr><td>CSPO</td><td>44,781</td><td>31,105,708</td><td>44,781</td></tr><tr><td>CSPK</td><td>9,160</td><td>6,253,025</td><td>9,160</td></tr></table>	Product	Estimated based on Certificate RSPO/027 July 2017 – 2 July 2018	Actual certified product sell out based on Palm Trace transaction period 3 July 2017 – 30 April 2018	Estimated for next period	FFB	203,549	145,757.450	203,549	CSPO	44,781	31,105,708	44,781	CSPK	9,160	6,253,025	9,160				
Product	Estimated based on Certificate RSPO/027 July 2017 – 2 July 2018	Actual certified product sell out based on Palm Trace transaction period 3 July 2017 – 30 April 2018	Estimated for next period																		
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CSPK	9,160	6,253,025	9,160																		
	<p>Certified CPO sold to each buyer.</p> <table><tr><th>Dated</th><th>Seller</th><th>Buyer</th><th>Volume</th></tr><tr><td>28/02/2018</td><td>PT SHE</td><td>PT Golden Hope Nusantara</td><td>1,000</td></tr><tr><td>31/01/2018</td><td>PT SHE</td><td>PT Golden Hope Nusantara</td><td>1,093.19</td></tr><tr><td>29/01/2018</td><td>PT SHE</td><td>PT Golden Hope Nusantara</td><td>897.75</td></tr><tr><td>29/12/2017</td><td>PT SHE</td><td>PT Golden Hope Nusantara</td><td>1,497.41</td></tr></table>	Dated	Seller	Buyer	Volume	28/02/2018	PT SHE	PT Golden Hope Nusantara	1,000	31/01/2018	PT SHE	PT Golden Hope Nusantara	1,093.19	29/01/2018	PT SHE	PT Golden Hope Nusantara	897.75	29/12/2017	PT SHE	PT Golden Hope Nusantara	1,497.41
Dated	Seller	Buyer	Volume																		
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31/01/2018	PT SHE	PT Golden Hope Nusantara	1,093.19																		
29/01/2018	PT SHE	PT Golden Hope Nusantara	897.75																		
29/12/2017	PT SHE	PT Golden Hope Nusantara	1,497.41																		

09/12/2017	PT SHE	PT Golden Hope Nusantara	1,496.76
26/11/2017	PT SHE	PT Golden Hope Nusantara	1,496.12
29/10/2017	PT SHE	PT Golden Hope Nusantara	1,746.75
29/10/2017	PT SHE	PT Golden Hope Nusantara	804.39
08/10/2017	PT SHE	PT Golden Hope Nusantara	2,489.50
08/10/2017	PT SHE	PT Golden Hope Nusantara	1,503.09
08/10/2017	PT SHE	PT Golden Hope Nusantara	1,993.59
Total			16,018.34

Certified PK sold to each buyer.

Dated	Seller	Buyer	Volume
31/03/2018	PT SHE	PT Laguna Mandiri - Rantau Kernel Crushing Plant	293.19
31/03/2018	PT SHE	PT Laguna Mandiri - Rantau Kernel Crushing Plant	350.98
28/02/2018	PT SHE	PT Laguna Mandiri - Rantau Kernel Crushing Plant	340.24
31/01/2018	PT SHE	PT Laguna Mandiri - Rantau Kernel Crushing Plant	640.82
31/12/2017	PT SHE	PT Laguna Mandiri - Rantau Kernel Crushing Plant	389.18
31/10/2017	PT SHE	PT Laguna Mandiri - Rantau Kernel Crushing Plant	496.28
Total			2,510.69

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 or book and claim).

RSPO IT Platform based on Palm Trace:

Member Name: PT. Sajang Heulang

Member ID: RSPO_PO1000000829

Program: IP

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 include at minimum the following:

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

Mustika POM has had the Manual RSPO SCCS (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 for the implementation on Mill. All elements of the applicable supply chain model specified within the procedure. In the procedure it describes the Scope, RSPO Supply Chain Certification System, CPO Mills Module: Identity Preserved, CPO Mill Module: Mass Balance and the the person having overall responsibility for and

authority over the implementation of these requirements and compliance with all applicable requirements.. But based on field observations and interview its known if

- No evidence that responsible officers can understand and demonstrate documentation including records of CPO certified IP, MB or Non certified when there is a change in SCCS scheme
- Evidence of all relevant officers in the application of SCCS has understood the mechanism of SCCS procedures

Based on that's explanation raised non conformity No 2018.11 With major Category.

Major D.3.1 **Status:**
Non conformance NC.2018.11 with major category

D.3.2

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

Mustika POM is certified palm oil mill which implement Identity Preserved using Module D-CPO Mill for its supply chain, because this Mill is received FFB's from certified sources only. However, Mustika POM is planned to adopt the scheme Mass Balance, where it has been described in the procedure manual RSPO SCCS (Standard Certification Supply Chain RSPO) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 in point 4.4 regarding Transfer Processing

Status: Comply

D.4 **Purchasing and goods in**

D.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

Mustika POM does not receive FFB from other not certified unit. The entire processed FFB in Mustika POM are from certified sources: Mustika Estate (own estate), KKPA-2, KKPA-3 and KKPA-5 (associate smallholders full managed). The entire processed FFB is 100% **RSPO certified-Identity Preserve**.

Volume of certified FFB's receives, process and CPO & PK production within license period 02 July 2017 – 30 April 2018 in Kilograms as follow:

Months	FFB Received (Kg)				
	MTE	KKP 2	KKP 3	KKP 5	Total
July	5,419,930	7,490,960	5,270,770	1,350,730	18,503,860
August	5,702,730	7,913,830	5,761,980	1,526,580	15,288,970
September	5,224,950	7,599,490	5,909,880	1,256,870	10,691,340
October	5,428,150	6,695,310	5,029,670	726,580	7,374,470
November	4,438,640	5,438,450	3,885,300	725,240	6,895,990
December	4,155,840	3,152,400	2,126,230	731,090	10,172,930
January	3,019,980	2,211,200	1,416,710	268,700	15,742,300
February	2,659,970	1,899,440	1,611,340	1,350,730	18,503,860
March	3,415,860	3,036,510	2,989,470	1,526,580	15,288,970
April	5,214,450	5,449,880	4,809,270	1,256,870	10,691,340
Total	44,680,500	50,887,470	38,810,620	11,378,860	145,757,450

Status: Comply

D.4.2

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

Mustika POM will inform the CB immediately if there is a projected overproduction of certified tonnage. This statement is available within the procedure applied. According to below data record, there is no overproduction from Mustika POM

Status: Comply

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 three-monthly basis.

Volume of certified FFB's receives, process and CPO & PK production within license period 02 July 2017 – 30 April 2018 in Kilograms as follow:

Months	FFB Received (Kg)				
	MTE	KKP 2	KKP 3	KKP 5	Total
July	5,419,930	7,490,960	5,270,770	1,350,730	18,503,860
August	5,702,730	7,913,830	5,761,980	1,526,580	15,288,970
September	5,224,950	7,599,490	5,909,880	1,256,870	10,691,340
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November	4,438,640	5,438,450	3,885,300	725,240	6,895,990
December	4,155,840	3,152,400	2,126,230	731,090	10,172,930
January	3,019,980	2,211,200	1,416,710	268,700	15,742,300
February	2,659,970	1,899,440	1,611,340	1,350,730	18,503,860
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April	5,214,450	5,449,880	4,809,270	1,256,870	10,691,340
Total	44,680,500	50,887,470	38,810,620	11,378,860	145,757,450

Bulan	FFB Processed	Productions		Dispatch	
		CPO	PK	CPO	PK
July	22,816,718	4,684,417	997,071	3,251,610	1,005,970
August	19,053,221	4,139,249	820,595	3,640,210	793,900
September	19,588,472	4,226,738	833,629	5,390,570	852,830
October	18,485,484	3,998,980	787,945	4,101,550	792,160
November	15,285,131	3,367,411	628,030	3,731,580	92,630
December	10,471,033	2,323,648	438,757	2,216,260	794,220
January	7,606,355	1,718,032	329,434	1,994,160	647,670
February	6,824,027	1,571,662	307,904	1,000,980	339,820
March	10,224,829	2,279,132	462,727	1,496,900	350,810
April	15,412,939	2,796,439	646,933	2,200,250	495,700
Total	145,757,450	31,105,708	6,253,025	29,024,070	6,165,710

Status: Comply

D.6 Processing

D.6.1

The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage

Mustika has applied IP model, where all the FFB's entering the mill are from certified area only. Also, CPO and PK has own storage at the mill. During transportation and delivery, the certificate holder has made separation vehicles Therefore, Mustika has been implementing 100% physical handling of the certified product. Transportation and delivery, the certificate holder has made separation vehicles Therefore, Mustika has been implementing 100% physical handling of the certified product. However, Mustika POM is planned to adopt the scheme Mass Balance, where it has been described in the procedure manual RSPO SCCS (Standard Certification Supply Chain RSPO) document No. SCCS-Std / RSPO / PSQM / 04 dated 02 January 2018 one of which governs record keeping explaining that the unit should record all incoming RSPO Certified FFBs and all CPO and PK RSPO Certified which are sent in real time.

However, based on the results of field interviews and simulations it is known that there is insufficient evidence that responsible officers can understand and demonstrate documentation including records of CPO certified IP, MB or Non certified when there is a change in SCCS scheme. It has high potential to have errors in the process of claiming CPO products produced. **Based on that's explanation raised non conformity No 2018.03 With major Category.**

Status:

Major D.3.1 Non conformance NC.2018.13 with major category

D.6.2

The objective is for 100 % segregated material to be reached

Mustika POM has implementing IP model, meaning all the FFB entering the mill is sources from Certified only and 100% fully segregated material.

Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
RC	SHE has logo and certificate approval/permit from MUTU.	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
RC	The Company does not use the logo on-product and off-product in the scope of PT SHE	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or√
RC	The Company does not use the logo on-product and off-product in the scope of PT SHE	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
RC	The Company does not use the logo on-product and off-product in the scope of PT SHE	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

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

		RSPO and according to the CB's correspondency 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 Berhad) 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.
iii.	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: No stakeholder comments or complaints received.</p> <p>Auditor Verification:</p>

		Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: None noted. No stakeholder comments or complaints received.</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, ie:</p> <ul style="list-style-type: none"> • PT Sime Indo Agro 1,652 Ha • PT Aneka Inti Persada 421.31 Ha • PT Bina Sains Cemerlang 308.25 Ha • PT Bersama Sejahtera Sakti 765 Ha • PT Langgeng Muaramakmur 1,162 Ha • PT Paripurna Swakarsa 1,120 Ha • PT Swadaya Andika 63 Ha • PT Bahari Gembira Ria 1,639 Ha • PT Guthrie Pecconina Indonesia 4,133 Ha • PT Perkasa Subur Sakti 1,286 Ha

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

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4

NCR No.	: 2017.01	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	: 4.7.1 Safety and health policies should be available. Safety and health plans are documented, implemented, and monitored for their effectiveness.		
Non-Conformance Description & Evidence observed (filled by auditor):: The Certificate holder has a Occupational Health and Safety policy stating that the Company will continuously improve the performance of occupational health and safety. In addition, there are also procedures such as: <ul style="list-style-type: none">Block Spraying System (SOP SHE Rev.01, January 2, 2014) stating that the tools including PPE for spraying activities is washed with clean water at BSS house and not allowed to be brought home.Block Manuring System (PF 3001, April 1, 2012) states that tools including PPE for manuring activities are not allowed to be brought home. Based on field visits it is known that: <ul style="list-style-type: none">Personal Protective Equipment (PPE) for spraying and manuring activities is not available at BSS and BMS KKPA-2 house. This is in accordance with results of interviews with management that the PPE is brought by workers to their houseBSS and BMS housing facilities are not available at KKPA-3. Meanwhile, the results of interviews with 3 spraying workers and 3 manuring workers it is known that the work tools and PPE brought home. Based on such evidence, the auditor team concluded that the certificate holder has not been able to demonstrate the implementation of their OHS policy and the procedures.			
Root Cause Analysis (filled by organization audited): BSS House in KKPA 2 is not implemented properly yet and BSS/BMS House in KKPA 3 is not available yet.			
Correction (filled by organization audited): Provided PPE and Work tools storage for BSS/BMS team in KKPA 3, also affirmation about implementation of BSS & BMS SOP that PPE and work tools storage is available for spraying and manuring worker in KKPA 2 and 3.			
Corrective Action (filled by organization audited): Monitoring of BSS & BMS SOP implementation and socialize the SOP to worker regularly.			
Assessor Evaluation and Conclusion (filled by auditor): Observation on 7th July 2017 Certificate holder could showed corrective evidence and also root cause and corrective action. However, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed. Observation on 18th July 2017 Certificate holder has showed corrective evidence, such as: <ul style="list-style-type: none">Memorandum from Estate Manager of KKPA 3 No KP3-int/VI/2017/067/s on 14th June 2017 about The Storage of Spraying and Manuring PPE in BSS and BMS House.Memorandum from Manager of KKPA 2 No KKPA2-int/366/VI/2017/17/s on 15th June 2017 about the Affirmation of PPE and Work Tools Storage for MSS and BMS Team.			

- Memorandum from Estate Manager of Mustika No MTE-int/08/VII/2017/17/ on 04th July 2017 about Affirmation of PPE and Work Tools Storage for MSS and BMS Team.
- List of attendees of socialization related to work tools storage for BSS and BMS team on 19th June 2017 in KKPA 2.
- Memorandum Estate Manager No KKPA5-int/164/VI/17/s on 15th June 2017 about Affirmation of PPE and Work Tools Storage and prohibition of taking home PPE. This memorandum has been socialized on 17th June 2017 to all spraying and manuring workers.

However, certificate holder has not showed evidence of monitoring to ensure that workers are no taking home PPE and work tools in accordance with the memorandum.

Based on explanation above, team auditor concluded that the nonconformance of this indicator is **NOT COMPLY**

Observation on 2nd August 2017

- Certificate holder could show corrective evidence in form of documentation (photo) of BSS House and Storage of work tools in BSS/BMS house in KKPA 3.
- Monitoring evidence of work tools storage in KKPA 3 on June and July 2017, however the evidence for KKPA 2 could not show yet.

However, certificate holder has not showed the monitoring evidence to ensure that workers are not taking home work tools and PPE in accordance with memorandum in KKPA 2 Estate.

Observation on 8th August 2017

Certificate holder has showed monitoring evidence of storage of BMS/BSS work tools and PPE in KKPA 2 periode of June and July 2017. Based on explanation, auditor team concluded that this nonconformance is **COMPLY WITH OBSERVATION.**

Verified by : **Asystasha Aishah Silalahi**

NCR No.	: 2017.02	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	4.7.2 Risk assessment, documentation and implementation records should be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor)::</i> Based on field observations it is known that there are some potential hazards of plantation operational activities that have not been identified in the HIRAC document, for example but not limited to: <ul style="list-style-type: none">• Operational activities under the electrical grid installation• Storage of harvesting tools in housing complex• Temporary storage (transit) of schedule waste• FFB transport from the block to TPH (Site Collection)• FFB loading into the vehicle• Potential exposure of pesticides during application in the field.• And others, On the evidence obtained, the auditor team concluded that the risk assessment of all plantation activities has not been identified, documented and implemented.			

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

Hazard and risk assessment for some operational activities is not available, such as Operational activities under the electrical grid installation, Storage of harvesting tools in housing complex, Temporary storage (transit) of schedule waste, FFB transport from the block to TPH (Site Collection), Potential exposure of pesticides during application in the field. But, FFB loading into the vehicle has been identified the hazard potential on HIRAC for harvesting.

Risk assessment for operational activities under the electrical grid installation, Storage of harvesting tools in housing complex, Temporary storage (transit) of schedule waste, FFB transport from the block to TPH (Site Collection), Potential exposure of pesticides during application in the field is not done because implementation of HIRAC SOP is not consistent.

Corrective Action *(filled by organization audited):*

Revision of HIRAC document on hazard potential that has not been listed yet.

Preventive Action *(filled by organization audited):*

Evaluation on hazard potential of all activities regularly.

Assessor Evaluation and Conclusion *(filled by auditor):*
Observation on 19th June 2017

Certificate holder has showed corrective evidence such as HIRAC evaluation for KKPA 2 and 3 approved on 13th June 2017. The evidence is accepted by document.

However, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.

Observation on 8th August 2017

Certificate holder has completed auditor's questions related to root cause analysis, correction, corrective action. Based on explanation above, auditor team concluded that nonconformance in this indicator is **CLOSED**.

Verified by : **Asystasha Aishah Silalahi**

NCR No.	: 2017.03	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	4.7.3 Records of Safety and Health (OHS) program training (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis should be available to all workers.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> : Certificate holder has trained worker, especially for operators in estate and mill. However, they have not been able to demonstrate sufficient evidence to have provided personal protective equipment in accordance with the identified potential hazards. Based on field observation and interviews with workers, it is known that: <ul style="list-style-type: none">• Personal protective equipment in the form of shoes for harvesting workers are provided by the workers at KKPA-2.• Contractor worker of FFB loading did not use PPE in accordance with the work agreement at KKPA-2 and KKPA-3. Based on explanation above, the certificate holder has not been able to apply the appropriate OHS protection to workers in accordance with hazard identification and risk analysis			
Root Cause Analysis <i>(filled by organization audited):</i> Contractors have not been disciplined in the use of PPE. Use of PPE for contractor driver is not implemented properly because the driver is not discipline. Procurement of PPE for hired worker has not been fully budgeted for 2016 – 2017 and has been budgeted for 2017 –			

2018. While for contractor, the obligation to use PPE has listed on work agreement, but has not done well.

Certificate holder established communication with owner of work agreement. The work agreement has explained about the obligation to use PPE. But, communication between owner and contractor driver (especially obligation to use PPE) is less well established.

Correction *(filled by organization audited):*

Socialization to contractor driver about using PPE in accordance with work agreement.

Corrective Action *(filled by organization audited):*

PPE inspection before and after work and give sanction verbally or written to contractor driver and worker if they are not obey the work agreement.

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

Observation on 7th July 2017

Certificate holder has showed corrective evidence along with root cause and corrective action. But, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.

Observation on 18th July 2017

Certificate holder has showed corrective evidence, such as:

- Minutes of meeting of OHS socialization to owner of work agreement (Contractor) and its worker in KKPA 2 Estate on 8th July and attended by 7 participants. List of attendees and activity's photos is available.
- Minutes of meeting of OHS socialization to owner of work agreement (Contractor) and its worker in KKPA 3 Estate on 13th July and attended by 19 participants. List of attendees and activity's photos is available.

But, certificate holder has not showed example of monitoring evidence of the effectiveness of socialization. However, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.

observation on 8th August 2017

Certificate holder has completed the auditor's questions related to root cause analysis, corrective action, and corrective evidence such as:

- Memorandum No KKPA2-int/366/VIII/17/s on 1st August 2017 from Manager of KKPA 2 about Affirmation of Using PPE.
- Monitoring of using PPE of contractor driver in KKPA 2 and 3

Based on explanation above, auditor team concluded that nonconformance in this indicator is **COMPLY WITH OBSERVATION**

Verified by : **Asystasha Aishah Silalahi**

NCR No.	: 2017.04	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	: 06 May 2018
Standard Ref. & Requirement	: 4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the		

working areas.	
Non-Conformance Description & Evidence observed (filled by auditor): The certificate holder also has provided emergency response and first aid facilities at workplace, but based on field observation, it is known that: <ul style="list-style-type: none"> • There is an expired medicine (povidone iodine) in the first aid bag carried by the foreman of Harvest in division 3 of KKPA 2. • First aid equipment monitoring is not available in all work units. In relation to this matter, the certificate holder has not demonstrated yet the effectiveness of periodic monitoring on emergency response facilities (first aid equipment).	
Root Cause Analysis (filled by organization audited): - Monitoring of emergency response and first aid facilities not conducted routinely	
Correction (filled by organization audited): - Provide first aid kit at workplace,	
Corrective Action (filled by organization audited): - Monitoring and control of first aid kit routinely	
Assessor Evaluation and Conclusion (filled by auditor): Verification on 06 May 2018 There are also signs of emergency response such as evacuation routes that are available in estate office places, KKPA, and Mill. Workers in mill have also understood the emergency response mechanism. Based on field observations at PT Sajang Heulang it was found that the first aid officers appointed to the operational section were foremen. Based on explanation above, auditor team concluded that nonconformance in this indicator is COMPLY	
Verified by	: Moh Arif Yusni

NCR No.	: 2017.05	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	: 06 May 2018
Standard Ref. & Requirement	: 4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).		
Non-Conformance Description & Evidence observed (filled by auditor): The certificate holder has several type of worker, among others monthly and daily permanent worker, temporary worker, and contractor workers in the KKPA 2 and 3. For permanent and temporary workers have been registered into the work accident insurance program (BPJS Employment). However, based on document review and interview with the management, it is known that there is not enough evidence of all contractor workers in KKPA 3 has been registered into the applicable occupational injury insurance.			
Root Cause Analysis (filled by organization audited): there are no controls related to contractor if their workers has been registered into the applicable occupational injury insurance because all this time there were no work accidents for contractor employees			
Correction (filled by organization audited): ensure all contractor workers get insurance ensure that all work contracts have explained the insurance clause			

Corrective Action *(filled by organization audited):*

Monitoring from supervisor and give sanction verbally or written to contractor if their workers are not registered into the applicable occupational injury insurance.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 06 May 2018


Based on the results of interviews with workers, labour union and gender committee, stated that workers get medical services from PT Sajang Heulang in the form of clinic facilities. In addition, they have also been enrolled in the *Badan Penyelenggara Jaminan Sosial/ BPJS* (Workers Social Security Agency) Health and Employment program. This is in accordance with the “*BPJS Kesehatan dan Ketenagakerjaan*” payment document (listing the Details of Employee Contributions) for “*BPJS Kesehatan dan Ketenagakerjaan*”. PT Sajang Heulang has shown proof of payment of “*BPJS Kesehatan dan Ketenagakerjaan*”, for example, payment periode April 2018 for Mustika Estate, KKPA-3 and Mustika Factory including for contractor Worker

Based on explanation above, auditor team concluded that nonconformance in this indicator is **COMPLY**

Verified by : **Moh Arif Yusni**

NCR No.	: 2017.06	Issued by	: Arif Faisal Simatupang
Date Issued	: 9 June 2017	Time Limit	: Re Certification
NC Grade	: Minor	Date of Closing	: 06 May 2018
Standard Ref. & Requirement	: 4.8.2 Records of training for each employee shall be maintained.		
Non-Conformance Description & Evidence observed : The certificate holder has shown the training recording in the unit of estate and mill as identified in the training program. However, training records for each worker can not yet be shown.			
Root Cause Analysis <i>(filled by organization audited):</i> Currently monitoring and recording of training activities are recorded collectively			
Correction <i>(filled by organization audited):</i> document and record all training activities for each worker			
Corrective Action <i>(filled by organization audited):</i> document records of training activities attended by each worker.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification on 06 May 2018 The company have training record for each worker such as: <ul style="list-style-type: none">spraying workers) training records during 2017 and 2018 are spraying training, OHS, first aid training, socialization of gender comitee, human rights and HCV area.harvesting workers) training records during 2017 and 2018 are harvesting training, OHS, first aid training, socialization of gender comitee, human rights and HCV area. Based on explanation above, auditor team concluded that nonconformance in this indicator is <u>COMPLY</u>			
Verified by	: Sofyan Hadi Lubis		

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NCR No.	: 2017.07	Issued by	: Moh Arif Yusni
Date Issued	: 9 June 2017	Time Limit	: Recertification
NC Grade	: Minor	Date of Closing	: 06 May 2018
Standard Ref. & Requirement	5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> : Based on the result of the sample of field visit around the KKPA 2 fertilizer warehouse, there was found a pile of waste of fertilizer that has not been properly managed according to SOP Block Manuring System (No PF 3001 dated 01 April 2017, for example: <ul style="list-style-type: none">- Sacks of fertilizer are stored outside the warehouse in the open area- Sack of fertilizer is not arranged neatly			
			
In relation to this matter, the certificate holder has not been able to show the waste management plan of the ex fertilizer sack has been implemented to avoid and reduce contamination.			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Lack of monitoring from supervisor- the storage warehouse is old and has not been renovated			
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none">- intensify and monitoring the pile of waste of fertilizer- warehouse renovation			

Corrective Action *(filled by organization audited):*

intensify and monitoring the pile of waste of fertilizer from supervisor to ensure that all work is in accordance with the procedure

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification on 06 May 2018

Based on the result of the sample of field visit around the KKPA 3 fertilizer warehouse, there was found a pile of waste of fertilizer that has been properly managed according to SOP Block Manuring System (No PF 3001 dated 01 April 2017,

Based on explanation above, auditor team concluded that nonconformance in this indicator is **COMPLY**

Verified by : **Steve Muallim**

NCR No.	: 2017.08	Issued by	: Asystasha Aishah Silalahi
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	6.5.2 Collective labor agreements / Company regulations in accordance with labor regulations, are available in clear language and described by management or trade unions to workers.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on field observation, it is known that: <ul style="list-style-type: none">- Harvesting activities in Division III KKPA 2, found a harvester who bring along his family member (wife) for helping his work. Based on interview with the worker and harvest supervisor, it is known that the family member doesn't have contract agreement and not registered as worker in company- CH has worker with piece worker type for spraying and manuring in KKPA 2 and 3. Based on interview with management unit, it is known that work agreement with spraying and manuring worker is delivered verbally. This is clarified by interview with 3 spraying worker and 3 manuring worker in KKPA 3, admitted that they have no written work agreement. Based on evidence obtained, certificate holder has not showed that all worker has valid work agreement.			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Field worker namely harvester's wife without valid work agreement because she wants to help her husband to increase the income (she is not listed in list of worker).- Empowerment of surrounding communities. Work agreement is not available because the work is temporary			
Correction <i>(filled by organization audited):</i> Memorandum from Estate Manager about prohibition of worker bringing along family member without valid work agreement has been published and make work agreement to all piece worker type.			
Corrective Action <i>(filled by organization audited):</i> Socialization regularly about all worker must have valid work agreement. Doing Safety briefing and socialization to worker before work time about prohibition bring along family member. Making work agreement for contractor worker, spraying and manuring			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Observation on 7th July 2017			

Certificate holder has showed corrective evidence with root cause and corrective action. But, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.

Based on corrective evidence, auditor team concluded that nonconformance in this indicator is **NOT COMPLY**.

Observation on 18th July 2017

Certificate holder has showed corrective evidence such as:

- Memorandum from temporary manager of KKPA 2 No KKPA2-Int/357/VI/17/S on 7th June 2017 about Work Prohibition for Any Person who Has Not Valid Work Agreement.
- Socialization of Memorandum No KKPA2-Int/357/VI/17/S on 15th, 17th, dan 18th June 2017 in division 1, 2, and 3 KKPA 2. Minutes of meeting is available.
- Memorandum From Estate Manager of KKPA 5 No KKPA 5 – Int/163/VI/17/s on 16th June 2017 about Commitment of Child Protection in Minamas and Prohibition to Bring Along Family Member for Helping Work.
- Socialization of OHS Safety Briefing on 17th June 2017 discuss about Memorandum No KKPA 5 – Int/163/VI/17/s which attended by 31 participants. Minutes of meeting is available.
- Socialization about Prohibition of employing family members without having work agreement as worker in the company in KKPA 3 Estate division 1, 2, and 3 on 15th, 16th, and 17th June 2017. Minutes of meeting is available.

Based on explanation given, Nonconformity No 2017. 08 poin 1 is **COMPLY WITH OBSERVATION**.

Start from July 2017, spraying and manuring worker in KKPA 2 and 3 has been provided with work agreement.

Based on explanation above, nonconformance in this indicator is **NOT COMPLY**.

Observation on 8th August 2017

Certificate Holder has showed corrective evidence, such as:

- Memorandum No KP3-int/VII/2017/014/s from Estate Manager of KKPA 3 about Temporary Worker Must be Provided with work agreement.
- Example of work agreement of Temporary Worker in KKPA 2 and 3.

Based on corrective evidence, Non Conformity No 2017. 08 is **COMPLY WITH OBSERVATION**.

Verified by : **Asystasha Aishah Silalahi**

NCR No.	: 2017.09	Issued by	: Yudwi Wisnu Rahmanto
Date Issued	: 9 June 2017	Time Limit	: 8 August 2017
NC Grade	: MAJOR	Date of Closing	: 8 August 2017
Standard Ref. & Requirement	8.1 Oil palm growers and millers regularly monitor and review their activities and develop and implement action plans that allow for continuous improvement in key operations.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> : Based on the results of non-conformity identified during ASA-4 activities, the auditor team considers that there is a continuous improvement commitment that has not been applied thoroughly, as follow: <ul style="list-style-type: none">• Implementation of occupational safety and health policies (Criterion 4.7), ie:<ul style="list-style-type: none">(a). Guidance on criterion 4.7: <i>Growers and millers should ensure that their workplaces, machinery, equipment, transportation and processes under their control are always safe and harmless to health. Planters and millers should ensure that chemical, physical, and biological substances and things under their control do not endanger</i>			

health excessively, and take action where necessary. All of these indicators apply to all workers, regardless of their status.

(b). OHS Corporate Policy, December 2011, where one of the points mentioned "Plantation upstream Indonesia is committed to continuously improve safety and health performance".

- Implementation on waste management (Criterion 5.3)
- Monitoring the effectiveness of the internal audit results of RSPO against the repetition of non-conformities that arise.

Root Cause Analysis (filled by organization audited):

Nonconformance evaluation on RSPO internal audit is not effective. Evaluation on EHS is not comprehensive. Personnel capability and less time to do the evaluation. Evaluation is done per unit, so need more time. PIC for RSPO implementation is safety officer, PSQM, and management unit.

Correction (filled by organization audited):

Mechanism of EHS internal audit has provided.

Corrective Action (filled by organization audited):

Will be evaluated regularly on effectiveness of EHS internal audit compliance.

Observation 19 June 2017 against corrective actions sent

- EHS internal auditor team reported the nonconformances to head of OHS committee
- Head of OHS Committee follow up the nonconformances along with OHS Committee team from each unit and do evaluate the improvement not later than 1 month after the nonconformances reported.
- Every 3 month, internal auditor team re evaluate the implementation of EHS correction.

Assessor Evaluation and Conclusion (filled by auditor):

Observation on 7th July 2017

Information related to root cause and corrective action has been told, but there is no correction on this nonconformance. Besides, there are auditor's questions related to root cause analysis, correction, and corrective action that still need to be completed.

Observation on 8th August 2017

Certificate holder has showed corrective evidence such as internal audit mechanism written on Procedure of EHS Correction Program No 01/SHE-K3L/17 on 10th July 2017 which explain about mechanism of EHS Correction program and its evaluation. This procedure aims to review and revise EHS goals, targets, and programs and continuous improvement and improve the system performance of EHS systems.

Based on explanation above, nonconformance in this indicator is **NOT COMPLY**.

Observation on 10th August 2017

Certificate holder has give addition corrective evidence such as memorandum from RSPO Coordinator No 024/MTE-Intern/VIII/2017 on 1st July 2017 about Mechanism to Prevent Nonconformance Repetition against RSPO Principles and RSPO Organization Structure. Memorandum explains that evaluate will be done by RSPO Coordinator and PSQM against internal audit. If there still nonconformance caused by disobedience of personnel, he/she will be given reprimand letter. If it still can not be fulfilled as well, it will be coordinated the level of the Estate Manager.

Based on explanation above, nonconformance in this indicator is **NOT COMPLY**.

Evidence that memorandum is applied for nonconformance at external audit ASA4 is given reprimand letter to related personnel to make improvement against nonconformance.

Observation on 8 August 2017

CH has showed corrective evidence, such as

- Memorandum no 026/MTE-Intern/VIII/2017 on 11th August about Mechanism To Prevent Nonconformance Repetition against RSPO P & C at external audit
- Evaluation against result of external audit done by PSQM staff
- Evaluasi against result internal audit done by PSQM staff

Memorandum explains that evaluate will be done by RSPO Coordinator and PSQM against external audit. If there still nonconformance caused by disobedience of personnel, he/she will be given reprimand letter. If it still can not be fulfilled as well, it will be coordinated the level of the Estate Manager.

There will be time limit to fulfill the nonconformance from external audit given to related PIC

Based on explanation above, auditor team concluded this nonconformance is **COMPLY WITH OBERVATION**

Verified by : **Yudwi Wisnu Rahmanto**

3.5.2 Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment

NCR No.	: 2018.01	Issued by	: Sofyan Hadi Lubis
Date Issued	: 09 May 2018	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	1.1.1. A list of related criteria 1.2 information should be available to relevant stakeholders.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the result of document review and interview with the management it is known that PT Sajang Heulang has not been able to show evidence of HGU reporting to the Related Institution. It is not in accordance with the Regulation of the Minister of Agrarian Affairs and Spatial Planning / Head of National Land Agency Number 7 of 2017 concerning Arrangement and Procedure for the Right to Use of Business, Article 40 stating "That Rightsholders are obliged to: (point g)" submit report regarding the use and utilization of the Right to Business to the Head of the local Land Office, written at the end of each year ".			
Root Cause Analysis <i>(filled by organization audited):</i> Not yet socialized PerMen Agraria No.7 year 2017 which states the obligation to submit reports on the use & utilization of HGU to the head of the local land office.			
Correction <i>(filled by organization audited):</i> A report will be made on the use and utilization of HGUs to the head of the land office by Dept.PSD and will be reported to BPN Kab.Tanah Bumbu once every 1 year			
Corrective Action <i>(filled by organization audited):</i> Regularly updated regulations by Dept.PSD			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	:	2018.02	Issued by	:	Moh Arif Yusni
Date Issued	:	09 May 2018	Time Limit	:	Before Certificate Issued (08 May 2019)
NC Grade	:	Major	Date of Closing	:	05 July 2018
Standard Ref. & Requirement	:	2.1.1 There should be evidence of compliance with relevant laws and regulations			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> PT Sajang Heulang has not been able to show evidence of compliance with relevant laws and regulations, including: 1. The result of document verification and interview with the worker know that there is not enough evidence that all employees of Working Covenant of Certain Time have obtained copy of Work Agreement having same legal force,					

this is because the company keeps the original work agreement 2 (two) duplicates while the employee only given work agreement fotocopy only for example employees contract worker with No contract MTE / SPK-PKWT / X / 2017/137; MTE / SPK-PKWT / X / 2017/138. This is not in accordance with Law no. 13 of 2003 on Employment under article 54, paragraph 3, which states that companies and workers obtain employment agreements with the same legal force.

2. Based on the study of guard list document of security guard in May 2018 the company establishes working day for security guard at Mustika Estate and KKPA 3 is 7 days a week and workers do not get day off. This is not in accordance with:

- UU no. 13 of 2003 on Employment in article 77 paragraph 2 stating that working days in 1 week is 6 days for 7 hours / day and 5 days for 8 hours work / day.
- UU no. 13 of 2003 on Employment in article 79 paragraph 2 stating that for workers who work 6 days in 1 week must get a day off for 1 day.

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

1. Not yet submitted duty stamped work agreement to the employee concerned because the file is lost / damaged by concerned. Then the file is stored either in the big office by Head Section of Administration
2. The existence of agreement between the company and the security guard verbally about the work time of the security guard more than 40 hours / week and given compensation for the excess of working hours, but not in writing

Correction *(filled by organization audited):*

1. Provide SPK PKWT with original seal to the employees of PKWT concerned and proven by the Official Report of Document Delivery
2. To re-socialize to the security guard over the hours of work within a week by making an agreement between the two parties in writing

Corrective Action *(filled by organization audited):*

1. Will Provide SPK PKWT original sealed to all employees of PKWT and evidenced by Minutes of Handover Document
2. Conduct periodic evaluations of the over-hours compensation benefits proven by mutual consent

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

Verify June 10, 2018

Company can show evidence of improvement in form :

- Documentation and official report on the handover of SPK PKWT employees with employees for all certification units including Mustika Factory, Mustika Estate, KKPA-2, KKPA-3 and KKPA-5.
- News of the Agreement statement between the Company and the Security Guard at KKPA 2 and KKPA 3 on 07 June 2018 signed by both parties stating that security willing to receive premium over hours on the day is given 1 (one) work day payment, related to this based on Kepmenakertrans No. 102 of 2004 concerning Overtime and Overtime Wages, stated that:
 - a. In Article 11 on the calculation of overtime wages, section (b) stating: "If overtime work is done on weekly rest days and / or official holidays for work time of 6 (six) working days 40 (forty) hours a week then: The calculation of overtime pay for the first 7 (seven) hours is paid 2 (two) hour wages, and the eighth hour is paid 3 (three) hour wages and the ninth and tenth overtime hours are paid 4 (four)
 - b. In article 12 it is mentioned that For companies that have performed the basis of calculating the overtime wage which is better than this Ministerial Decree, the calculation of overtime wage is still valid.
 - c. In Article 13 In the event of any difference in the calculation of the amount of overtime pay, the authorized determination of the overtime wage shall be the district / municipal labor inspector.

In relation to the evidence of improvements submitted, the discrepancy in this indicator is not fulfilled because the evidence can not be presented related to the conformity of Article 13 of Kepmenakertrans No 102 Year 2004 which states that In the case of calculation difference about the amount of overtime wage, the authorized determination of

the amount of overtime wage is the regency / municipal labor inspector.

Verification July 05 2018

The company can show proof of improvement in the form of:

- Proof of Handover of Agreement Documents between the Estate and Employee units (security guard) regarding the excess working hours premium on Sunday shown to the District Manpower Office. Tanah Bumbu on July 2, 2018
- The minutes of the agreement between the Estate and Employee units (security guard) regarding the excess working hours premium on Sunday have been given the approval of the Labor Agency Stamp Office of the Regency of Bumbu.

In relation to the proof of improvement that has been sent, the auditor team stated that the discrepancies in this indicator are stated to have been fulfilled and will be further verified at the time of the next assessment.

Verified by : **Moh Arif Yusni**

NCR No.	: 2018.03	Issued by	: Moh Arif Yusni
Date Issued	: 09 May 2018	Time Limit	: Before Certificate Issued (08 May 2019)
NC Grade Grade ketidaksesuaian	: Major	Date of Closing Tanggal Terpenuhi	: June 10, 2018
Standard Ref. & Requirement Acuan Standar & Persyaratan	: 4.7.3 Records of Safety and Health (OHS) program training (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis should be available to all workers.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of a sample field visit in the Estate and Mill. It is known that there is not enough evidence yet that the company has provided PPE foot protector in accordance with the identified risk identification to all workers. This is evidenced, for example the workforce Leaf Sampling Unit at Mustika Estate, labor at clarification station, boiler, compound and sterilizer at Mustika Factory where the results of interviews and field visits known PPE provided by the company in a condition that has been damaged so they use their own PPE. Otherwise there is no evidence that the damaged PPE is due to personal use or due to official work. Related to that, PT Sajang Heulang can show Non-Capital Purchase Requests No POM / MTF / 17/12/0021 dated December 04, 2017 but until the audit activities implemented it has not been realized.			
Related to this, the auditor team considered that the company has not been able to show evidence of monitoring mechanism to ensure that PPE is in ready condition and in accordance with the identified risk identification.			
Root Cause Analysis <i>(filled by organization audited):</i> <div><div>1.</div><div>Not yet realized the PPE according to the PP, and there is no monitoring of daily PPE usage done by the Division</div></div> <div><div>2.</div><div>Use of PPE that is used outside the Working hours / work area causing Safety shoes broken before the time of distribution Safety shoes new company given to all employees</div></div>			
Correction <i>(filled by organization audited):</i> It has been handed over PPE to employees and conducted monitoring of daily use of PPE conducted by the division			
Corrective Action <i>(filled by organization audited):</i>			

Monitoring the use of PPE daily and referring to budget budget per year

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

Verify June 10, 2018

Company can show evidence of improvement in form

- Official report on PPE Handover for employees at Mustika Factory, Mustika Estate, KKPA-2, KKPA-3 and KKPA-5.
- News event / evidence monitoring the use of PPE in Mustika Estate and Mustika factory
- Evidence of Socialization related to damaged PPE replacement mechanism.

In relation to the proof of improvement submitted, the discrepancies in this indicator are stated to have been fulfilled and will be further verified on the next appraisal.

Verified by : **Moh Arif Yusni**

NCR No.	: 2018.04	Issued by	: Moh Arif Yusni
Date Issued	: 09 May 2018	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.7.5 There should be emergency and occupational accident procedures available in the Indonesian language as well as available workers who have received First Aid Training in Accidents in the work area.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The Company has provided emergency response and first aid facilities at workplace accidents, but based on the results of field visits it is found that: <div><div>1.</div><div>Result of field visit at TPS LB3 Mustika Estate, it is known that showereye wash not in ready condition</div></div> <div><div>2.</div><div>The result of field visit at LB3 TPS Mustika POM, it is known that there is no alarm signal. This is not in accordance with the Decree of Head of BLHD No. 660.4 / 133 / BLHD / 2013 Article 3 stating that general and occupational safety and health equipment (standards) shall be owned by the party responsible for activities including alarms, fire extinguishers, showereye wash and emergency response facilities.</div></div> <div><div>3.</div><div>The result of field visit to Housing Division 3 Mustika Estate is known that there is a storage of fuel (solar) but there is no symbol / warning about K3 such as prohibition of burning, smoking and other bans. In addition there is no container as an anticipation to prevent the spillage of chemicals (Oil).</div></div> Related to this matter the company has not been able to show evidence of implementation of emergency preparedness has been implemented in all operational activities.			
Root Cause Analysis <i>(filled by organization audited):</i> <div><div>1.</div><div>The absence of preventive maintenance showereye wash</div></div> <div><div>2.</div><div>Not yet installed alarm alarms in warehouse B3 Wastes due to Alarm in factory area has been available, for emergency response action in case of fire can be quickly overcome by employee.</div></div> <div><div>3.</div><div>The absence of socialization regarding the handling and prevention of fuel hazards</div></div>			
Correction <i>(filled by organization audited):</i> <div><div>1.</div><div>Improved showereye wash until ready to use</div></div> <div><div>2.</div><div>Install alarm alarms in LB3 MTF TPS that serves as an emergency response condition</div></div> <div><div>3.</div><div>Conducting socialization to the contractor and installation of K3 safety in the workplace</div></div>			
Corrective Action <i>(filled by organization audited):</i>			

1. Monitoring preventive maintenance of TPS LB3 emergency response equipment per month 2. Conduct periodic socialization regarding the handling of B3 in the work environment	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	: 2018.05	Issued by	: Steve Mualim
Date Issued	: 9 May 2018	Time Limit	: ASA 1.1
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	5.1.3 There is an environmental monitoring plan document and its implementation report and an improvement plan for the monitoring results if discrepancies are found. This plan is reviewed at least 2 years.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			
Based on the review of RKL / RPL implementation report for July-December 2017 period, it is known that the company has conducted erosion monitoring in second division of MTE. However, there is no evidence that the company has conducted erosion monitoring at other sampling points according to the RKL / RPL matrix which requires erosion monitoring at other sampling points in division 1 (1 point sampling) and KKPA Estate (3 point sampling) monitored every 6 months. .			
Root Cause Analysis <i>(filled by organization audited):</i>			
Inconsistency of erosion monitoring in MTE Division 1 and 3 sampling points in KKPA-3			
Correction <i>(filled by organization audited):</i>			
Monitoring erosion throughout the sampling point. With intensity every 6 months according to RKL-RPL matrix and reported RKL-RPL document.			
Corrective Action <i>(filled by organization audited):</i>			
Monitoring the contents of the RKL-RPL report every semester on the conformity of the RKL-RPL matrix			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>			
Verified by	:		

NCR No.	: 2018.06	Issued by	: Steve Mualim
Date Issued	: 9 May 2018	Time Limit	: Before Certificate Issued (08 May 2019)
NC Grade	: Major	Date of Closing	: June 30, 2018
Standard Ref. & Requirement	5.3.2 All chemicals and their containers must be disposed of responsibly		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>			

During field observation during the audit, there was a discrepancy in B3 waste management where the results of interviews with company staff and the study of hazardous waste balance document at temporary collection of hazardous and toxic materials of Mustika Estate showed that the plastic inside of the fertilizer bag had not been managed.

It is not in accordance with the SOP of hazardous waste management and not hazardous revision 00 dated April 1, 2012 which explains that all former agrochemical packaging in the estate must be managed according to the prevailing regulations (stored in Temporary collection of hazardous and toxic materials).

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

Unidentified plastic parts inside the fertilizer sacks include hazardous waste type

Team Auditor's Response:

- - Please explain why Unidentified plastic inside of the sack of fertilizer including type of hazardous waste

Correction *(filled by organization audited):*

1. Revised the identification of hazardous waste by including plastic in the fertilizer sack including hazardous waste type
2. To socialize the management of plastic in the sack of fertilizer

Team Auditor's Response:

Please explain the management of plastic in the sack of fertilizer?

Corrective Action *(filled by organization audited):*

To manage the plastic in the fertilizer sack to the temporary collection of hazardous and toxic materials according to the prescribed procedure

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

Verify June 10, 2018

Company can show evidence of improvement in form

- Revised identification of hazardous waste by inserting plastic in the fertilizer sack including hazardous waste type
- Memorandum of Estate Manager About Management of plastic in a fertilizer sack that explains that the plastic in the fertilizer sack is stacked and then delivered to the warehouse
- Socialization to the fertilizer employee explaining that plastic inner fertilizer that has been bundled stored in the fertilizer, then do the delivery once every three months to temporary collection of hazardous and toxic materials waste at MTE.

In relation to the evidence of improvements submitted then the discrepancy in this indicator is not fulfilled due to:

- Evidence of the management of the fertilizer sack in accordance with memo from the estate manager and socialization that is presented to the employees
- Clarify the auditor's questions at the root of the problem and corrective action

Verification June 30, 2018

The company can show proof of improvement in the form of:

- Clarification of the root of the problem and lack of improvement
- Documentation / records of management of plastic parts in fertilizers in accordance with the memorandum of the estate manager such as monitoring hazardous waste which explains the management of plastic parts in fertilizers, the balance of hazardous waste which explains the management of the management of plastic parts in fertilizers.

Regarding the proof of repairs that are sent, the non conformance in this indicator are stated to have been fulfilled and will be further verified in the next assessment.

Verified by	:	Moh Arif Yusni
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NCR No.	:	2018.07	Issued by	:	Steve Mualim
Date Issued	:	9 May 2018	Time Limit	:	ASA 1.1
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	5.3.3 Disposal plans and waste management to avoid or reduce pollution should be documented and implemented.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> As long as audit activities are in progress the company has not managed waste according to prevailing regulations to avoid and or reduce pollution, eg Oil catchment behind the chemical warehouse of Mustika POM in full condition causing spills around it which can cause pollution					
Root Cause Analysis <i>(filled by organization audited):</i> Oil catchment in an open condition that causes rain water into the tub and fill the tub, preventive maintenance of the oil tank oil conducted for 3 months					
Correction <i>(filled by organization audited):</i> Preventive maintenance oil catchment and draining of water mixed with oil in the tub					
Corrective Action <i>(filled by organization audited):</i> Performed cleaning of Oil catchment flow periodically for 1 month, and has made the appointment of PIC preventive maintenance is Section Head of Mustika POM.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
Verified by	:				

NCR No.	:	2018.08	Issued by	:	Sofyan Hadi Lubis
Date Issued	:	09 May 2018	Time Limit	:	Before Certificate Issed (08 May 2019)
NC Grade	:	Major	Date of Closing	:	June 30, 2018
Standard Ref. & Requirement	:	6.7.1 Documentary evidence of minimum age of worker should be available			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> In the document Sustainable Plantation Management Manual (No Policy 724 / TQEM-SPMS / 09) In point 6 it is explained that Plantation Upstream Indonesia does not utilize underage labor (children). Based on the results of the field visit at Mustika Estate Division I on the activities of empty blank application conducted by third party (contractor) found the contractor workers who are assisted by other parties who have not met the					

minimum age requirement and have no working ties with the contractor. The results of interviews with contractor workers acknowledge that the other party assisting is underage and not a company employee or contractor.

The company has not been able to demonstrate the implemented mechanism to ensure that all workers of the contractor have met the minimum age requirements.

Root Cause Analysis (filled by organization audited):

Lack of supervision oversight in terms of age limit of contractor's workforce

Auditor's Response

Please explain the current supervisory / supervisory methods / mechanisms so that such inconsistencies arise?

Correction (filled by organization audited):

1. Conducting socialization to all contractor & supervisory workers regarding the age limits allowed to work in the company's environment according to EM MTE Memorandum No.MTE-Int / 09 / V / 18

Auditor's Response

In the root of the problem it is mentioned that the incompatibility of this indicator is due to the lack of supervision, please indicate that the corrective remedy submitted is adjusted or added according to the root of the identified problem.

Corrective Action (filled by organization audited):

1. Conduct socialization periodically and take firm action if there is a violation of rules that have been determined company
2. Workers must show identity

Auditor's Response

In the root of the problem it is mentioned that the incompatibility of this indicator is due to the lack of supervision, please the precautions submitted are adjusted or added according to the root of the identified problem.

Assessor Evaluation and Conclusion (filled by auditor):

Verify June 03, 2018

Company can show evidence of improvement in the form:

- Memorandum of Estate Manager Mustika no. MTE-Int / 202 / V / 18 dated May 7, 2018 Subject to Prohibition of employment for any person who has no contractual ties with the company explaining that if there are workers who work without contracts to the company including children to be terminated and repatriated
- Sosialization ban children or members who no contract ties on May 7, 2018
- Statement letter from contractor dated May 7, 2018 which explains that they will not hire underage / family workers who have no working relationship with the company.

Associated with evidence of improvement submitted by the team of auditors to assess that the discrepancy in this indicator is not fulfilled due to:

- Proof of improvement submitted only to Mustika Estate has not explained the entire audit scope of Mustika Factory, Mustika Estate, KKPA-2, KKPA-3 and KKPA-5. (Although the audit is done by the sample method but the discrepancy applies to the entire scope of the audit)
- Need to clarify the auditor's response to the root of the problem, corrective action and preventive action

Verify June 10, 2018

Company can show evidence of improvement in form

- Memorandum of Estate Manager KKPA 2, 3, 5 and MTF Subject to the commitment of child protection and outside workers stating that the prohibition of employing underage employment in the form of banning employees SKU and PKWT brings families to work in the field.
- Notation of socialization of child prohibition or members with no contractual ties at KKPA 2, 3, 5 and MTF
- Statement letter from contractor dated at KKP 3 explaining that they will not employ underage / family workers who have no working relationship with the company.

Associated with evidence of improvement submitted by the auditor team to assess that the discrepancy in this indicator is not fulfilled due to the need to clarify the auditor's response to the root of the problem, corrective action and precautions.

Verification June 30, 2018

The company can show proof of improvement in the form of clarification on the root of the problem and corrective action.

Regarding the improvement evidence that is sent, the non conformise in this indicator are stated to have been fulfilled and will be further verified in the next assessment.

Verified by : Moh Arif Yusni

NCR No.	: 2018.09	Issued by	: Moh Arif Yusni
Date Issued Tanggal diterbitkan	: 09 May 2018	Time Limit	: Sebelum Terbit Sertifikat (08 May 2019)
NC Grade	: Major	Date of Closing	: June 30, 2018.
Standard Ref. & Requirement	: 8.1 Oil palm growers and millers regularly monitor and review their activities and develop and implement action plans that allow for sustained real improvements in key operations.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on a summary of the results of the non-conformities identified during the first cycle of the RSPO assessment (Stage 2 - ASA 4), the auditor team considered that there was a continuous improvement commitment that had not yet been fully implemented related to the recurrence of nonconformities that occurred in the second cycle re-certification activity this. As : <ul style="list-style-type: none">• Recurrent non-conformity with the same indicator is shown in indicator 4.7.3; 4.7.5; 5.3.3• Evaluation and follow-up on the internal audit results of the RSPO against the repetition of non-conformities arising.			
Root Cause Analysis <i>(filled by organization audited):</i> The lack of consistency of PIC assignment in the implementation of Environmental Safety			
Team auditor's response: <ul style="list-style-type: none">- Why there is a recurring inconsistency of the same indicator that is in indicator 4.7.3; 4.7.5; 5.3.3- Has the internal audit of RSPO /- Has been identified the critical issues or points developed in the implementation of certification- Have conducted Evaluation and follow-up on the results of internal audit of RSPO against the repetition of non-conformities that emerged.			
Correction <i>(filled by organization audited):</i>			

Issued confirmation of environmental safety officer (Safety Officer & Kasie / PSQM) and evaluates ESH internal audit findings

Team auditor's response:

- Why there is a recurring inconsistency of the same indicator that is in indicator 4.7.3; 4.7.5; 5.3.3
- Has the internal audit of RSPO /
- Has been identified the critical issues or points developed in the implementation of certification
- Have conducted Evaluation and follow-up on the results of internal audit of RSPO against the repetition of non-conformities that emerged.

Corrective Action (filled by organization audited):

1. The environmental monitoring and evaluation officer shall monitor every 3 months and report to RSPO Chairman PT.SHE-Mustika
2. Conduct evaluation of internal audit findings conducted by PSQM to RSPO team PT.SHE-Mustika

Assessor Evaluation and Conclusion (filled by auditor):

Verify June 10, 2018

Company can show evidence of improvement in form :

- Appointment of officers responsible for monitoring the OSH environment in each Estate in PT Sajang Heulang.

Associated with evidence of improvement submitted by the auditor team to assess the non-compliance of this indicator is not fulfilled due to:

- No explanation has been made for the full compliance of the RSPO Principles & Criteria and the officers responsible for each aspect (PIC)
- Need to complete / clarify the questions that arise at the root of the problem and corrective action actions.

Verification June 30, 2018

The company can show proof of improvement in the form of:

- Clarification of the root of the problem and improvement
- Inter Office Mail from RSPO Coordinator PT SHE dated June 20, 2018 No 0275 / RSPO-Int / VI / 2018 relating to the mechanism of preventing nonconformities that bear on RSPO principles and criteria
- Evaluation of Non Compliance fulfillment of RSPO Recertification at PT SHE
- RSPO internal audit document results and compliance status at PT SHE

Regarding the proof of repairs that are sent, the non conformise in this indicator are stated to have been fulfilled and will be further verified in the next assessment.

Verified by : Moh Arif Yusni

NCR No.	2018.10	Issued by	Moh Arif Yusni
Date Issued Tanggal diterbitkan	08 May 2018	Time Limit	Before Certificate Issued (08 May 2019)
NC Grade Grade ketidaksesuaian	Major	Date of Closing Tanggal Terpenuhi	July 02, 2018
Standard Ref. & Requirement	General chain of custody requirements for the supply chain 5.2.2		

Acuan Standar & Persyaratan	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Mustika POM has RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 Inside the manual has explained the Processing changes (point 4.4). but procedures for processing changes from IP to MB are not yet set in the Manual.	
Root Cause Analysis <i>(filled by organization audited):</i> The absence of a thorough evaluation of the SCCS manual, so that there is still grammar that has not been included in the procedure for processing changes, namely the Title Procedure for Changing Processing of IP to MB in the RSPO SCCS manual.	
Correction <i>(filled by organization audited):</i> 1. A thorough evaluation of the contents of the RSPO SCCS manual and has been understood together 2. It has been revised the title of the procedure for processing changes by adding the IP processing changes to MB	
Corrective Action <i>(filled by organization audited):</i> Periodically review the SOPs that are owned regarding the grammar listed	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification July 02 2018 Mustika Mill has revised the RSPO SCCS Procedure (Document No. SCCS-Std / RSPO / PSQM / 03 Rev 02) on May 11 2018 in the procedure explained the Change of Processing Mechanism for MB to IP and IP to MB explaining that: <ul style="list-style-type: none"> - The person in charge of changing the processing of raw materials from MB to IP is Management Representative (MR). - Management Representative determines changes in raw materials processed based on consideration of stock and sales needs. - RSPO-certified FFB processing (IP) is carried out every day (morning) and for RSPO and non-RSPO certified FFB processing (MB) is carried out every day (Last hour processing) with an estimated non RSPO entry FFB of 300 tons / day. If there is a change in the processing schedule, it will be stated in the work instructions. <p>Regarding the proof of repairs that are sent, the non conformise in this indicator are stated to have been fulfilled and will be further verified in the next assessment.</p>	
Verified by	: Moh Arif Yusni

NCR No.	: 2018.11	Issued by	: Moh Arif Yusni
Date Issued	: 08 May 2018	Time Limit	: 07 July 2018
NC Grade	: Major	Date of Closing	: July 02, 2018.
Standard Ref. & Requirement	General chain of custody requirements for the supply chain 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>Module D – CPO Mills: Identity Preserved</p> <p>D.3.1</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> c. Complete and up to date procedures covering the implementation of all the elements in these requirements; d. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>(Module E) CPO Mills - Mass Balance Requirements</p> <p>E.3.1</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.
	<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i></p> <p>Mustika POM has the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018, the procedures have described mechanisms related to SCCS Module (D) Identity Preserved and Module (E) Mass Balance Requirements and responsible officers within. Field verification results, field visits and interviews note that:</p> <ul style="list-style-type: none"> - The procedures not yet explained about processing changes from IP to MB - Can not be demonstrated / simulated related to the implementation of processing change from Module IP to MB or vice versa - Evidence of all relevant officers in the application of SCCS has understood the mechanism of SCCS procedures.
	<p>Root Cause Analysis <i>(filled by organization audited):</i></p> <p>The training has not been maximized in April 2018 for some of the officers interviewed by the Auditor due to the absence of an evaluation of the understanding of SCCS for these participants.</p>
	<p>Correction <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> 1. Re-conducted SCCS training for SCCS MTF personnel regarding procedures for changing IP processing to MB, MB to IP, recording procedures between IP, MB, or non-certified CPO / PK when there was a change in the SCCS scheme by simulating together on June 8 2018 (Minutes attached) 2. Evaluation has been carried out on participants who attended through the Case Check Test on the written posttest questions (Attached) 3. Documentation / method for documenting the recording of RSPO / Non RSPO FFB, RSPO IP / MB certified CPO & PK, or non-certified
	<p>Corrective Action <i>(filled by organization audited):</i></p> <p>Conduct SCCS training and interviews to SCCS personnel on a regular basis with regard to SCCS understanding</p>

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification July 02, 2018

Mustika Mill has revised the RSPO SCCS Procedure (Document No. SCCS-Std / RSPO / PSQM / 03 Rev 02) dated May 11, 2018 in section 5.4., the procedure has explained the Processing Change Mechanism of MB to IP and IP To MB, explaining that:

- Responsible for changes in raw material processing from MB to IP or vice versa is Management Representative (MR). If any change of the scheme will be made the official report.
- MR establishes changes in raw materials processed based on stock considerations and sales needs.
- FFB process with certified IP conducted done on a daily basis (morning) and for FFB treatment with RSPO and non RSPO certification (MB) done on daily (Final hours though) with an estimated non-RSPO FFB received of 300 ton / day. If there is a change of processing schedule will be poured on the work instructions.
- Before processing transfer from MB to IP, do flushing (pipe flushing) using CPO from RSPO certified FFB processing with volume of 125% of the pipe volume to be rinsed. The CSPO used for flushing is CSPO IP
- Flushing conducted to remove stains or previous products inside the pipe especially if the previous process is non CSPO (Non RSPO).
- CSPO Flushing results claimed as CSPO MB Products. MR made a report on downgrading CSPO IP to CSPO MB of 0.456 m3 (0.394 ton CPO or 2.07 ton FFB), then informed Marketing Jakarta for a conversion process on E-trace.
- Flushing is not required when going to move processing from IP to MB.
- Flushing is not necessary when the transfer processing of the IP to MB
- the process supervisor will instruct the clarification operator to process the pipe flushing at the processing transfer from MB to IP.
- There is 4 (four) storage tank di Mustika POM, with the capacity of each units are 1500 Tonnes. Storage tank 2 and 3 is used for CSPO IP Scheme and and storage tank 1 and 4 are used for CSPO Scheme MB
- There is 8 (Eight) Bulk Silo in Mustika POM, with the capacity of each units are 500 Tonnes. Bulk Silo 1,2,3 and 4 is used for CSPK IP Scheme and and Bulk Silo 5, 6, 7 and 8 are used for CSPK Scheme MB

Mustika POM can show records of training activities on June 8, 2018 with a total of 14 participants, based on the minutes of the training activity on the standard recording and product simulation, stated that "All participants have understood the recording procedure for RSPO / Non RSPO FFB, RSPO IP certified CPO & PK / MB, or non certified. This simulation has been carried out together by giving several examples of cases related to the SCCS ".

In addition, proof of improvement can also be presented regarding:

- Recap / results of SCCS training evaluation at Mustika Factory conducted on June 8, 2018
- SCCS post test questions in Mustika factory which are held on June 8, 2018
- Production daily report format which explains about FFB production, FFB Olah (FFB certified and not certified) and production CPO (Product IP, MB Product or non certified)

Regarding the proof of repairs that are sent, the non conformise in this indicator are stated to have been fulfilled and will be further verified in the next assessment.

Verified by : **Moh Arif Yusni**

NCR No. : **2018.12**

Issued by : **Moh Arif Yusni**

Date Issued Tanggal diterbitkan	: 08 May 2018	Time Limit	: Before Certificate Issued (08 May 2019)
NC Grade	: Major	Date of Closing	: July 02, 2018
Standard Ref. & Requirement Acuan Standar & Persyaratan	: General chain of custody requirements for the supply chain 5.4.2 The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents		
Non-Conformance Description & Evidence observed (filled by auditor): Mustika POM has the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated 02 January 2018 In the procedure it describes the Scope, RSPO Supply Chain Certification System, CPO Mills Module: Identity Preserved, CPO Mill Module: Mass Balance. However, in the manual it has not explained the mechanism or procedure to handle if there is any discrepancy in product identification (MB / IP) either physically or documents			
Root Cause Analysis (filled by organization audited): There were not a comprehensive evaluation of the SCCS manual, so that there are still procedures that have not been regulated in the RSPO SCCS manual, which is a procedure when there is a product identification error (MB / IP) either physically or document.			
Correction (filled by organization audited): 1. A thorough evaluation of the contents of the RSPO SCCS manual and has been understood together 2. Revisions have been made in section 5.4. Processing, which has been added to the mechanism if there is a product identification error either physically or document			
Corrective Action (filled by organization audited): Periodically reviewing the SCCS manuals that have been implemented on SCCS in the field			
Assessor Evaluation and Conclusion (filled by auditor): Verification July 02 2018 Mustika Mill has revised the RSPO SCCS Procedure (Document No. SCCS-Std / RSPO / PSQM / 03 Rev 02) dated May 11, 2018 in section 5.4. Processing that confirms that the unit must be able to ensure through clear procedures and records maintained that RSPO certified palm oil products during the production, transportation and storage processes remain separate from non certified palm oil products. If an error occurs in the identification of an MB or IP product either physically or document, then the unit must make a Minutes of Identification of the product and report to marketing Jakarta to do the removal with the number of errors that occurred after being identified Regarding the proof of repairs that are sent, the non conformise in this indicator are stated to have been fulfilled and will be further verified in the next assessment.			
Verified by	: Moh Arif Yusni		

NCR No.	: 2018.13	Issued by	: Moh Arif Yusni
Date Issued	: 08 May 2018	Time Limit	: 07 July 2018
NC Grade	: Major	Date of Closing	: July 02, 2018
Standard Ref. &	: Module D – CPO Mills: Identity Preserved		

Requirement Acuan Standar & Persyaratan	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.
<p>Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Mustika POM has the RSPO SCCS Manual (RSPO Supply Chain Certification Standard) document No. SCCS-Std / RSPO / PSQM / 02 dated January 02, 2018, one of which governs record keeping explaining that the unit should record all incoming RSPO Certified FFBs and all CPO and PK RSPO Certified which are sent in real time.</p> <p>However, based on the results of field interviews and simulations it is known that there is insufficient evidence that responsible officers can understand and demonstrate documentation including records of IPO, MB or Non certified CPO when there are SCCS scheme changes. It has high potential to have errors in the process of claiming CPO products produced</p>	
<p>Root Cause Analysis <i>(filled by organization audited):</i> The training has not been maximized in April 2018 for some of the officers interviewed by the Auditor due to the absence of an evaluation of the understanding of SCCS for these participants.</p>	
<p>Correction <i>(filled by organization audited):</i></p> <ol style="list-style-type: none"> 1. Re-conducted SCCS training for SCCS MTF personnel regarding procedures for changing IP processing to MB, MB to IP, recording procedures between IP, MB, or non-certified CPO / PK when there was a change in the SCCS scheme by simulating together on June 8 2018 (Minutes attached) 2. Evaluation has been carried out on participants who attended through the Case Check Test on the written posttest questions (Attached) 3. Documentation / method for documenting the recording of RSPO / Non RSPO FFB, RSPO IP / MB certified CPO & PK, or non-certified 	
<p>Corrective Action <i>(filled by organization audited):</i> Conduct SCCS training and interview SCCS personnel on a regular basis related to understanding SCCS</p>	
<p>Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification July 02, 2018. Mustika POM can show records of training activities on June 8, 2018 with a total of 14 participants, based on the minutes of the training activity on the standard recording and product simulation, stated that "All participants have understood the recording procedure for RSPO / Non RSPO FFB, RSPO IP certified CPO & PK / MB, or non certified. This simulation has been carried out together by giving several examples of cases related to the SCCS ". In addition, proof of improvement can also be presented regarding:</p> <ul style="list-style-type: none"> - Recap / results of SCCS training evaluation at Mustika factory conducted on June 8, 2018 - SCCS post test questions in Mustika factory which are held on June 8, 2018 - Production daily report format which explains about FFB production, FFB Olah (FFB certified and not certified) and production CPO (Product IP, MB Product or non certified) <p>Regarding the proof of repairs that are sent, the discrepancies in this indicator are stated to have been fulfilled and will be further verified in the next assessment.</p>	
Verified by	: Moh Arif Yusni

3.5.3 Opportunity for Improvement

No	Std. Ref.	Penjelasan
1	2.1.2	A through evaluation of the list of rules that the estate company must comply with
2	2.2.1	Ensure not to manage including harvesting on areas that are outside the given permit
3	5.3.2	Progress of extension the permit of temporary collection hazardous waste for Estate and mill
4	6.5.3	Evaluate the sanitary conditions of employee housing including domestic waste incineration ban
5	7.3	Progression of Remediation and Compensation Plan (RACP) for areas opened since 1 November 2005 without prior HCV identification



5.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The company's commitment to apply the principles of sustainable palm oil management
2	-	Teamwork, PIC competence, and good document presentation during the assessment process
3	-	Has ISPO Certificate, RSPO and National BLUE PROPER (self assessment)
4	-	Development of smallholdings

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Worker Union of PT Sajang Heulang <ul style="list-style-type: none"> The Company has supported the establishment of Worker Unions in accordance with existing policies. The Company has Company Regulations for the period 2017-2019 which has been legitimated in the Manpower and Transmigration Agency. The Worker Union accommodates all complaints of each worker who is then discussed at the Bipartite Cooperation Institution meeting with the company. Every employee has been granted "BPJS Kesehatan dan Ketenagakerjaan". The minimum wage set by the government has been implemented by the company. The Worker Union of Mustka Estate has 306 members until April 2018 The Worker Union of Mustka Factory has 64 members until April 2018 The Worker Union of KKPA 3 has 272 members until April 2018 There are no issues concerning underage workers 	<p>This is further explained in criteria 6.5, 6.6, 6.7, 6.8 and 6.9</p>
Gender Comitee of PT Sajang Heulang <ul style="list-style-type: none"> The Company has supported the establishment of the Gender Committee in accordance with existing policies. During 2017 until now there is no act of harassment against women. The company checks pregnancies every month to prevent pregnant women from working in jobs exposed to chemicals. Regular gender committee meetings are held every month when posyandu is held to discuss complaints of female worker. Members of the gender committee are all female employees working in PT Sajang Heulang During 2017 there was no issue of gender discrimination at PT Sajang Heulang There are no issues concerning underage workers 	<p>This is further explained in criteria 6.7, 6.8 and 6.9</p>
Agriculture Agency District of Tanah Bumbu <ul style="list-style-type: none"> The company has submitted report plantation activities semester II of 2017. The CSR has been informed in Plantation activites reports. The evaluation of plantation activities will be planned for reprogramming this year (2018). The company has sent a fire monitoring report every semester. Fire-fighting facilities and infrastructure are adequate. Comunication and consultation with company its good 	<p>In accordance with criteria 2.2 and 2.3</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
Manpower and Transmigration Agency District of Tanah Bumbu <ul style="list-style-type: none"> • The company have routinely submitted reports such as P2K3 reports, labor reports and work accidents reports. • No negative issues related to employment such as employee discrimination, underage workers, forced laborers and others. • Company Regulations (PP) period of 2017-2019 still valid. • Labor union has been authorized and registered members. • Communication and consultation with company its good 	<p>Certificate holder has submitted all compulsory reports have been sent regularly.</p> <p>Certificate holder shall maintain this aspect expecially related wolker welfare and OHS.</p>
Relevant Community in Kuranji Village <ul style="list-style-type: none"> - Until now there are no land negative issues - Until now there are no environment negative issues - CSR has been implemented 	<p>No land negative issues, no environment and social negative issues. The company has carried out the RSPO standard. It has been explained in 2.2; 5.1; 6.11.</p>
Relevant Community in Mustika Village <ul style="list-style-type: none"> - From consultation with community representatives, no issues of land disputes over the past year. Related to the occupation area has been resolved by agreement and no dispute between company and the community. In addition to the occupation area, no other land claims cases are in progress until the resertification activities are carried out. All land has been replaced as indicated by the completion report of occupation land accupation. - CSR has been implemented 	
Village Coperative Unit of Luwuh Sari The company has collaborated in developing village coperative unit with local communities. Implementation of developing village coperative unit has been carried out for a long time and until now there are no negative issues or problems related to FFB prices or payments.	<p>No negative issues related to developing village coperative unit with local communities. The company has carried out the RSPO standard.</p>
EFB Contractor <ul style="list-style-type: none"> • The agreement draft by the certificate holder was proposed to each contractor before their sign the document. • The contractor has had cooperating with the company during period of 2017 - 2018 • The contractor has good relation with the company. • The cooperative agreement letter has been well understood by both parties. 	<p>It complies criteria 6.1; 6.10 and 6.11</p>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings <p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Sajang Heulang Management Representative</p>  <p><u>Mohamad Pirabaharan</u> 5 July 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Moh Arif Yusni</u> 05 July 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	Agriculture Agency of Forestry and Plantation Departement,	District of Tanah Bumbu, Province of South Kalimantan	-	Interview	7 th May 2018	√	
2	Manpower and Transmigration Agency	District of Tanah Bumbu, Province of South Kalimantan	-	Interview	7 th May 2018	√	
3	Relevant community in Mustika Village and Kuranji Village	District of Tanah Bumbu, Province of South Kalimantan	-	Interview	8 th May 2018	√	
4	Village Coperative Unit of Luwuh Sari	District of Tanah Bumbu, Province of South Kalimantan	-	Interview	8 th May 2018	√	
5	Gender Committee	Sub District of Kuranji, District of Tanah Bumbu	-	Interview	8 th May 2018	√	
6	Worker Union	Sub District of Kuranji, District of Tanah Bumbu	-	Interview	8 th May 2018	√	
7	Sawit Watch	-	info@sawitwatch.or.id	Quiesioner via Email	30 April 2018	-	√
8	Aliansi Masyarakat Adat Nusantara	-	rumahaman@cbn.net.id	Quiesioner via Email	30 April 2018	-	√
9	Forest People Program	-	info@forestpeoples.org	Quiesioner via Email	30 April 2018	-	√

Appendix 2. Assessment Program

TANGGAL		04 – 09 May 2018	
Planned Time	Actual Time	PROSES / HAL YANG DIAUDIT	AUDITOR
Friday, 04 May 2018			
05.45 - 08.35	05.45 - 08.35	JAKARTA (CGK) – BANJARMASIN (BDJ)	ALL
09.00 – 15.00	09.00 – 15.00	Travel Banjarmasin (BDJ) – PT Sajang Heulang	ALL
16.00 – 17.00	16.00 – 17.00	Opening Meeting RSPO Explanation of Audit Objectives, Audit Scope, Discussion of Audit Plans, Determination of Location of Audit Visits.	ALL
Saturday, 05 May 2018			
08.00 - 12.00	08.00 - 12.00	Mustika Estate Field Visits to Legal Boundaries (BPN stakes) and river boundaries and other conservation areas. Field Visit to Harvesting Activities, FFB Transportation, Fertilization, Spraying, Pest Control, Seedling, and Peat Management if any. Field Visit to Land application, Chemical Warehouse, hazardous waste temporary collection, fire extinguishers, housing, the final dump, etc.	SHL/MAY SAP / RGZ STM
12.00 -	12.00 -	Break	ALL
Sunday, 06 May 2018			
08.00 –	08.00 –	Completion of Checklist, Related Documents and Discussion	ALL
Monday, 07 May 2018			
08.00 –17.00	08.00 –17.00	Public Consultation (BPN, BLHD, Social Service of Manpower and Transmigration, Forestry and Plantation Service) Kab. Tanah Bumbu, Prov. South Kalimantan.	RGZ
08.00 – 12.00	08.00 – 12.00	KKPA 3 Field Visits to Legal Boundaries (BPN stakes) and Conservation Area, Chemical Warehouse, B3 waste TPS, fire extinguishers, housing, final dump, etc. Field Visit to Harvesting Activities, FFB Transportation, Fertilization, Spraying, Pest Control, Seedling, and Peat Management if any.	MAY SAP
12.00 - 14.00	12.00 - 14.00	Break	ALL
14.00 – 17.00	14.00 – 17.00	Mustika POM FFB processing, WTP and fire handling simulation.	SAP / MAY

		Chemical warehouse, TPS B3 waste, WWTP, other sewage treatment and housing.	STM / SHL
Tuesday, 08 May 2018			
08.00 – 12.00	08.00 – 12.00	Consultation with Eksternal Stakeholder <ul style="list-style-type: none"> - Head of Village at Desa Mustika, Desa Kuranji and Desa Indraloka Jaka. - Administrator of KKPA dan Representatif of Plasma Farmer. - Local Contractor Consultation with Internal Stakeholder <ul style="list-style-type: none"> - Labor union - Committee Gender - Administrator of employee cooperative <i>* Location of interview can be done at company location</i> Document Review	SHL / STM RGZ / MAY ALL
12.00 – 14.00	12.00 – 14.00	Break	ALL
14.00 – 17.00	14.00 – 17.00	Document Review Submitter of progress and subsequent audit plan.	ALL
Wednesday, 09 May 2018			
08.00 – 10.00	08.00 – 10.00	Closing Meeting	ALL
10.00 – 15.00	10.00 – 15.00	PT Sajang Heulang – Banjarmasin Airport (BDJ)	ALL
18.45 – 20.00	18.45 – 20.00	BANJARMASIN (BDJ) – JAKARTA (CGK)	ALL