

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management Organisation : **Ungkaya POM – PT Tamaco Graha Krida subsidiary of Sime Darby Plantation Berhad**
 Plantation Name : **PT Tamaco Graha Krida, Ungkaya Estate**
 Location : Village of Ungkaya, Sub-District of Wita Ponda, District of Morowali, Province of Sulawesi Tengah, Indonesia
 Certificate Code : **MUTU-RSPO/018**
 Date of Certificate Issue : 10 July 2017 Date of License Issue : 17 August 2019
 Date of Certificate Expiry : 09 July 2022 Date of License Expiry : 09 July 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA 1.2	06 to 10 May 2019	Sandra Purba (Lead Auditor), Rizliani Aprianita Hasibuan, Briyogi Shadiwa, Afiffuddin	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA 1.2	31 July 2019

PT Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia
 Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6 • Email: agri@mutucertification.com • www.mutucertification.com
 MUTU Certification • Accredited by Accreditation Services International
 on March 12th, 2014 with registration number **ASI-ACC-055**

TABLE OF CONTENT

FIGURE

Figure 1. Location Map of PT. Tamaco Graha Krida	2
Figure 2. Operational Map of PT. Tamaco Graha Krida	3

Abbreviations Used	4
--------------------	---

1.0 SCOPE of the CERTIFICATION ASSESSMENT

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

2.0 ASSESSMENT PROCESS

2.1 Assessment Team	17
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	17
2.3 Stakeholder Consultation and Stakeholders Contacted	19
2.4 Determining Next Assessment	19

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	20
3.2 Summary of Assessment Report of Supply Chain Requirement	48
3.3 Conformity Checklist of Certificate and Logo Use	56
3.4 Summary of RSPO Partial Certification	60
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	63
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	90

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Signing of Assessment Findings	93
---	----

APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	94
2. Assessment Program	96

Figure 1. Location Map of PT Tamaco Graha Krida

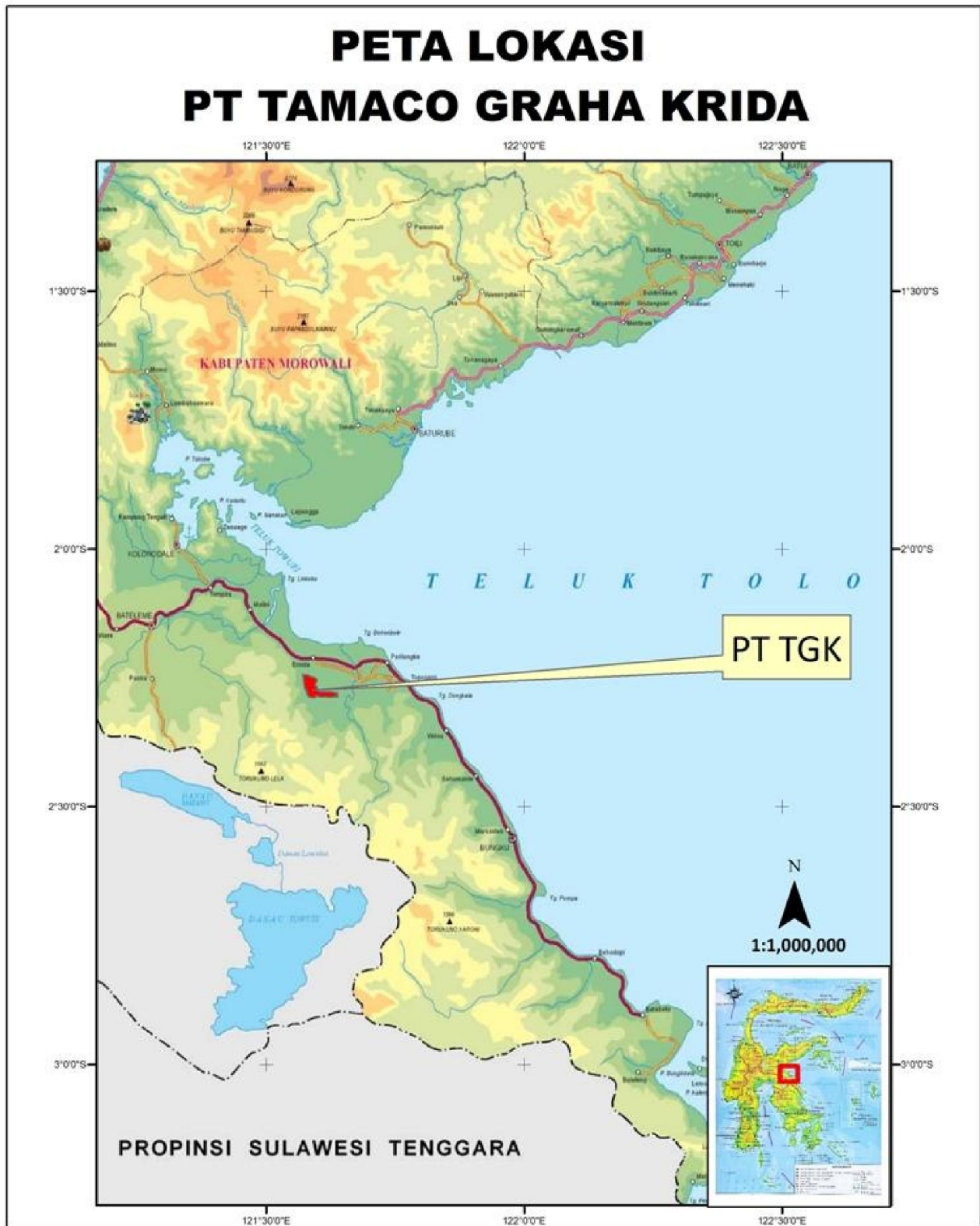
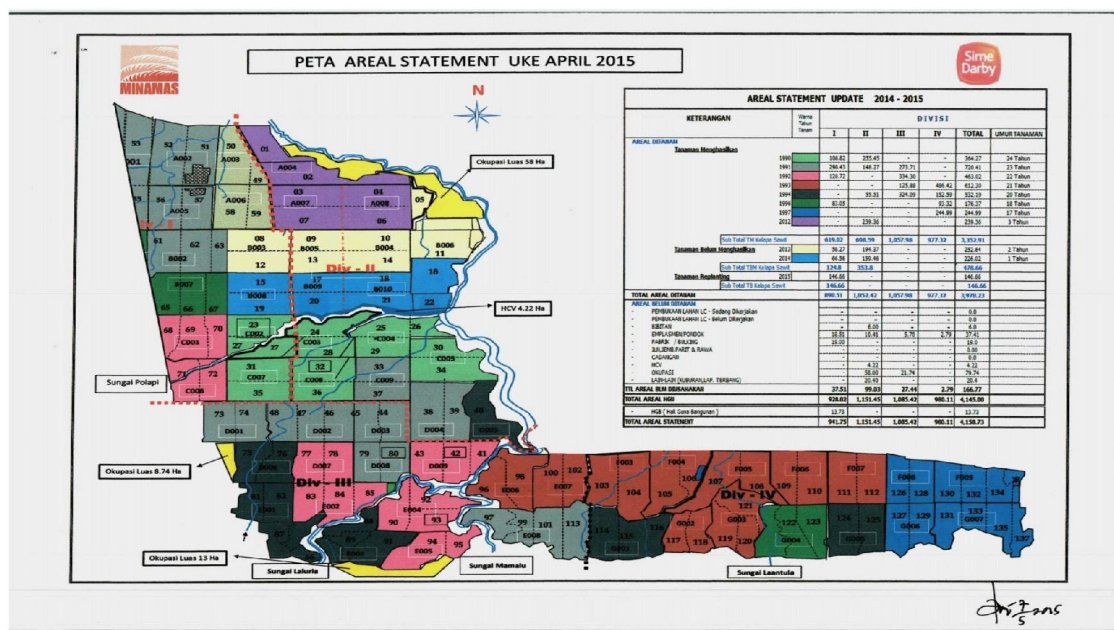


Figure 2. Operational Map of PT Tamaco Graha Krida



Abbreviations Used

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Social and Environmental Impact Assessment)
ASA	:	Annual Surveillance Assessment
B3	:	<i>Bahan Berbahaya dan Beracun</i> (Hazardous waste or Scheduled Waste)
BMP	:	Best Management Practices
BMS	:	Block Manuring System
BOD	:	Biological Oxygen Demand
BSS	:	Block Spraying System
CD	:	Community Development
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
EFB / Jangkos	:	Empty Fruit Bunch / <i>Janjang kosong</i>
EHS	:	Environment, Health and Safety
FFB / TBS	:	Fresh Fruit Bunch / <i>Tandan buah Segar</i>
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Integrated Pest Management
IUP	:	<i>Izin Usaha Perkebunan</i> (Plantation Operation License)
Jamsostek	:	<i>Jaminan sosial tenaga kerja</i> (Employees and Social Insurance)
KER	:	Kernel Extraction Rate
KT	:	<i>Kelompok Tani</i> (Farmer Group)
LC	:	Land Clearing
LCC	:	Legume Cover Crop
MB	:	Mass Balance
MRC	:	Minamas Research Centre
MSDS	:	Material Safety data Sheet
NA	:	Not applicable
NC	:	Non Conformity
OER	:	Oil Extraction Rate
OHS / K3	:	Occupational Health and Safety / <i>Kesehatan dan Keselamatan Kerja</i>
P2K3	:	<i>Panitia Pembina Kesehatan dan Keselamatan Kerja</i> (OSH Organisation)
P3K	:	<i>First Aid Box</i>
PKB	:	<i>Perjanjian Kerja Bersama</i> (Working Agreement)
PKS / POM	:	<i>Pabrik Kelapa Sawit / Palm Oil Mill</i>
POME	:	Palm Oil Mill Effluent
PSD	:	Plantation Services Departement
PSQM	:	Plantation Sustainable Quality Management
RKL	:	<i>Rencana Kelola Lingkungan</i> (Environmental Management Plan)
RPL	:	<i>Rencana Pemantauan Lingkungan</i> (Environmental Monitoring Plan)
SKU	:	<i>Satuan Kerja Unit</i> (Working Unit)
SPK	:	<i>Surat Perjanjian Kerjasama</i> (Letter of Agreement)
TGK	:	Tamaco Graha Krida
UKE	:	Ungkaya estate
UKF	:	Ungkaya factory
UPT	:	<i>Unit Pengelolaan Terpadu</i>
WLTK	:	<i>Wajib Lapor Tenaga Kerja</i> (Mandatory Report of Manpower)

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">• Indonesian National Interpretation Principles and Criteria RSPO 2013 for Indonesia Juli 2016, approved RSPO Governors 30 September 2016.• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill)• RSPO Certification System for Principles and Criteria, 14 June 2017	
1.2	Organization Information		
1.2.1	Organisation name listed in the certificate	PT Tamaco Graha Krida subsidiary of Sime Darby Plantation Berhad	
1.2.2	Contact person	Alagendran Maniam	
1.2.3	Organisation address and site address	Head Office : No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya,Malaysia 47301 Liaison Office of Sime Darby Indonesia (Minamas Gemilang): The Plaza Office Tower, 36th Floor, Jl. M. H. Thamrin Kav. 28-30, Jakarta 10350	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	alagendran.maniam@sime-darbyplantation.com	
1.2.7	Web page address	www.sime-darbyplantation.com	
1.2.8	Management Representative who completed the application for certification	Alagendran Maniam (Head of Sustainability – Minamas Plantation)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 7 September 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	1 Unit of Ungkaya POM and 1 Unit of Ungkaya Estate.	
1.3.2	Type of certificate	Single.	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Ungkaya Factory	Village of Ungkaya, Sub District of Wita Ponda, District of Morowali, Province of Sulawesi Tengah, Indonesia	S 02° 13' 22"E 121° 33' 49"

1.4.2	Location of Certification Scope of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Ungkaya Estate	Village of Ungkaya, Sub District of Wita Ponda, District of Morowali, Province of Sulawesi Tengah, Indonesia	S 02° 13' 53"	E 121° 34' 15"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	● State		4,145 Ha		
	● Community		- Ha		
1.5.2	Area Statement				
	● Total area		4,145.00 Ha		
	● Mature area		2,724.94 Ha		
	● Immature area		1,215.18 Ha		
	● Mill		19.00 Ha		
	● Nursery		6.00 Ha		
	● Housing		39.55 Ha		
	● Land Occupation		79.74 Ha		
	● HCV		60.59 Ha		
	Source: hectare statement April 2019				
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Ungkaya Estate	Total		
	1992	205.07	205.07		
	1993	612.3	612.3		
	1994	423.45	423.45		
	1996	93.32	93.32		
	1997	244.99	244.99		
	2012	239.44	239.44		
	2013	253.63	253.63		
	2014	230.72	230.72		
	2015	422.02	422.02		
	2016	447.19	447.19		
	2017	334.51	334.51		
	2018	247.03	247.03		
	2019	186.45	186.45		
	TOTAL	3,940.12	3,940.12		
	1.6.2	New Planting area after January 2010		- Ha	
	1.6.3	Planting Cycle		1 st Cycle and 2 nd Cycle	

1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Ungkaya POM	45	203,175.13	44,127.54	21.72	9,519.45	4.69
*Production data source from May 2018 – April 2019							
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Ungkaya Estate	4,145.00	3,940.12	72,585.20	18.42	72,585.20	100
	TOTAL	4,145.00	3,940.12	72,585.20	18.42	72,585.20	100
*Production data source from May 2018 – April 2019							
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Plasma Ungkaya (non- certified)	Independent Smallholder	5,005	5,369	128,757.73		
	Morokerta Cooperation (non-certified)	Outgrower	-	-	1,755.39		
	TOTAL					130,513.12	
	*Production data source from May 2018 – April 2019						
1.7.4	Product categories			FFB, CPO, PK			
1.8	Tonnage of Product						
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)	
	FFB Processed			69,631		72,585.20	
	CPO Production			16,015		15,805.63	
	Palm Kernel Production			3,482		3,410.66	
1.8.2	Product selling						
	Type of selling product			Actual Selling Product for Last Year Period (MT)			
	CSPO sold as RSPO certified product			0			
	CSPK sold as RSPO certified product			0			
	CSPO sold under other scheme			0			
	CSPK sold under other scheme			0			
	CSPO sold as conventional			13,776.09			
	CSPK sold as conventional			2,686.76			
1.8.3	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		

	Ungkaya Estate		4,145.00	3,940.12		77,657	20	
	TOTAL		4,145.00	3,940.12		77,657	20	
	* Projected FFB production for 12 months of next license							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Ungkaya	45	77,657	18,048	23	3,883	5	MB
	*Projected FFB production for 12 months of license							
1.9	Other Certifications							
	Others			MUTU-ISPO/034, dated 30 April 2015 until 29 April 2020				
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	INDONESIA							
1	Sekunyir. PT. Indotruba Tengah	2010	Sekunyir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified		
			Seruyan	2010		Certified		
2	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified		
			Manggala 2	2010		Certified		
			Manggala 3	2010		Certified		
3	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District –West Kalimantan	Certified		
			West (HGU on process)	2019		-		
			East	2010		Certified		
			East (HGU on process)	2019		-		
			East Plasma	2010		Certified		
			West Plasma	2010		Certified		
			Sei Mawang	2019		-		
4	Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	2011	Siak District – Riau	Certified		
			Pinang Sebatang	2011		Certified		
			Aneka Persada	2011		Certified		
5	Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified		
			Sungai Pinang (HGU on process)	2020		-		
			Bukit Pinang	2012		Certified		
			Bukit Pinang (HGU on process)	2020		-		
6	Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin District –	Certified		
			Kawan Batu	2011		Certified		

			Hatan Tiring	2011	Central Kalimantan	Certified
			Batang Garing	2011		Certified
7	Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified
8	Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified
			Nusa Perkasa	2011		Certified
			Nusa Lestari	2011		Certified
9	Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
			Rotan Semelur	2011		Certified
10	Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
			Gunung Sari	2011		Certified
			Pantai Bonati	2011		Certified
			KKPA-1 PT.SHE	2013		Certified
			KKPA-4 PT.SHE	2013		Certified
11	Mustika. PT Sajang Heulang	2013	Mustika	2013	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		-
12	Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
			Gunung Kemas	2011		Certified
			Laut Timur	2011		Certified
			Pantai Timur	2011		Certified
			KKPA BSS	2020		-
13	Bebunga. PT. Langgeng Muaramakmur	2011	Bebunga	2011	Kotabaru District – South Kalimantan	Certified
			Bakau	2011		Certified
			Sungai Cengal	2011		Certified
14	Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
			Sapiri	2011		Certified
			Barasdanum	2011		Certified
			Kuala Kuayan	2011		Certified
15	Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
			Pondok Labu	2012		Certified
			Rampa	2012		Certified
			Sesulung	2012		Certified
16	Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
			Matalok	2012		Certified
			KKPA Sungai Cengal (1,382 SH)	2014		Certified

			Selabak (PT SAA)	2012		Certified
			Randi (PT SAA)	2012		Certified
			Sangkoh (PT SAA)	2012		Certified
			Lanting (PT LMR)	2012		Certified
17	Betung. PT Laguna Mandiri	2014	Betung	2012	Kotabaru District – South Kalimantan	Certified
			Sekayu	2012		Certified
18	Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
			Plasma TGK	2020		-
19	Ladang Panjang. PT Bahari Gembira Ria	2012	Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
			Ladang Panjang (HGU on process)	2020		-
			Plasma BGR	2020		-
20	Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
			Rantau Panjang (HGU on process)	2020		-
			Bumi Ayu	2012		Certified
			Karang Ringin	2012		Certified
			Napal	2012		Certified
			Napal (HGU on process)	2020		-
			Mangun Jaya	2012		Certified
			Mangun Jaya (HGU on process)	2020		-
			Sungai Jernih	2020		-
			GPI KKPA	2020		-
21	Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Aceh	Certified
			Batang Ara (PT PSK)	2013		Certified
			Blang Simpo-01	2013		Certified
			Blang Simpo-02	2013		Certified
22	MAS. PT Mitra Austral Sejahtera	2020	MAS 1	2019	Sanggau District – West Kalimantan	-
			MAS 1	2019		-
			MAS 1	2019		-
			Plasma MAS	2020		-
23	Lembiru. PT Sandika Nata Palma	2014	Lembiru	2014	Ketapang District – West Kalimantan	Certified
			Awatan	2014		Certified
			Karya Palma	2019		-
			KKPA SNP	2020		-
			Pelanjau (PT BAL)	2019		IC
			Sungai Putih (PT BAL)	2019		-
			Baturus (PT BAL)	2019		-
			KKPA BAL	2020		-

MALAYSIA						
1	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
2	Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
			Holyrood	2011		Certified
			Kalumpang	2011		Certified
			Tali Ayer	2011		Certified
3	Elphil SOU 3	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified
			Elphil	2011		Certified
			Kamuning	2011		Certified
4	Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
			Bagan Datoh	2011		Certified
			Sabak Bernam	2011		Certified
			Sg Samak	2011		Certified
5	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
6	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
7	Tennamaram SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
			Sungei Buloh	2011		Certified
			Bkt Talang	2011		Certified
8	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
9	East SOU 8	2010	East	2010	Carey Island, Selangor	Certified
			Dusun Durian	2010		Certified

			Sepang	2010		Certified
10	West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
11	Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
12	Kerdau SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
			Jentar	2011		Certified
			Mentakab	2011		Certified
			Sg Mai	2011		Certified
			Chenor	2011		Certified
13	Jabor - SOU 12	2011	Jabor	2011	Kuantan, Pahang	Certified
14	Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
			New Labu	2011		Certified
			Bradwall	2011		Certified
15	Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
			Sua Betong	2010		Certified
			Bukit Pelandok	2010		Certified
16	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
17	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
18	Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
			Kemuning	2010		Certified
			Tangkah	2010		Certified
19	Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
			Diamond Jubilee	2011		Certified
			Serkam	2011		Certified
20	Pagoh SOU 19	2014	Pagoh	2014	Muar, Johor	Certified
			Lanadron	2014		Certified
			Pengkalan Bukit	2014		Certified

			Welch	2014		Certified
21	Chaah SOU 20	2010	North Labis	2010	Chaah, Johor	Certified
			Cha'ah	2010		Certified
			Sg Simpang Kiri	2010		Certified
22	Gunung Mas SOU 21	2010	Gunung Mas	2010	Kluang, Johor	Certified
			Kempas Klebang	2010		Certified
			Bukit Paloh	2010		Certified
			Yong Peng	2010		Certified
23	Bukit Benut SOU 22	2011	Bukit Benut	2011	Kluang, Johor	Certified
			CEP Niyor	2011		Certified
			Lambak / Elaeis	2011		Certified
24	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
25	Hadapan SOU 24	2011	CEP Rengam	2011	Layang-layang, Johor	Certified
			Kulai	2011		Certified
			Layang	2011		Certified
			Seri Pulai	2011		Certified
26	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
27	Melalap SOU 27	2011	Melalap	2011	Tenom, Sabah	Certified
			Sapong	2011		Certified
28	Binuang SOU 28	2009	Tingkeyu	2009	Kunak, Sabah	Certified
			Sungang	2009		Certified
			Jelata Bumi	2009		Certified
			Binuang	2009		Certified
29	Giram SOU 29	2009	Mostyn	2009	Kunak, Sabah	Certified
			Giram	2009		Certified
30	Merotai SOU 30	2009	Imam	2009	Tawau, Sabah	Certified
			Merotai	2009		Certified
			Table	2009		Certified
			Tiger	2009		Certified

31	Lavang SOU 31	2011	Belian	2011	Bintulu, Serawak	Certified
			Kelida	2011		Certified
			Lavang	2011		Certified
			Lavang (SE)	2011		Certified
			Rasan	2011		Certified
			Chartquest	2011		Certified
			Dulang	2011		Certified
			Peroh	2011		Certified
			Pekaka	2011		Certified
			Ruai	2011		Certified
32	Rajawali SOU 32	2011	Rajawali	2011	Bintulu, Serawak	Certified
			Samudera	2011		Certified
			Semarak	2011		Certified
			Bayu	2011		Certified
33	Derawan SOU 33	2011	Takau	2011	Bintulu, Serawak	Certified
			Damai	2011		Certified
			Derawan	2011		Certified
			Sahua	2011		Certified
	LIBERIA					
1	Grand Cape Mount	2018	Matambo	2018	Grand Cape Mount, Liberia	IC
			Grand Cape Mount	2018		IC
			Zodua	2018		IC
			Bomi	2018	Bomi, Liberia	IC
			Lofa	2018		IC
	P & G (New Britain Palm Oil)					
1	Poliamba	2012	Kara	2012	Keviang, New Ireland Province, P&G	Certified
			West Coast	2012		Certified
			Nalik	2012		Certified
			Noatsi	2012		Certified
			Madak	2012		Certified
			North (Smallholders)	2012		Certified
			South (Smallholders)	2012		Certified
			West (Smallholders)	2012		Certified
2	Tetere	2011	Tetere	2011	Gudaicanal, Slomon Island	Certified
			Ngalimbiu	2011		Certified
			Mbalisuna	2011		Certified
			West Zone (Smallholders)	2011		Certified

			Central Zone (Smallholders)	2011		Certified
			MBA East (Smallholders)	2011		Certified
			MBA West (Smallholders)	2011		Certified
3	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
4	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
5	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
6	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

			Karausu	2008		Certified				
			Moroa	2008		Certified				
			Bilomi	2008		Certified				
			Loata	2008		Certified				
			Haella	2008		Certified				
			Garu	2008		Certified				
			Daliavu	2008		Certified				
			Sapuri	2008		Certified				
			Malilimi	2008		Certified				
			Rigula	2008		Certified				
			Nomundo	2008		Certified				
							Navarai / Karato ME	2008		Certified
							Volupai . Lotomgam / Natupi / Goruru	2008		Certified
Lolokoru	2008	Certified								
Silovoti	2008	Certified								
LSS Hoskin (1,877 Smallholders)	2008	Certified								
VOP East (1,815 Smallholders)	2008	Certified								
VOP Central (1,958 Smallholders)	2008	Certified								
VOP West (1,277 Smallholders)Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008	Certified								
LSS Kapiura (847 Smallholders)	2008	Certified								
VOP Kapiura (551 Smallholders)	2008	Certified								
<p>Sime Darby has achieved 34 management units in Malaysia, 25 mmanagement units in Indonesia, 10 management units in P&G that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 10 in P&G. In the year of 2016 & 2017 there are three 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. The mills are:</p> <ol style="list-style-type: none">1. Angsana Mini Mill, PT Sajang Heulang: Mill stop operate since 2016 and the supply bases is transfer to Angsana POM, PT Ladangrumpun Subur Abadi.2. Selabak Mill, PT Swadaya Andhika: Mill stop operate since.2017 and the supply bases is transfer to Rantau POM, PT Laguna Mandiri3. Pekaka, SOU 34: Mill stop operate since 2017 and the supply bases is transfer to Lavang, SOU 31 <p>There was change of the Time Bound Plan under Sime Darby on April 2019 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 <i>Serikat Petani Kelapa Sawit</i> (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 Outrowers for Certifiable Standard									

No associated smallholder under PT TGK
--

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA 1.2	<p>1. Sandra Purba (Lead Auditor). Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG verification and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next, SCCS LAT and SA8000. Involve in many audit activities of similar scheme (ISPO and MSPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she assigned to verify legal aspect land dispute, complaint mechanism, HCV and SCCS.</p> <p>2. Rizliani Aprianita Hsb (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, SCCS training, lead Auditor ISO 9001:2008, ISO 14001:2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified environment and social aspect.</p> <p>3. Briyogi Shadiwa (Auditor). Indonesian citizens. Diploma 3 of Oil Palm Plantation. He has 7 years working experience since 2009 as Agronomy Assistant and Agronomy Quality Control in several private oil palm plantation companies in Indonesia. The training has been followed include: ISPO Auditor Training by LPP, RSPO Lead Auditor Course by Checkmark Training, Lead auditor ISO 9001: 2015, Awareness SMK3, Lead Auditor ISO 14001: 2015, Awareness OHSAS 18001: 2007 and OHS Expert. During this audit, he assigned to verify worker welfare, and transparency information.</p> <p>4. Afiffuddin (Auditor Trainee). Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, he supported to verify on BMP Agronomy, OHS and long term budget.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA 1.2	<p>Number of auditors : 3 auditor</p> <p>Number of days for ASA 1.2 at site : 5 days</p> <p>Number of working days for ASA 1.2 at site : 15 Working days</p>
2.2.2	Assessment Process
ASA 1.2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Tamaco Graha Krida to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised on 14 June 2017 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA 1.2 delivered by the MUTU auditor to the management unit</p>

and the results are the subject will be verified at the next assessment phase (**ASA-1.3**).
Improvement of findings from main assessment findings were observed by auditors at this **ASA 1.2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA 1.2**.

The opening meeting and closing meeting were held attends by company's MR, mill and estates managers, PSQM staff, supervisors, field assistant, head adm and document control of each units.

The assessment program please find Appendix 2

2.2.3 Locations of Assessment

ASA 1.2 Number of units in this certification activity is 4 estates, which supply the raw material (FFB) to Ungkaya 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 stakeholders. Based on this formula, the team of auditors determined that the sampling locations are 1 palm oil mill (Ungkaya POM) and 1 estate (Ungkaya Estate)

Location of field observation:

Ungkaya Estate

- **Workshop** Observation and interview related activities in workshop, OHS implementation and hazardous waste management
- **Fire Fighting Store** Observation related management of fire equipment.
- **Block Spraying System** Observation and management of spraying system, PPE storage, working tools, washing and hazardous waste management .
- **Pesticide warehouse.** Field observation and interview related management of agrochemical.
- **Fuel tank** Observation OHS implementation and hazardous waste management.
- **Fertilizer store.** Field observation and interview related management of fertilizer.
- **Clinic.** Observation and interview with doctor regarding management of health service, facilities, work accident, program of MCU and medical waste.
- **Housing Division 3.** Field observation and interview regarding facilities and infrastructure housing area.
- **Daycare Division 3.** Field observation and interview related management of infrastructure in daycare
- **Generator Room Division 3.** Observation related activities in generator room.
- **Herbicide Application, Division 2, Field A004.** Observation spraying activities and interviews with workers spray related to the duties and responsibilities (job description), work procedures, a dose of agrochemical application, safe work practices, use of PPE, periodic medical examinations, P3K foreman, wage system, labor protection (Health Insurance and employment), training in the use of pesticides is limited and transportation workers.
- **Empty Fruit Bunch Application, Division 1, Field A007, block 3.** Observation EFB application activities and interviews with workers related to the duties and responsibilities (job description), work procedures, a dose per palm, safe work practices, use of PPE, P3K foreman, wage system and labor protection (Health Insurance and employment).
- **Nursery, Division 2, Field B006.** Interview with Nursery Officer related to type and age of seeds, chemical and fertilizer storage, nursery management with other related documents.
- **Harvesting, Division 3, Field E008, block 101.** Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE.
- **Circle racking, Division 3, block 94.** Observation of circle racking activities and interviews related to tasks and responsibilities (job description), work procedures, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers.
- **Landfill, block 65.** Observation for domestic waste management.
- **Land Application, Division 1, Field B003, block 12.** Observation related to waste water management and interview with land application officer about OHS implementation, worker status, salary, overtime and socialization of company policy.
- **Replanting area in 2019, Division 3, Field D007 & D008.** Observation of replanting activities without burning (mechanization).

- **Immature area planting year 2018, Field D003.** Observation of replanting activities without burning (mechanization).
- **Replanting area in 2019, Division 3, Field D007, block 77.** Observation of the activities of making terraces on the slope area.
- **Riparian area of Polapi River, block of 27/31.** Observation related to HCV management activities
- **HCV 2.3 area in block of 71.** Observation related to HCV management activities
- **HGU boundaries, BPN KP1 (block 5), BPN KP2 (block 18), and KP03 (block of 98).** Observation to legal boundaries, All BPN poles are available in place.

Ungkaya POM

- **Security gate.** Observation and interview with security regarding to FFB receiving procedure.
- **Weight bridges.** Observation and interview with weight bridges operator regarding to supply chain implementation and dispatch documentation.
- **Chemical warehouse.** Observation and interview related to condition of warehouse, emergency equipment, OHS implementation and waste management.
- **Hazardous waste storage.** Observation the hazardous waste type, emergency equipment, record and OHS implementation.
- **WWTP.** Observation the management of POME, condition of effluent pond, emergency pond and pump house.
- **Grading Station.** Observations and interviews with officers sorting FFB. Based on the interview, the officer can explain the criteria FFB decent though, demonstrating how sorting FFB, employment aspect, OHS aspect and working procedures specified.
- **Sterilizer Station.** Observation and interviews with operator Sterilizer regarding employment aspect, OHS aspect and working procedures specified.
- **Engine Room Station.** Observation and interviews with power house station operator regarding employment aspect, OHS aspect and working procedures specified.
- **Boiler Station.** Observation and interviews with Boiler operator regarding employment aspect, OHS aspect and working procedures specified.
- **Pressing Station.** Observation and interviews with operator Press regarding employment aspect, OHS aspect and working procedures specified.
- **Workshop.** Observation and interviews related to the competence of workers, medical check up, implementation OHS, wages, waste management and complaint mechanism.
- **WTP.** Observation of water treatment activities and the use of chemicals. Interview related to wages, implementation OHS and complaint mechanism.
- **Hydrant no. 5.** Observation emergency response procedure.

Public Consultation

- Worker Welfare and Transmigration Agency
- National Land Agency
- Plantation Agency
- Environment Agency
- Worker Unions
- Gender Committee
- Smallholder scheme member
- Community representative (Ungkaya Village and Emea Village)
- Local contractor (CPO and FFB transporter)
- Mill and estate workers

2.3

Stakeholder Consultation and Stakeholders Contacted

2.3.1	Summary of stakeholder consultation process.
ASA 1.2	<p>Consultation of stakeholders for PT. Tamaco Graha Krida was held by:</p> <ul style="list-style-type: none"> ● Public Notification on 22 April 2019 at PT Mutuagung Lestari Website (www.mutucertification.com) ● Public consultation with government of Morowali Regency conducted on 8 May 2019 ● Public consultation meeting with local stakeholder conducted by interview on 8 May 2019 ● Public consultation meeting with internal stakeholders on 8 May, 2019 ● Public consultation with NGO by email conducted on 01 May, 2019
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-1.3) will be determined one year after this ASA-1.2 (May 2020)

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Ungkaya POM – PT Tamaco Graha Krida, subsidiary of Sime Darby Group operation consisting of one (1) mill and one (1) oil palm estates.

During the assessment, there were six (6) Nonconformities were assigned against Major Compliance Indicator(s) ; four (4) nonconformiies were assigned against Minor Compliance Indicators ; and one (1) nonconformance against supply chain requirement for CPO mill and six (6) opportunity for improvements were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in the form of documentation evidence(s).

MUTUAGUNG LESTARI found that Ungkaya POM – PT Tamaco Graha Krida, subsidiary of Sime Darby Group complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised on 14 June 2017 (Module 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 & 1.1.2	<p>A list of information that can be accessed by stakeholders is explained in the SOP <i>Permintaan Informasi</i> (December 1, 2011). The procedure explained that the requests for information received will be studied and made his answer by manager operational unit of Mill or Estate, and has covered the types of information that can be accessed by the public. Based on the flow chart in Appendix of this SOP explained that since received a letter of request for information from stakeholders to make a response to the determined period of 7 days. Based on interviews with government agency they inform that the procedure has been socialized. Stakeholders already known the communication PIC, and no obstacles in dealing with the company.</p> <p>The company can demonstrate list of stakeholders such as: government parties (Sub-district, regency, and Province), surrounding village, internal stakeholders, mass media, NGO, and schools. The list of stakeholders will updated once a year or if there is a revision.</p> <p>Based on document review and management interviews, recording information requests can be seen in incoming and outgoing mail documents. All incoming letters including information requests are recorded in the communication form / logbook which records the list of requests and responses from stakeholders is the administration section in accordance with procedure, as well as internal and external complaints.</p> <p>Based on interview results with local communities, it is known that they are quite easy to access information. Information can be accessed by submitting requests verbally, email, fax, telephone and direct visits.</p>	

From document review of the Logbook Documents of 2018/2019, there's request for information from the stakeholders, for example: Request Letter from the Directorate General of Tax of the Directorate General of Taxation of North, Central, Gorontalo and North Maluku Regional Offices concerning Request for Data, Information and / or Second Document (No. : S-412 / WPJ.16 / 2019) on April 24, 2019. The Company has conducted response by making inter-office mail to the Jakarta Minamas Group Tax Department on May 2, 2019 (No. : 121 / UKE-UKE / V / 19) for the fulfillment of tax documents needed by the agency (General Tax Office) because the data is contained in Minamas Group head office in Jakarta.

Status: Comply

1.2

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

1.2.1:

CH has consistently documented the list of documents available to the public are described in Memorandum, the list of accessible information covers relevant legal, social and environmental aspects related to sustainability. The documents include land use title, plantation business permit, HCVA, SIA, land application/hazardous waste permit, EIA, environmental management plan/environmental monitoring plan, OHS, employee data, data production (FFB, CPO, PK), hazardous waste data, specification engine plant, vehicle specifications, detail and complaints, sustainable plantation management guidelines, public summary of the certification assessment report, a human rights policy, and negotiation procedures. The document is saved in the Office Estate/Mill. A list of documents available to the public set by PT TGK compliance with RSPO Principles & Criteria.

Based on interview with smallholders known about the document of deduction of the Smallholders payment can be accessible by the smallholders and the smallholders aware of the debt of plasma payment.

Status: Comply

1.3

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

1.3.1

CH has commitment related to integrity and ethical conduct in all operational activities. The commitment is listed in documented the Business Ethics Policy which has been approved by GM on 24 May 2007. In the policy submitted that the management units to develop business ethics with regard to the company and its stakeholders' expectations how to enforce the ethics including monitoring, reporting and sanctions for violations of the code of conduct. The commitment in interacting with stakeholders is a major concern of companies and be part of the company's business ethics, as well as the creation of added value. In addition, within the policy also explained about the work ethic that governs the basic attitude individual's and behavior of individuals inside and outside the company, including appreciate a personal nature fellow employees, such as religion, status, ethnic or racial and family, not committed an unlawful act such as gambling, stealing or embezzling company assets.

This policy is available in *Indonesian*. Based on interview with worker in estate and mill including worker union officials, it is known that they understand about the ethical conduct of the company. Interview with worker in estate and mill informed that there is no issue about integrity and ethical conduct.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

The company has shown evidence of compliance with local, national and international regulations. List of laws and regulations updated on 2019, for example:

The compliance to law requirement related to agrarian and business permit is observed by the auditor such as the unit has HGU certificate no.: 06/HGU/1989 (dated 15 July 1989) issued by BPN Poso, valid until 2024 and has the SPUP document No. HK.350/206/Bun.5/III/2001 issued on 16 March 2001.

BMP and OHS

In the aspect of Occupational Safety and Health, the certificate holder shows evidence of compliance with relevant legal requirements, including Quarter I Guiding Committee of Occupational Safety and Health Report 2019, license of heavy equipment operator, first aid officer at work place, steam boiler operator license, license certificate of mill machinery (including inspection and testing), diesel operators, welder licenses, electrical technicians, doctor hyperkes certificates and paramedics and fire mitigation officers training.

The certification holder has undertaken prevention and control measures as listed in Work Safety Law no. 1 of 1970 Article 3, among others by monitoring the implementation of occupational safety and health, conducting accident investigations, hazard risk analysis, medical checkup, machine operation by persons authorized and socialized safe work practices. Based on the results of document review and interviews with mill workers, for example at boiler stations, it is known that boiler operators have licenses to operate boilers in accordance with Minister of Manpower Regulation No. 1 of 1988.

However, the certificate holder needs to ensure that license sterilizer operators are still in the process of publishing. **OFl.** The certificate holder also shows evidence of compliance with relevant laws and regulations related to Best Management Practices, including use pesticides that have been registered with valid permits. Based on field observation in chemical storage and spraying activities and document review, it is known that the certificate holder has used the pesticide which registered in "Komisi Pesticida". This is in accordance with Plantation Act 39/2015. In addition, the certificate holder also shown the Granting of the Permit to Import Palm Oil Seeds into the Republic of Indonesia for seeds originating from Papua New Guinea.

Worker Welfare

The certification unit show evidence of compliance with applicable regulations, for example:

- Law No. 13/2003 related to worker rights and obligations.
- Minister of Manpower Regulation No. 100/2004 related to worker status (temporary and permanent).
- Minister of Manpower Regulation No. 26/2015 related to accident insurance program.
- Minister of Manpower Regulation No. 01/2017 related to wage structure and scale.

Environmental Aspect

- Have a document of environmental impact assessment (EIA), and sending the reports of Environmental Management Plan and Environmental Monitoring Plan every semester.
- Hazardous Waste storage permit based on the Morowali Regent's License Letter No. 660.1 / 010 / SI / BLHD / VII / 2015 dated 30 July 2015 concerning the revision of the extension of the temporary storage of hazardous and toxic materials at PT TGK which is valid for 5 years, with a coordinate point of S: 20 13,3984 ' ; E: 1210 33, 8771. Types of waste that can be stored: used oil, used batteries, used oil drums, used chemical containers, used filters, used cartridges, used clothes, used neon signs, used battery bottles, used gloves, lab. Waster and medical waste.
- PT TGK already has permission to extend the utilization of liquid waste from Environmental agency of Morowali Regency through Decree No. 660.1 / 004 / SI-DLHD / IV / 2018 dated April 16, 2018 concerning permits for the utilization of waste water on land at PT TGK's oil palm plantations. Utilization was carried out on an area of 304 ha with locations in Blocks 2, 3, 7, 12, 13, 57, 62, 63 and 67. This permit is valid for 2 years from its stipulation.

2.1.2 and 2.1.3

The company has a mechanism to identify and evaluate the compliance with the law described in the SOP of Law Terms (No. Policy: 701/TQEM-ESH/10). PIC who is responsible for identifying the regulation and for evaluating the regulations was Plantation Services Department and EHS Manager. Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. All regulations are noted in the list of rules which are always evaluated regularly at least once a year or if there are regulatory/latest requirements referenced. List of laws and regulations updated on 2019. Internal audits have been conducted continuously every once a year and are documented and reviewed on April 2019 by PSQM Department.

2.1.4

The company shows a list of RSPO related regulations in 2019, with the number of regulations evaluated 235 (laws, presidential regulations, ministerial regulations, regional regulations, regents). However, there are still regulations that have not been updated and or have not been evaluated, for example, but not limited to:

- Minister of Environment and Forestry Regulation No. 5 of 2018 standard and competency certification of the person in charge of wastewater treatment operations and the person in charge of controlling water pollution
- Minister of Manpower Regulation No. 38 of 2016 OHS Machine Power and Production
- Minister of Manpower Regulation No. 5 years 2018 OHS work environment
- Minister of Manpower Regulation No. 1 of 2017 the structure of the wage scale
- Minister of Manpower Regulation No. 18 of 2017 procedures for reporting labor
- Minister of Environment Regulation No. 05 of 2014 concerning Waste Water Quality Standards

Referring to the explanation above, the management unit has not been able to show evidence that information on requirements has been provided, relevant and updated legal requirements. **Nonconformity No. 2019.01 with category minor**

Minor 2.1.4	Status: Nonconformity No. 2019.01 with category minor
-------------	---

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

No changes to the land titles since ASA 1.1, the company has HGU certificate no.: 06/HGU/1989 (dated 15 July 1989) issued by BPN Poso, valid until 2024, covering area of **4,145 Ha**. Sighted the actual operation area in the document of hectare statement as per April 2019, based on these document concluded that the PT TKG has been managed the area according to it land right. Confirmed during interview with community figure of Ungkaya and Emea Villages, it was told that the entire area managed by the company is within the HGU owned.

2.2.2

The program of HGU pole monitoring and maintenance are describes in company' SOP (document: LGL) issued on 12 May 2011, explained that the schedule of monitoring and maintenance is once per six months. PT TKG shows the list of HGU pole along with its coordinates and location. The latest monitoring and maintenance are done in 5 Jan 2019 (re-painting and re-numbering), the company also placed the additional poles for area bordering to community land. Field observation are conducted by the auditor to BTS13 (block 71), KP1 (block 5), KP2 (block 18) and KP3 (block 98), all sampled poles are available in place and the location are in accordance with HGU map.

2.2.3, 2.2.4, 2.2.5

There is no an open land conflict. PT TKG has an SOP of conflict settlement in the document no.: 059/TGK/2010, on the clause of 5.16 describes that the conflict resolution are done through mechanism that accepted by all parties.

Based on hectare statement and result of previous audit, known that there was an occupation area within the HGU of PT TKG area of 79.74 Ha. However, the company not able to show the evidence of settlement of these occupation area or its progress which accepted through free, prior and informed consent by all affected parties. **NCR No.2019.2**

Field observation are conducted to those area namely in block of 2, observed that the area are managed by the community.

Based on interview to community figure in Ungkaya and Emea Village, it was told that there was no community area managed by the PT TKG, the cultivation are done by the PT TKG within it HGU.

2.2.6

No changes since ASA 1.1, the company has a policy on prohibition of use of violation and paramilitaries to maintain order in it operation.

Minor 2.2.3	Status: Nonconformity No.2019.2
-------------	---------------------------------

2.3

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

2.3.1, 2.3.2, 2.3.3, 2.3.4

Based on document verification on HGU and HCV report of PT TGK known that the area managed by the company is state land which granted as HGU valid until 2024. There is no customary right and/or traditional right within the company' HGU.

Based on interviews with community leaders and community figures of Emea and Ungkaya Villages, it was told that during PT TGK's plantation development, the company's HGU was State land so that there was no compensation and there was no land cultivated by the community within the HGU.

Status: Comply

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

3.1

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

3.1.1

The certificate holder shows the document for the long-term plan (5-year plan) for the period 2019 – 2023 for Estate and Mill. The documents include explaining maintenance costs, fertilizer costs, harvest costs, transport costs, administrative costs, R & D costs, FFB production, and FFB production per Ha, % OER, % KER, CPO production, kernel production, production prices, prices CPO and company profits. The stated management units are long term (5 years), the business plan is as Mill or Estate Manager, General Manager (GM), Senior GM (Head Region), Head Plantation Officer (HPO) and Chief Finance Officer (CFO) through considering actual trends and dynamic situations which can be changed in the future. The long terms business plan includes the smallholders plan for management of the scheme.

Based on the results of document review and interviews with management, it is known that the certificate holder evaluates each month towards achieving the targets set, for example through the monthly Estate and Mill report documents.

The certificate holder also shows the financial account audit report carried out by the Public Accountant Office for the period 30 June 2018. Based on the opinion of the audit results stating that the financial statements, position and performance of PT Tamaco Graha Krida until 30 June 2018 are presented fairly and in accordance with financial accounting standards Indonesia.

3.1.2

The certificate holder shows the replanting program in 2019 - 2024 with details, namely 2019 covering an area of 369.50 ha, in 2020 covering an area of 253.86 ha, in 2021 covering an area of 294.78, in 2022 covering an area of 370.92 ha and in 2023 covering an area 333.42 ha. The certificate holder has also documented the progress of the implementation of replanting in previous years, including planting in 2017 with an area of 334.51 ha and 2018 covering an area of 200.06 ha.

Based on the results of a document review of the contract agreement with the contractor for replanting activities, for example with PT Mitra Karya Jaya Perdana on 29 June 2018 regarding the 2019/2024 period replanting work on an area of 1,763.05 ha, it is known that all types of work related to land clearing are carried out mechanically without combustion activities, which consists of stacked and chopped / chopped work. This is similar to the results of field observations in the Field D007 and D008 Division 3, which are known to have no former combustion activities in the replanting area.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The certificate holder has a documented procedure for the mill and plantation. The plantation procedure starts from the plant material procedure, then the technique of nursery, fertilization, weed control, integrated pest management to harvesting and its transport is stated in the document of Standard Operating Procedure (SOP) of *Referensi Manual Agronomi Penanaman Kelapa Sawit*, document number 110 / EST-ARM / 13, September 2013 signed by the Head of Upstream Plantation Indonesia. This document has been distributed on September 16, 2013 to all plantation and factory unit leaders. The certificate holder also has procedures for the process of receiving fresh fruit bunches to send the CPO and kernels listed in the document of *Pedoman Teknik Pabrik Kelapa Sawit* of the Part I and II palm oil mills Minamas Plantation dated April 30, 2007.

Generally, operational procedures have been socialized to all employees in accordance with their respective fields of work. Based on field observations at Ungkaya Estate on harvesting and pesticide application, found that employees can show how to work in accordance with existing procedures, such as harvest workers can explain the criteria of the harvest and spray workers can explain the workings of the start preparation until finish of work.

Based on the results of interviews with management, field observations and interviews with contractors, it is known that the internal control carried out by the company regarding the performance of contractors towards the implementation of SOPs is carried out by direct field inspection. For example, for a CPO transporter contractor, a field inspection is carried out related to the completeness of PPE, administrative completeness, sealing, and so on. The same is true for FFB transport contractors.

4.1.2

The certificate holder routinely conducts activities of inspection or monitoring of activities in accordance with the operating procedures carried out by direct supervisors of the workers, for example the foreman, foreman I, assistant, senior assistant, manager and so on. In addition, there are also several routine corporate internal monitoring activities every 6 months or at least once a year. Officers who carry out audits and evaluations have competencies as determined by the certificate holders carried out by Plantation Advisory, Mill Advisory, Plantation Services Quality Management and Group Corporate Assurance, for example in September 2018 conducted in Ungkaya Mill.

4.1.3

The certificate holder has and shows the results of the monitoring and evaluation activities and their follow-up. Internal monitoring and monitoring records of Plantation Advisory, Mill Advisory, Plantation Services Quality Management and Group Corporate Assurance are in the unit office, for example, briefly explained in the monitoring activities on 28 September 2018 at Ungkaya Mill conducted by the Corporate Assurance Group. There are 2 nonconformities and have been correction on October 30, 2018.

4.1.4

Ungkaya POM received FFB from certified source (own estate) and uncertified sources (smallholder e.g. Plasma Ungkaya and Morokerta Cooperation) that has had a long-term agreement regarding to FFB purchasing with the company.

The procedure for third party FFB suppliers is contained in the Cooperation Agreement (FFB sale and purchase) made between the certificate holder and the supplier. The work agreement includes arranging the buying and selling object, time and location of FFB receipts, how to ship oil palm FFB, determining the price of oil palm FFB, method of payment, oil palm FFB amount and grading (including criteria for fruit quality), average bunch weight, handover, supplier guarantees, settlement of disputes, notifications, term of agreement, conditions of force majeure and others.

Status: Comply

4.2

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

4.2.1

The certificate holder has an SOP regarding fertilization activities contained in the Agricultural Reference Manual (ARM) No. Policy 110 / EST-ARM / 13 Part 8 concerning Fertilization of Oil Palm Plants which includes: technical fertilization, application of empty fruit bunch and application of compost to immature plants and mature plants, placement of fertilizers and application of fertilizers by 'focal feeding' on marginal land. In addition, it is also explained that manuring recommendations must be based on leaf and soil sampling analysis. Leaf sampling and soil sampling analysis should be carried out once and every five years, respectively.

The implementation of the SOP is monitored regularly with operational audits or Plantation Advisory. In addition, fertilization is monitored by the foreman, assistant and re-evaluated by the manager.

During ASA-1.2 activities, there is no fertilizing activity because fertilization has been completed according to the program. Evidence that the SOP has been implemented and monitored includes the results of soil and leaf samples in 2018 as well as recommendation documents and realization of fertilization.

4.2.2

The certificate holder shows documents on the *Rencana dan Realisasi Pemupukan Program Semester I 2019* (up to April 2019) which briefly include the following:

1. Fertilization in the Replanting area

Fertilizer type	Details	Program	Actual	%
RP (planting hole)	Kg	13,330	3,453	25.90
	Ha	180	46.64	
RP (planting legumes)	Kg	9,379	-	-
	Ha	180	-	

2. Fertilization in the Immature area

Fertilizer type	Details	Program	Actual	%
CCM 65 (15:15:15) planting year 2016	Kg	172,015.30	52,120.80	30.30
	Ha	327	81.47	
CCM 65 (15:15:15) planting year 2017	Kg	85,860.90	75,768.90	88.25
	Ha	225	240.04	
CCM 65 (15:15:15) planting year 2018	Kg	92,301.80	14,559.20	15.82
	Ha	585	157.08	

During ASA-1.2 activities, there is no fertilization activity because fertilization has been completed according to the current month program.

4.2.3

The certificate holder has and shows records of soil and leaf analysis activities on a regular basis in accordance with the procedure, namely frequency of soil sampling to find out nutrients in the soil is carried out every five years and leaf sampling is done once a year and it is explained that when sampling leaves trees that experience nutrient deficiency characteristics

The certificate holder has shown proof of the implementation of soil and leaf samples such as:

Soil analysis

The certificate holder carries out soil analysis stated in the *Laporan Hasil Analisa Tanah* document dated 10 October 2018. The realization of the evaluation of soil fertility status at PT Tamaco Graha Krida - Ungkaya Estate (18 samples) was carried out by observing the determination of pH, organic C content, total N (in %), total P and P content available, K content, Mg content, Na content, Ca content and Cation Exchange Capacity Value (CEC).

Leaf analysis

The certificate holder carries out leaf analysis conducted by Minamas Research Center - Laboratory Services dated September 12, 2018 for Ungkaya Estate. The indicators that were observed were the levels of Ash, N, P, K, Mg, Ca and B and supporting data in the form of visual observations.

4.2.4

The unit of certification do the recycling of nutrients by applying a palm oil mill effluent and empty fruit bunch. The certificate holder shows the *Realisasi Janjang Kosong Juli – Desember 2018* document (empty fruit bunch) which is concerned is served as follows:

- Block B003 has an application area of 57.29 ha, volume of 97 tons.
- Block B008 has an application area of 66.56 ha, volume of 1,424 tons.
- Block A004 has an application area of 88.11 ha, volume of 1,638 tons.
- Block C009 has an application area of 59.81 ha, volume of 668 tons.

Based on the results of field observations on the empty fruit bunch application activities in block 3 of Field A007 Division 1, it was found that workers understood procedures including workers explaining that for one point dose was 300 kg and empty fruit bunch are arranged in rectangles with one layer (without stacking).

The certificate holder also recycles liquid waste nutrients as seen from the monitoring of palm oil mill effluent applications, including the following:

- The application of palm oil mill effluent was carried out on January 4, 2019 in Block 12 as many as 840 m³.
- The application of palm oil mill effluent was carried out on January 5, 2019 in Block 12 as many as 765.1 m³.

- The application of palm oil mill effluent was carried out on January 11, 2019 in Block 12 as many as 675.85 m³. Based on the results of field observations in the Land Application area, block 12 Field B003 Division 1, it was found that flat beds had just been washed/ curled and there were no signs of overflow.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1 & 4.3.6

According to semi detail soil map (scale 1:50,000) which derived from soil survey and land suitability study report in October 2005, it was informed that there were no presence of peat soils and about 59 % of PT TGK operational area was classified as currently not suitable (N1 class) while the rest was marginal (S3 class). MRC team informed in the report that best management input and suitable agronomy technique recommended by MRC team are expected to enhance the suitability class from N1 and S3 into S2 class (suitable).

Soil survey report has also informed that 71% (or 2,830 ha), 19% (or 741 ha) and 10% (or 405 ha) of PT TGK operational areas were classified into flat, undulating and rolling to hilly, respectively. There were no areas with slope more than 40% landscape.

Based on explanation above, it could be concluded that there were no fragile areas within PT TGK (Ungkaya Estate) operational areas.

4.3.2

Based on the results of the document review, it is known that the certificate holder has a strategy for planting on slope areas, which are listed in Policy No. II-04 / MRC-SOP / 10 dated May 25th, 2010 Soil Erosion Measurement Guidelines contended on the effectiveness of minimizing level of erosion through frond stacking, EFB mulching application and terraces. In addition, also contained in Policy No. 110 / EST-ARM13 chapter 5 explained density in hilly slope area (6 – 25 °) was 148 palm / ha and planted using voile lining method.

Based on the results of field observations in the replanting area in 2019, block 77 Field D007 Division 3, it was found that there was a terrace making activity on the slope area.

4.3.3

The certificate holder shows the Roads Maintenance document which explains the budget for a year for road maintenance and its realization until April 2019, which is briefly presented as follows:

Division	Budget Collection Road (meter)	Actual Collection Road until April 2019 (meter)
I	12,200	12,845
II	15,015	8,159
III	5,359	9,793
IV	10,970	18,333
Total	43,544	40,971

Based on the results of field observations, it is generally known that road conditions are in good condition.

4.3.4 & 4.3.5

According to semi detail soil map which derived from soil survey and land suitability study October 2005, it was informed that there were no presence of peat soils within Ungkaya Estate and smallholders' operational areas. Hence, subsidence and water management monitoring implementation were not applicable in this indicator.

Based on the results of field observations in Fields A004, A007, B006, E008, B003, D007, D008 and D003, no peat area was found in the operational area of the company.

Status: Comply

4.4

Practices maintain the quality and availability of surface and groundwater.

4.4.1 and 4.4.2

Certificate holder has consistently set water management strategies that were implemented several strategies as follows:

- Protecting riparian from chemicals contamination. The company has installed sign as prohibiting application of

pesticides and fertilizers. It sign board has socialized to all workers. The signs can be red painting in palm tree or sign board.

- Surface water monitoring every semester. Water analysis conducted by Research and Development Agency for Industrial Testing and Calibration Laboratory of BBIHP Makassar on November 2018.

Based on the documents review it is known that the results of testing the river water exceed the quality standards specified in Government Regulation No. 82 of 2001 namely BOD5 (quality standard 6), the test results showed for the crossing of the Mamalu River, Laantula River and Laaluria River at 40,238 mg / L. In this regard, the company has conducted an evaluation and identification, from the evaluation results it is known that the test results on the river upstream (before entering the plantation area) have exceeded the quality standard due to community activities to utilize the river for rice fields and irrigation.

4.4.3

Waste water of oil palm processing has processed through wastewater treatment plant (WWTP) station. Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Based on waste water analysis in the period January to March 2019 which conducted by Research and Development Agency for Industrial Testing and Calibration Laboratory of BBIHP Makassar on waste water treatment plant, parameters that tested under the threshold especially BOD and COD. It shows that waste water can be applied in to the land application.

PT TGK has had a license to use the effluent for land application which was approved by Environmental Agency of Morowali District No 660.1/004/SI-DLHD/IV/2018. The license will be valid for 2 years since 16 April 2018.

Observation in land application area in Ungkaya Estate shows the area were well maintained. There was no leakage that flows outside the area. Based on public consultation with village representation, there was no issues regarding river pollution especially in to the river that across the village.

4.4.4

Mill has monitored daily water consumption and is recapitulated monthly. Based on the monitoring of water consumption (January to December 2018) for Mill operational activities, it is known that the average per month is below the budget (Under 1.4 M³ / ton FFB), so the consumption of water for Mill operation is efficient.

The field visit at the WTP indicates the water usage meter (Flow meter) is functioning, the water record used is performed by the WTP operator daily and recapitulated on the monthly report by Clerk Administration of Process.

Status: Comply

4.5

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

4.5.1

Certification unit detection by receiving reports from workers is carried out of census to determine the actual level of attack through the sampling results. If the census will be applied to a certification unit. For example, the certificate holder shows *Monitoring Hama Penyakit dan Pengendalian Ungkaya Estate* document March 2019, which explains the attack of rats on Division 2 Field D005 (planting year 2018) with an area of 53.08 ha, date of census March 20, 2019, area of attack 32.23 Ha. The application area is 53.08 ha and the bait is installed 36.52 kg.

4.5.2

Training on pest and plant disease control on February 16, 2019 at the Block Spraying System House with Senior Manager, Senior Assistant and Assistant. Points presented include chemical pest control and biological pest control including PPE that must be used, tools used, materials, work methods and targets. The attendees were 12 workers.

Status: Comply

4.6

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

4.6.1

ARM Policy No. Procedure 110 / EST-ARM / 13 Chapter 15 about plant protection that should be based on census analysis when the level of incidence is more than threshold limits. The certificate holder has documented the use of pesticides for the period 2018/2019, while the pesticides used include *Ken-Up 480 SL*, the active ingredient *Isoprophyl Amina Glyphosate* targeting broad leaf weeds and *Capture 50 EC*, the active ingredient *Sipermetrin* with target Insect. Based on observations to the pesticide storage warehouse, it is known that the pesticides used are registered and licensed according to those listed in the Ministry of Agriculture's 2016 Pesticide book.

Based on the results of field observations on the application of pesticides in Field A002 Division 2, it was found that the activities carried out were circle and path spray using Ken Up 480 SL.

4.6.2

The certificate holder shows a record of the use of pesticides, for example, listed in the Monitoring Pesticide Usage per Hectare and Per Ton FFB Production document for the period of January 2019, including explaining the use of 27 liters of *Basta 15* or 0.41 liters with *Glufosinate* active ingredients. The certificate holder also shows a percentage of per hectare for the period of July 2018 to April 2019 as follows *Glufosinate*, LD50 450, the targeted area 3,940.12 ha, the number of active ingredients applied per ha is 33.85 gr / ha and the application amount is 889 liters .

4.6.3

Unit of certification applying integrated pest management to collaborate on biological and chemical control. Use of chemical engineering was not done in a preventive, but based on the results of early warning systems that detect and census. Biological pest control is done by applying the development of natural enemy's owls to control the rat population. The development of useful plants like *Turnera subulata*, *Casia cobaanensis* and *Antigonon leptopus* also be used as a biological control techniques as a nettle caterpillar predators. The use of pesticides for pest control has been minimized according to the results of the census. For example, there is no nettle caterpillar attack that exceeds the threshold. Based on the results of the field visits in the nursery area and immature area, the found an owl cage installation. Based on the field in Ungkaya Estate, found the useful development plants *Turnera Subulata*, *Casia cobaanensis* and *Antigonon Leptopus* location along the visit.

4.6.4

The certificate holder has a complete list of Pesticides belonging to the World Health Organization Class 1A or 1B, or those listed in the Stockholm or Rotterdam Conventions. The list is listed in appendix 2 of SOP Sustainable Plantations Management Manual No. Policy 724 / TQEM-SPMS / 09 was issued August 27, 2010. The certificate holder also does not use parakuat and pesticides classified as class 1A or 1B. This is affirmed by the policy of not using Paraquat contained in the memorandum document of Head Plantations Operation (number: POD-UM-127 / X / 2008 dated November 4, 2008) regarding the Substitute Recommendation for the Application of Paraquat-Gramoxone Active Ingredients in Minamas area.

Based on the results of field observations on spraying activities and visitation in herbicide storage, there is no use of pesticides (WHO class 1A and 1B) or paraquat. It is also acknowledged by the foreman and spray employees during a field visit that the certificate holder does not use pesticides made of parakuat.

4.6.5

Company has Records of the training implementation for staff who are involved in the implementation of integrated pest management, for example:

- Training of Competence & Safety Spraying, Pesticide Handling on February, 2019 which was attended by 14 Employees.
- Training of Safety Town Hall (6rd Edition) on April 16, 2018 which was attended by 126 Employees.

Based on the results of interviews with spraying workers, it is known that the PPE is given free of charge by the company (Gloves, Apron, Glasses, and masks). Workers also keep and wash the work tools at the washers that have been provided at BSS House (not taken home appliance). Workers also understand the technical activities of workers by explaining technical work ranging from spraying, weed targeting, and avoiding spraying in riparian areas.

4.6.6

The certificate holder has a *Penyimpanan Pestisida* Procedure document, number revision 00, in 2018, which among

others explained that pesticides must be stored in a safe place (warehouse locked), apart from spare parts, food ingredients and water sources, and pesticide storage rooms must be installed with hazard and toxic warning boards, the room is only for officers, SOP, MSDS Product, fire extinguisher, first aid kit, place for washing hands, face, body and eyes (safety shower) and every pesticide storage package attached to the logo and label of the type of product hazard that has been regulated according to the applicable rules and regulations.

However, based on the results of field observations, were found pesticides (*Capture*, *Basta*, *Ken Up* and *Dithane*) which were stored in nursery warehouses, mixed with used pesticide packaging, used paint packaging and warehouses not meeting the requirements for pesticide storage.

In addition, based on field observations to the central fertilizer warehouse, found Rodenticide *Racumin* stored in the fertilizer warehouse.

This is not in accordance with the *Penyimpanan Pestisida* Procedure document regarding the application of pesticide storage and Minister of Manpower Regulation No. 3/1986 concerning the OHS requirements in the workplace that manage pesticides. This is a **Non-conformance NC.2019.03 with major category**.

4.6.7

The company shows the record of training materials and socialization, and the content of the material has covered the risks of work (HIRAC) in the application of pesticides.

Based on interviews with spraying workers and chemical warehouse personnel, the workers were able to explain the chemical management, spray technique, the use of PPE, the prohibition of working in spray for pregnant and lactating women, washing the PPE in the space provided and not taking PPE home. This is in accordance with the training that has been given the company.

In addition, there's facilities for cleaning up after work on BSS (Block Spraying System) House. On the BSS house there are facilities like: Shower room, storage room (for keeping PPE), first aid kit and repairing room (for repairing the sprayer).

4.6.8

Based on field observation and information from estate management, it was informed that there were no pesticide application by plane through the air. All pesticides has applied through spraying and trunk injection.

4.6.9

Certification unit provides training to employees on a regular basis related to the use and handling of pesticides in accordance with the technical guidelines and how to work safely. Examples of training provided to employees, including training of spraying held on February 23, 2019 which was attended by 22 participants. Based on the results of field observations on the application of herbicides, Field A004 Division 2, it was found that there were 9 female applicators who stated they have been trained spraying, training in safe work and training introduction hazardous and toxic materials. Sprayers and foreman also states that the certification unit does not use the active ingredient paraquat.

4.6.10

The certificate holder has SOPs related to waste disposal including *Prosedur Penyimpanan Pestisida* and *Prosedur Pengelolaan Limbah B3 dan Bukan B3*. The procedures in between explain that empty packaging of used pesticides must be re-managed as hazardous and toxic material waste, packaging damaged and handed over to the party collecting hazardous and toxic material waste that has permission from the local agency, recorded in the balance sheet of hazardous and toxic material waste, used packaging is allowed to be used again as needed as long as it is not used for human needs in the consumptive field. The procedure has also been socialized to workers, such as socialization which was held on February 23, 2019 which was attended by 22 participants.

The certificate holder shows evidence of proper disposal of waste disposal such as transportation of waste carried out by PT Bintangmas Cahaya Indonesia on December 23, 2018 with manifest details including 691 kg of used pesticide packaging (SQ 000 7081 manifest number).

4.6.11

The Certification unit has conducted medical examinations periodically such as examination of physical health,

cholinesterase and spirometry against employees who use pesticides. The specific medical checkup has been conducted dated 24 September 2018, such as: 64 workers were followed spirometric test and 40 workers were followed cholinesterase test. Based on company doctor analysis sighted that all workers on normal condition, however there are eight workers with low restricted. Based on interview with several workers on estate and mill sighted that they have known about medical checkup result.

4.6.12

The unit of certification policy that pregnant and lactating women are not allowed to do the mixing, spraying chemicals and other activities related to chemicals. Based on field observations and interviews with workers in Ungkaya Estate Field A004 Division 2, it is known that no personnel sprayer women who are pregnant and breast-feeding and it is known that policies related to the ban on pregnant women and lactating women have been understood for sprayers.

Based on the results of interviews with doctors, the system to find out about the existence of pregnant workers specifically does not exist. However, so far what has been going on is that doctors have menstrual leave data at the clinic and that can also be an indicator of worker pregnancy. In addition, workers and foremen if there are signs that the worker is pregnant, immediately see a doctor and the doctor immediately provides recommendations for mutations.

The clinic showed data on pregnant women in March 2019 which explained that there were 1 worker Division 3 who was pregnant and did not work with chemicals.

Major 4.6.6

Status: Non-conformance NC.2019.03 with major category

4.7

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

4.7.1

The certificate holder has a Health and Safety Policy, signed by Head Plantation Upstream Indonesia. The certificate holder also showed the procedures relating to occupational safety and health, including guidelines OHS, identification and assessment of hazards and risks, how to work safe and provision of PPE. The policy is delivered periodically at the morning briefing or at special times specified by the certificate holder. Based on the results of interviews with workers, both in the estate and at the mill regarding safety policies, workers have understood the essence of the policy. Among them, the workers stated briefly that the implementation of the policy was that workers were required to use PPE provided by the company for free.

The certificate holder also shows the Occupational Safety and Health Program in 2019 which was an attempt to minimize the Lost Time Accident. Realization of the plan, for example, the training on the use of fire extinguishers was held on January 25, 2019 which was attended by 27 participants and periodic health checks on cholinesterase and spirometry conducted on September 24, 2018 at the Laantula Jaya Health Center.

The certificate holder also monitors the effectiveness of the occupational health and safety plan, for example in relation to the health check, there are 1 person out of 26 workers who received a note related to the results of the audiometry examination. Related to this, the certificate holder has made a rotation where the person previously worked at the kernel station was moved to a loading ramp station as of December 1, 2018. A reference letter was also issued on December 6 for ENT examination in Makassar. Further health checks have been carried out for these workers. The results of the examination concluded that the worker must be given a hearing aid and realized by the company in accordance with the recommendations of the ENT specialist.

4.7.2

The certificate holder has HIRAC (Hazard Identification, Risk Assessment and Control) document for estate and factory operations period of 2019. The document was prepared by a team of companies to identify potential hazards and risks, then proceed to assess the level of risk and risk control until the risk can be tolerated. If an accident occurs in the field, it will be considered in the risk control to prevent accidents in the future. Based on the results of field observations in chemical warehouses and toxic mixing sites there is an MSDS that is placed as a guide in the handling of chemicals.

Based on interviews with spraying workers it is also known that the foreman in the field understands the procedures in case of work accidents as well as instructions in the MSDS each product has been applied to the employees. The PPE provided by the company refers to the product label / MSDS or risk assessment, for example for herbicide applicators have been equipped with PPE in the form of eye glasses, mask, apron, rubber gloves and boots in accordance with the results of risk analysis and product label/ MSDS.

4.7.3

The unit has a document certification procedures PPE, which clarify some points, including certification unit to provide PPE for employees, PPE only loaned the company to employees and PPE are damaged or depleted of its useful life can be replaced or exchanged regulated reimbursement mechanisms. The results of field observations in estate and mill well as interviews with workers, it is known that the certification unit has provided PPE and have been given training in safe work practices for example harvest training held on February 28, 2019 which was attended by 12 workers and 2 foremen. Unit certification demonstrates proof handover PPE, for example, on March 2, 2019, there was a worker changed the PPE for damaged safety shoes and on February 19, 2019 for PPE glasses, Apron, rubber gloves, masks and boots for herbicide applicators, there were 31 workers. The PPE provided by the company refers to the product label / MSDS or risk assessment, for example for herbicide applicators have been equipped with PPE in the form of eyeglasses, mask, apron, rubber gloves and boots in accordance with the results of risk analysis and product label/ MSDS.

4.7.4

Based on the results of the document review, there is a P2K3 structure approved by the Department of Manpower and Transmigration of Central Sulawesi Province on 10 July 2018 and interviews with management, it is known that there is a work mutation for the chairperson and secretary of P2K3.

However, the certificate holder has not been able to show the latest P2K3 structure that has been approved by the local Manpower Office. This is a **Non-conformance NC.2019.04 with major category**.

4.7.5

Unit certification has procedures in case of accidents and emergencies along with instructions, such as procedures regarding Occupational Health and Safety (711/TQEMS-P2K3/07), fire control procedures contained in SOP No. Policy 7302/PSQM-ESH/14 and SOP No. Policy: 722/PSQM-PSS/10 about OHS Guidelines. Based on the results of field observations, it was found that the certificate holder had installed clear instructions on emergency procedures that were easily understood by all workers such as at the boiler station there was a Safety Boiler Procedure. Based on interviews with workers and foremen and verification of documents, known to the company has organized First Aid training, such as in Ungkaya Factory on February 2, 2019 led by a company doctor and attended by 13 participants and in the office of the Ungkaya Estate on November 29, 2018 led by a company doctor and attended by 27 participants. Equipment for first aid has been provided in the workplace. Based on the results of field observations in operational activities in the field, such as harvesting, spraying, at nursery offices and in mill, it is known that first aid facilities have been provided by the company in as many as 21 items.

4.7.6

Based on the results of document review, interviews with workers and representatives of contractor workers, it is known that for permanent workers and contract workers, the certificate holder has been registered with the BPJS Health and BPJS Employment program. Regarding the findings of discrepancies in ASA-1.1, workers with PKWT (contract workers) status have not been registered by the company for the BPJS Health program and the contents of Article III 3.3 point of the contract workers agreement stating that the company does not cover medical expenses, has been verified in ASA-1.2, with verification results as the following:

- Based on the results of interviews with contract workers, for example with 9 herbicide applicators in Division 2 Field A004, it is known that currently they are registered in the worker insurance namely *BPJS-TK* and *BPJS-KES* program. This is as contained in a contract workers agreement, for example number 111 / UKE-E / SPK / I / 2019 / PKWT Article VI concerning *Jaminan Sosial Tenaga Kerja* (Guaranteed Labor Social Affairs) with the details borne by the company is accident insurance, death insurance and pension insurance and Article VII of the *Jaminan BPJS Kesehatan* (BPJS Health Guarantee), which is borne by the company 4% of basic salary + allowance and borne by workers 1% of basic salary + allowance.
- Based on a review of the *BPJS KES* and *BPJS TK* dues payment evidence, it was known the contract worker and permanent worker (SKU-H and SKU-B) has been paid.

However, the Certification Unit has not shown evidence that all contractors according to the list below have been provided with health services and work accident insurance protection:

1. PT Mitra Karya Jaya Perkasa No 0 / Ref: 005 / MMTC-AWD / V / 2018 / Plant (Replanting)
2. CV Cyprus Investama No. 03 / UKE / SPK-LKL / VII / 2017 (road repairs)

3. CV Tirta Samudra No. 83 / UKE / SPK-LKL / IX / 2017 (Excavating flat beds)
4. Alwalid No 82 / UKE / SPK-LKL / VIII / 2018 (making excavation pipes for POME Application installation)
5. Dwi Andriyono No. 73 / SPK-LKL / VIII / 2018 (transporting FFB)
6. CV Mario Malanu (CPO Transport)
7. Nurmin (empty fruit bunch application)

In addition, the certificate holder has not completed the root cause analysis column, corrective actions for contractors and preventive measures. **The non conformity grade of Minor Raised to Major.**

4.7.7

The certificate holder shows *Laporan Perorangan Kecelakaan Kerja periode Mei 2018 – April 2019* (Work Accident Individual Report document for the period May 2018 - April 2019) document, which details the date, patient name, gender, management unit, division / section, place of accident, type of accident, part suffered, diagnosis, work accident class and lost workday. Every month work accident data is reported to the Labor Agency through P2K3 quarterly reports. Based on the document recapitulation, it was found that in the last 1 year there were 345 cases of work accidents with details of 150 cases of first aid (0 days missing) and 397 days missing.

Major 4.7.4

Status: Non-conformance NC.2019.04 with major category

Minor 4.7.6

Status: Non-conformance NC.2018.07 with Minor Raised to Major category

4.8

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

4.8.1

The certificate holder has list of worker status. There is no smallholder scheme of certificate holder. The certificate holder has also list of training program and realization for 2019 which include: best management practices (spraying, harvesting, fertilizer, pest and disease), first aid kit, land fire management, HCV, MSDS and environment emergency response. The program was based on identification needs. In addition, the training program for contractors include OHS, HIRA, safe working attitude, driving discipline, and use of PPE. For example, there's a record of Annual Safety Town Hall Meeting on November 29th, 2018 in the record of attendants there's a name Dwi Andriyono (one of the local contractor for FFB transporter).

4.8.2

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

Regarding to minor non-conformance last year (ASA-1.1) **NCR No.: 2018.09**, the company shows training records in accordance with the matrix owned by the company, including:

- Spray training on February 23, 2019 by the UKE Senior Manager.
- Harvest training on February 28, 2019 by the UKE senior manager.
- Fire Fighting Training at the POM on January 29 by the PSQM Assistant and Senior Assistant.
- Available minutes of Fire Extinguisher training held on January 25, 2019.
- Availability of minutes of first aid training held at the POM on February 2, 2019 led by a company doctor.
- SCCS training held on 11 August 2018 at the factory led by the PSQM Assistant.

The records were completed with training minutes, attendance lists, training materials, attendance, participant signs, and documentation of the event.

The auditor also conducted interviews with workers in the field, knowing that the workers had attended the training held by the company. The evidences had been verified and accepted to be closed out and complied.

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

PT TGK unchanged the total area, activities and mill capacity, so environmental document that use is the old one. The document was EIA on April 1995 which cover own estate as 15,000 Ha, and mill with capacity 60 ton FFB/hour. This document also explains about environmental management and monitoring plan which must be done by the company.

Interview with stakeholders (environmental agency and local community) is known that there is no issue related to environment caused by operation activities of PT TGK.

5.1.2

CH has an environmental management plan described in the EIA document. The environmental impacts in accordance with the management and monitoring matrix include: erosion rate, decreased soil fertility, decreasing soil quality, decreased air quality, loss of vegetation, wildlife, aquatic biota, and provision of employment, increased income, and social unrest.

5.1.3

The company shows a report on the implementation of Semester 2nd environmental management and monitoring plan (July to December) in 2018 and evidence of delivery of reports to the DLH of Morowali District on 08 February 2019 (No letter 001/TGK-UKF/SP/II/19). The results of environmental management and monitoring plan implementation report are known as follows:

- Not yet available attachments resulting from the measurement of air quality, emissions and noise, river water quality, ground water and aquatic biota, and quality of liquid waste which is the result of analysis from an accredited laboratory.
- There are still test parameters for the quality of river water and groundwater that exceeds the quality standard that has not been evaluated. For example, the parameters of the mill river (upstream and downstream) tests, Fluoride parameters in the Mamalu River and MUL River, the COD parameters of the Laluria River.
- Not yet available, attachments to monitoring are carried out as an effort to manage and monitor the impact of potential fires.
- There is no available attachment for monitoring the presence of flora and fauna as evidence of management and monitoring the impact of disturbed flora and fauna carried out every six months.
- There is no evidence of interviews and questionnaires as a form of management and monitor the impact of community unrest that is carried out every six months.
- There is no explanation for the monitoring plan carried out on the community's environmental impacts (erosion/flooding).

Referring to the explanation above, the company has not been able to show a complete document on the implementation of the environmental management and monitoring plan in accordance with the guidelines for preparing the environmental management and monitoring plan implementation report (Decree of the Minister of Environment No. 45 of 2005), as well as an improvement/evaluation plan for the monitoring results. **Nonconformity No. 2019.05 with category minor**

5.1.3

Status: Nonconformity No. 2019.05 with category minor

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

There are no changes since the previous assessment. Identification of RTE species been conducted simultaneously with the activities of identification HCV which carried out by Pollito on January 2010. CH can show attendance list of HCV Public Hearing Event dated 12/01/2010, was attended by 21 participants representing PT TGK (5 personnel), local government (6 personnel), government agencies (5 personnel), community figures including scheme smallholder farmer groups (5 personnel).

CH has had documentation of public consultation conducted by mail, among others, to the Department of Forestry and Plantation Morowali District, Head of Environment Morowali District, Head of Legal Office Morowali District and the University of Tadulako.

5.2.2

Based on identification, there are HCV in operation area of PT TGK for an area of 249.76 Ha (potential HCV) which are Palopi River, Mamalu River, Laluria River and Laantula River. The area is included in the planted area. Since the replanting activity was carried out, CH did not conduct replanting and let the area overgrown by natural vegetation in the border river. And until now the area that has not been replanted in the border area is 60.59 ha.

The action that had been taken to preserve and protect HCVs area explained in Conservation Forest Management procedure and Buffer Zone management procedure. For period 2018/2019, the management plan to HCV and RTE consist of marking HCV area, maintain signboard of prohibition, monitoring vegetation, monitoring wildlife, socialization on protected plants, animal and HCV to surrounding communities and employees, manual upkeep and monitoring river water quality.

Based on field observations to the buffer zone of Palopi River is known that CH did not conduct replanting and let the area overgrown by natural vegetation. Other than that PT Tamaco Graha Krida has monitored the presence of RTE in the HCV area, in addition PT Tamaco Graha Krida already has SOP Handling Wildlife (Document No. AI 0900, Revised 0, April 1, 2012). Results of the interview It is known that in the PT Tamaco Graha Krida, there has never been an incident with endangered species or wildlife.

5.2.3

CH has conducted socialization on protected plants, animal and HCV to surrounding communities and employees of PT TGK. Socialization activities conducted on 12 November 2018. Minutes of meeting, attendance list and photo of socialization activities are available. Based on consultation with the surrounding community and workers is known that socialization related to the existence of protected plants and animals has been done by the company. The community can explain the types of protected animals that are in the plantation area of PT TGK

Same on the previous assessment, the management unit has had a memorandum from Senior Manager to all staff and employees of PT TGK on 18 October 2017 related to protecting protected plants and animals. This memorandum explains that it is affirmed to all staff and employees of PT TGK to avoid harassing, capturing, harming, collecting or killing protected plants and animals. If found and proven to violate in accordance with these provisions then the management of PT TGK will give sanctions.

Based on interviews with workers it is known that employees have known RTE species, explained by employees to date no RTE species have been found in the Ungkaya Estate area.

5.2.4

The company shows documents related to HCV management activities including:

- HCV Management Program of Ungkaya Estate for period 2018/2019
- Documentation of protected areas with HCV attributes
- Documentation of planting *Trembesi* trees and signboards in the buffer zone area.
- Monitoring of flora and fauna in the May 2019 buffer zone area

Based on the HCV Monitoring of Ungkaya Estate in April 2019 which refers to the results of Pollito's identification in 2010 of HCV area of 249.75 Ha (potential HCV). Furthermore, the HCV Area Distribution Map document is shown with a total area of 101.53 ha consisting of conservation forest (19.98 ha) and forest in the river border (81.45 ha).

Referring to the explanation above, the company has not been able to show evidence of the evaluation of HCV management and monitoring programs that are used as the basis for the preparation of HCV management programs in the next period. **Nonconformity No. 2019.06 with category minor**

5.2.5

Based on HCV identification and field visit showed that there were no HCV set-asides with existing rights of local communities

5.2.4 **Status: Nonconformity No. 2019.06 with category minor**

5.3

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

5.3.1; 5.3.2 and 5.3.3

Consistently up with the activities of surveillance, the management unit has identified waste in the Mill and the Estate including the type of waste (hazardous waste, domestic waste, industrial waste, infectious waste, and air waste), waste sources, and actions taken in efforts to reduce hazardous waste.

Hazardous waste generated from operational activities such as Mill and Estate likes used filters, used oil, cotton waste fabric scrap, battery, pesticides used containers, used lamp, etc. are stored in the Hazardous Waste Temporary Storage licensed PT TGK. Permit form of Letter Head of Morowali District No. 660.1/010/SI/BLHD/VII/2015 issued on July, 30th 2015 with a validity period of 5 years (July 29th 2020). For retention time allowed in the Hazardous Waste Temporary Storage is 365 days. The results of the field observations at the Hazardous Waste Temporary Storage PT TGK note that storage in accordance with the capacity and roofed to protect from rain, has an air circulation, has a lighting system, fire extinguishers, eyewash/shower, secondary containment, first aid boxes, alarm, SOP emergency response, log book, balance hazardous waste boards, labels and symbols hazardous waste.

Record management Hazardous Waste, included in reporting management hazardous waste quarter period January to March 2019 addressed to environment agency. Hazardous waste management recorded several documents, consist of:

- Company has Logbook (Hazardous Waste Warehouse)
- Company has Balance Hazardous waste warehouse reported
- Company has Agreement Letter, PT Bintangmas Cahaya Internasional for transporter Hazardous waste, and validity until 02 March 2020.
- Company has shipping manifest Hazardous waste warehouse, for example hazardous waste shipping in Ungkaya POM on 23 December 2018 with transport evidence in the document of Hazardous Waste Manifest SQ 000 7076 oil used weighing 2,477 kg.
- In efforts to comply with applicable regulations, the company has been regularly reported to the hazardous waste management activities Environment Bodies of Morowali District, with evidence report period January to March 2019, dated 23 April 2019.

Based on field visits to Block Spraying and System house (BSS's house) and agrochemical warehouse, there are four used pesticide containers stored in BSS's house. Based on the minutes of handover of hazardous waste from the estate to hazardous waste storage licensed in February and May 2019 there is no shipment of used agrochemical packaging. The information conveyed by officers was that the used packaging jerry cans were reused for the agrochemical mixing process, but there was no available reuse record for the former agrochemical packaging. Related to this, the company needs to clarify the mechanism for reusing used pesticide packaging. **OFI**

The company shows the SOP Management and Handling of Hazardous Waste in Traction, Agrochemical Warehouses and Clinics on May 9, 2019. In the SOP it is stated that hazardous waste transportation is carried out once a month and equipped with handover documents to be submitted to the hazardous waste storage licensed in Ungkaya POM.

Handover Minutes of hazardous waste from estate units, clinics, traction and bulking to the hazardous waste storage licensed in Ungkaya POM in February 2019 and May 2019, waste shipments have not been carried out consistently every month in accordance with the SOP so that consistency in the implementation of hazardous waste shipments from the unit (Estate, Clinic, Traction, and Bulking) to the hazardous waste storage licensed in Ungkaya POM according to SOP. **OFI**

Status: Comply

5.4

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

5.4.1

In order to enhance the efficiency of fossil fuel use, mill utilizes a shell and fiber as boiler fuel substitute for diesel fuel. Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented.

Based on monitoring record from May 2018 to April 2019 is known that the usage of renewable energy is 0.92 kWh/ MT CPO and the usage of non-renewable energy is 22.23 kWh/ MT CPO.

The company does not use the biogas plant in managing POME.

Status: Comply

5.5

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

5.5.1 and 5.5.2

Same as the previous assessment, the certificate holder perform land preparation with mechanical methods, according to the agronomic manual reference No. Policy 110 / EST-ARM / 08 section 4 on land preparation explained that land preparation is done manually by uprooted, chopped, marking planting holes and making holes for planting.

Based on the field visits on replanting areas in Division 3 Ungkaya Estate there was no indication of land burning during land clearing for replanting activities, land clearing was done mechanically using heavy equipment carried out by the contractor.

Status: Comply

5.6

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

5.6.1 & 5.6.2

The company was able to show several data related to pollution which conducted by *Badan Penelitian dan Pengembangan Industri Laboratorium Penguji BBIHP MAKASSAR* (KAN Accredited), which presented in RKL/RPL Semester II of 2018, with summary as follows:

- The results of measurements of noise intensity in the Engine Room at 90.9 dBA, noise intensity exceeds the threshold limit specified in Regulation of Labor Ministry No. 13 of 2011. The actions taken by the company to provide PPE (earplug/earmuff) for workers who work in the area with high noise and operator audiometric checked periodically. Based on field visits in the Mill there has been a high noise warning and PPE signs on the engine room.
- Based on boiler emission measurement as required in Minister of Environment Regulation No. 7/2007, it could be concluded that emissions were below the quality standards.
- Based on generator set emission measurement as required in Minister of Environment Regulation No. 21/2008, it could be concluded that generator set emission were below the threshold limit.
- Based on ambient air quality measurement as required in Government Regulation No. 41/1999, it could be concluded that ambient air quality were below the threshold limit.
- Air Pollution and Emission in the form smoke and dust coming from the boiler chimney, generators, car transport, and roads. As for the control measures of the company include the use of masks, fiber grate boiler cleansing routine, regular cleaning dust collector, water lock routine inspection, ducting leaks routine inspection, checking periodically, maintenance of roads, speed restrictions and installation of smoke density.

5.6.3

The management unit has conducted GHG emission calculations period 2018 make use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied full version for the reporting.

Summary Emission

Product	tCO2e/t Product
CPO	1.7
PK	1.7

Extraction	%	Production	ton/year
OER	21.8	FFB Processed	64507.3
KER	4.5	CPO Produced	

Description	Unit	Value
Total Planted Area	Ha	3991.03
Total Planted Area on Peat	Ha	0
Conservation Area	Ha	101.52
OER	%	21.8
KER	%	4.5

Mill emission and credit

Description	tCO ₂	tCO ₂ e/t FFB
Emissions Sources		
POME	38272.41	0.2
Fuel Consumption	939.45	0
Grid Electricity Utilization	0	0
Credits		
Export of Excess Electricity to Housing & Grid	0	0
Sale Of PKS	0	0
Sale Of EFB	0	0
Total	39211.86	0.2

Plantation/ field emission and sink

Description	Own			Group		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB
Emission Source						
Land Conversion	43506.56	10.9	0.67	0	0	0
CO2 Emissions from Fertilizer	6264.38	1.57	0.1	0	0	0
N2O Emissions	3043.14	0.76	0.05	0	0	0
Fuel Consumption	738.32	0.18	0.01	0	0	0

Peat Oxidation	0	0	0	0	0	0
Sinks						
Crop Sequestration	-29564.45	-5.15	-0.32	0	0	0
Sequestration in Conservation Area	-930.94	-0.23	-0.01	0	0	0
Total	32057.01	8.03	0.5	0	0	0

Emission Of PK

Emission Source	tCO ₂ e
PK from own mill	14910.63
PK from other sources	0
Fuel consumption	0
Total crusher emissions	0

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100 %
Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	0 %

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

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

6.1.1, 6.1.2, 6.1.5

The Social Impact Assessment was conducted by the company in 2009 in collaboration with Pollito, which is explained the environmental and social impacts of PT TKG's plantations and palm oil mills.

Based on the SIA report, it was seen that the company had involves the community and related stakeholders in its implementation, the villages involved were Ungkaya Village, Solonsa Jaya Village, Bumi Harapan Village and Karaupa Village. SIA assessments also involves farmer group members.

The company has also documented a Brief Study on the Effect of Replanting of PT Tamaco Graha Krida, conducted by Aksenta Consultant, February 2012. The study contains a description of the estimated impact along with

recommendations for management options.

6.1.3, 6.1.4

The company has prepared a program for managing and monitoring social impacts 2017-2019 which was compiled based on the 2010 SEIA report by Polito.

There are 6 of activities that are considered as sources of impact, main impacts and derivative impacts, in the program has been describes the mitigation plans and actions taken by the company to reduce impacts. Evidence of implementation can be demonstrated by the company for example providing jobs such as piece rate contract and specified time contract to the community and establishing a program for providing basic need and health services (in CSR programs). However, the SIA program did not include the implementation schedule and the person in charge of the implementation for each issue.

In addition, based on interviews with community representatives in Ungkaya and Emea Villages, there was an issue of social jealousy related to the different of hectare of land between transmigration community and local communities, but these issues have not been included in the 2017-2019 social impact management plan. **NCR No.: 2019.08**

The company has reviewed the social impact management program, carried out on November 2017, the review has involved relevant stakeholders namely PT TGK employees, plasma farmers and the surrounding community.

Based on the SIA review document it is known that there are results of issues that arise, for example:

- Employees: related to the issue of inadequate employee housing facilities (40% of participants stated inadequate),
- Issues from plasma farmers who disagree with changes to the KKPA pattern, FFB grading systems and guidance (40%)

However, the results of reviews of SIA programs have not been included as one of the references in the preparation of the SIA program. **NCR No.: 2019.09**

Major 6.1.3	Status:	
Minor 6.1.4	NCR No.: 2019.08	
	NCR No.: 2019.09	

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

CH has provide procedure of SOP Communication and Consultation with the Community (Doc No. RSPO/6.2/KKM) which is a guide for communication and consultation with the community. In the procedure described on the mechanism of communication with community begins with providing a letter through the village head, analyzing the response letter from the public, if necessary, held a meeting with the public to communicate directly, if a response within the limits of authority manager unit will be immediately given a decision and, if so without the authority manager then the unit will be delivered to the head of department and unit managers will send a letter of response to the public.

6.2.2

Corporate officer responsible for executing the procedures of communication and consultation is the management of the operational unit Mill and Estate, Head Department and the relevant departments in accordance with SOP Communication and Consultation with the Community (Doc No. RSPO/6.2/KKM). Officers appointed by SOU PT TGK Manager and Manager of the Department of Agronomy. Based on interviews with the village communities submitted that the Village Head in communication or consultation with management through the Estate Manager. It ensures that stakeholders have been informed the officer in charge of communication and consulting PT TGK.

6.2.3

The company can demonstrate list of stakeholders such as: government parties (Sub district, regency, and Province), surrounding village, internal stakeholders, mass media, NGO, and schools. The list of stakeholders will updated once a year or if there is a revision. Record of communication from external stakeholder is also available at estate and factory, which is recorded in incoming and outgoing letter. The most of the letter is about request of funding and heavy equipment assisting.

	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	<p>The company has a complaint handling mechanism dated March 4, 2009, in clause of 4.5 on stakeholders include plantation and factory employees. In section 5 of the procedure explaining the flow of handling complaints / suggestions / aspirations that related to operational unit starting from the supervisor (foreman/assistant), the complaint is recorded in the Community Aspiration Record. If the response to the complaint requires approval from another department, then it is reported in writing to the other Head Department or Department.</p> <p>Based on interviews with related stakeholders, namely: the head of the farmer group and representatives of farmers from Solonsa Village, community leaders and Ungkaya and Emea village, told that they understood the mechanisms and procedures for submitting complaints. There were no complaints submitted during the interview.</p> <p>The company has recorded all complaints submitted by internal (employees) and also external. Recording is done in the worker complaint monitoring book and external entry letter.</p> <p>During the May 2018-April 2019 period there were no employee complaints submitted to the PIC (staff personnel). This is in line with the results of interviews with employees in the housing division 3 and UKE field employees, there were no complaints submitted to the company. Employees have understood the procedures and mechanisms for submitting complaints.</p>	
	Status: Comply	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
6.4.1, 6.4.2, 6.4.3	<p>Based on the statement area documents, field observations and interviews with company representatives (PSQM staff) it was found that there was no expansion done by PT TKG. There is no customary right and/or traditional right within the company' HGU. It has been confirmed during interviews with community leaders and community figures of Emea and Ungkaya Villages.</p> <p>Procedures for calculating compensation for legal or customary rights as well as compensation identification mechanisms have been included in the Identification Procedure and Standard for Land Compensation (Number 001 / PSDS-L & US) clause 4. The procedure describes the process of identifying land, the pattern of completion, the process of deliberation, procedures for payment and reporting.</p>	
	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	<p>The company has the latest minimum wage decree in the form of the Decree of the Governor of Central Sulawesi No.: 561/200/DISNAKERTRANS/G.ST/219 dated April 29, 2019 for the Morowali Regency sectorial minimum wage in 2019 of IDR. 3,000,000.00 for Plantation Industry (The wage decree is effective from January 2019). As a follow-up to this, the Management Headquarters Human Resource issued Memo No. 038/HRM/i3/IV/2019 on April 30, 2019 concerning the increase of the 2019 Minimum Wage in Central Sulawesi Province (PT TKG), which is briefly explained as follows:</p> <ul style="list-style-type: none"> • The minimum wage for daily employees is set at IDR. 3,000,000.00 / month. • The deduction of salaries for absentees is IDR. 120,000 / day <p>The salary process will be carried out on payroll in June 2019. And based on interviews with workers, they all already know about it.</p>	

In addition, the company also has memos related to the structure and scale wage on inter-office mail (No. 016/RSP-i4.3/IV/2019) dated April 30, 2019. The document informs the lowest salary structure of the Employee Salary (G1) is IDR 3,036,060 and the highest group (A8) is IDR 3,686,270.

The auditor has verified the employee wages payment document, for e.g. payment for period April 2019, the wages has been paid in accordance with applicable regulation.

The employee salary slip informs the component of income (basic wage, fixed allowance, non-permanent allowance / premium and overtime) and discount component (health insurance and deduction from Worker Union).

Based on the record of the salary slip, it is known that the employee's salary is in accordance with the minimum wage.

6.5.2

CH has collective labor agreement (PKB) period 2019 – 2021 between Company and Worker Union (which is valid from March 16, 2019 until march 16, 2021) which has been through the Decree of the *Surat Keputusan Kepala Dinas Transmigrasi dan Tenaga Kerja Kabupaten Morowali* with Number 560/159/TDN/III/2019 on March 17, 2019. PKB has been in compliance with the Labor Laws and Regulations.

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

However, based on document review, the company shows the following:

- The company shows the 2016 premium system document which covers PT TGK activities (plantations and factories) except LA / effluent (land applications) activities.
- Based on the results of a document review of the employee's daily premium list in January - April 2019, it is known that LA / effluent workers get premiums / overtime worth IDR. 15,000 / hour. This applies equally to weekends / holidays and regular workdays.

And based on the interview, the following are known:

- The company explains the basic premium / overtime calculation for LA / effluent stream employees based on calculation of overtime / premium for plasma employees (based on inter-office mail from plasma assistants on April 13, 2018), but also does not explain the value of premium / overtime units IDR 15,000 / hour (which is set at IDR 16,592 / hour).
- From the results of interviews with LA workers it is known that employees do not yet know the basic calculation of overtime / premiums that they have received so far. And workers recognize every day working from 6:00 to 16:00 WITA.

In addition, there is an overtime order for spraying employees to work on holidays with a number of 7 working hours (07.00 - 14.00 WITA) in January, February and March 2019. However, from the 2019 Allowance and Deduction payment document review, these workers are only paid IDR. 109,400 (1 HK) for Sundays / holidays. **Non-conformity No.2019.09**

6.5.3 & 6.5.4

Based on field observations in all units (estate and mill), it is known that the company has been providing housing facilities, lighting, water, daycare, worship place, school buses, and clinics. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price. The Company also provides rice support to all permanent worker.

6.5.2	Status: Non-conformity with Major Category
-------	---

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

There is no change in company union policy. It was written in guidelines for sustainable plantation management (no policy 724/TQEM-SPM/09 dated November 8 2010), point 5 which stated that the company is hoped to respect workers right to make and join in union worker according to their will and to negotiate together. There is also no change in worker union structure yet. The structure has also been registered to Manpower Agency of Morowali District at October 19 2016. Based on interviews with workers union known that the company gifted freedom of association, there are no intervention from management to the election workers representative in workers union.

The worker union management also shows evidence of meetings conducted by the union, for example:

- Minutes of negotiations on PKB discussions in 2018 - 2020 are available on 22 - 23 November 2018 which are attended by 6 company representatives and 6 workers' representatives (unions).
- Minutes of meetings conducted on February 2, 2018 discuss related to renewal of PKB (Collective Labor Agreement).

Regarding to minor non-conformance last year (ASA-1.1) NCR No.: 2019.13, the company shows the evidences of correction as follows:

- Attendant Register of the Collective Labor Agreement 2018 - 2020 dated November 22-23 2018, attended by 12 representatives of Workers' Unions with 11 representatives of employers.
- On the minutes letter of the Collective Labor Agreement discussion in the 2018-2020 there are 13 points of agreement, for example: in Chapter V, post 16 paragraph 4: "sentence changes are made into working days and eliminate the sentence of the previous day and after it. Will be carried out delivery of employees' bodies for a maximum distance of 100 Km by using a company ambulance and through unit consideration".

The company has also identified the root causes, corrective actions and preventive measures. Evidences of improvement is acceptable. Based on the objective evidences, minor non-conformance is fulfilled.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The minimum age for new worker recruitment is 18 years old, it is based on company policy. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Morowali District and field observation, there is no issue regarding child labor. Based on interview with worker in estate and mill, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Moreover, interview with personnel revealed that there are no personnel under 18 years old and personnel understand the minimum age for recruitment in company.

Status: Comply

6.8

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

6.8.1, 6.8.2 and 6.8.3

CH has documented Social Policy in the Guidelines of Management of Plantation Sime Darby No. Policy 724/TQEM-SPMS/09 points 1, that all staff/employees should be treated properly and fairly in matters relating to matters the hiring, advancement, conditions and job description, regardless of the race, degrees, ethnicity, gender, skin color, imperfections (defects), sexual orientation, organizational membership, political views, religion and age. Available documents hike grade/class and document rotation and mutation of work not discriminate against workers based on class, race, ethnicity, nationality, and religion.

The Policy has been socialized to employees in every muster morning and has been displayed in each office of mill and estates. Based on interviews with employees in the field known that workers understand the company policy regarding equal opportunity to get a job without distinction of race, religion and gender.

The results of interviews with workers, worker unions, gender committees, cooperative managers are known that in the recruitment process there are several requirements that must be met, such as identity cards, CVs, family cards, health

examination results etc. In addition, workers are also given training related to their job description to improve the skills / expertise of workers. So that workers who are appointed or recruited already have the expertise / ability in accordance with the job description.

Company kept the personal file of each worker in HRM Department. Based on interviews with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment. Company has provided the assessment documents, promotions and the employee appointments.

Based on interview with women worker in all unit (estate and mill), it is known that there is no issue regarding discrimination. The workers that has been interviewed is came from various social origin, race, and religion. Local community also get the same opportunity to work in company.

Status: Comply

6.9

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

6.9.1; 6.9.2; 6.9.3

The certificate holder has social policy number 724/TQEM-SPMS/09 dated April 1 2010 point 4 stated that improving an implement policy to protect women worker from sexual harassment and heir reproduction right. Company rules of certificate holder has flowchart of sexual harassment handling (FM-STD5-52-Rxx). Based on interview with gender committee head informed that there was no case of sexual harassment or discrimination to women worker. Mechanism of complaint was arranged in SOP of handling complaint mechanism dated March 4th 2009.

The company also shows reproductive rights protection policies based on the Collective Labor Agreement for the period 2019 - 2021, Clause IV (Article 14 concerning Menstruation Leave & Article 15 Regarding Childbirth and Miscarriage) wherein it is stated that female workers have the right to get full wages for 1.5 months before the time of delivery and 1.5 months after giving birth according to the calculation of the obstetrician or midwife. Female workers who have miscarriage have the right to get a 1.5 month rest according to a doctor's certificate. For workers who are still breastfeeding their children, the company provides a reasonable dispensation for breastfeeding their children in the office with the approval of their supervisors and article 26 where menstruating female workers are given rest during the first 2 days of menstruation with proof of examination from the paramedics.

Based on interviews with female worker, it is known that they understand the policy. Also, interview with committee of worker union, it is known that there is no issue or complaint related to reproductive on the workplace and they all know the mechanism to make a complaint.

Status: Comply

6.10

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

6.10.1 and 6.10.2

Current and previous prices paid for Fresh Fruit Bunches (FFB) are publicly available at the Mill. The price of FFB determined by following Provincial price issued by Plantation Agency of Sulawesi Tengah. It has been verified by document review of FFB payment (No.: 525.26/2661/B.SPHP/Disbunnak) in 22 April 2019, and interview with group farmers.

6.10.3 and 6.10.4

According to stakeholder's interview with group farmers and local contractor, it was confirmed that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Also, it was clear that payments are made in a timely manner, every month and paid by bank account transferring

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 and 6.11.2

The company has set a CSR program for the period of 2019, there are 9 activities namely for aspects of welfare of surrounding community, increasing and development of public facilities, religious activities, and educational activities.

Company can show evidence of CSR implementation for the 2018 period, among others:

1. Provision of sacrificial animals for Eid al-Adha religious activities to Ungkaya Village and Solosa Village on August 21, 2018, provided documentation, receipt and minutes of distribution.
2. Provision of assistance for road maintenance in the village of Solonsa

There is no associated smallholder scheme, the company has a former full managed smallholder which currently has been fully managed by the farmers. Efforts to increase the farmer's productivity have been carried out by company by providing specific resources, namely assistants and foremen for monitoring the operational activities of the plasma scheme. In addition the company routinely provides guidance to plasma farmers and farmer group administrators, for example daily farming activities carried out to farmer groups and farmers by assistants and foremen, including recording advice and input from farmers and farmer group administrators and socialization related to replanting plans and the quality of FFB is carried out by the UKE Senior Manager on September 20, 2018

Status: Comply

6.12

No forms of forced or trafficked labor are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with workers and stakeholders revealed that there is no migrant worker, forced labor, and illegal worker. Also, there is no contract substitution in the company. Each worker have appointment decree letter as daily or monthly permanent worker. Identity document of each worker is kept in unit office and if they want to access their documents, they have to communicate it with their supervisor.

Based on document review, field observation, and interviews with workers and stakeholders, auditors did not see any harvester accompanied by their wife or children and any indication of forced labor. There is no threat against family members.

Status: Comply

6.13

Growers and millers respect human rights

The company has policies related to non-discrimination and equal opportunities in the Human Rights Policy (HAM) made in January 18, 2019 was approved by the Chairman. In human rights policy, it was explained that PT. TGK, which is incorporated in Minamas Plantation Group, is committed to protecting human rights, all staff and employees and employees include: Right to life, family rights and continuing descent, self-development rights, right to justice, rights to personal freedom, rights to security, rights for welfare, rights to participate in government, women's rights, children's rights.

Based on interviews with local contractor, worker union and committee gender, it is known that they already understand about the policy. Interview with worker in estate and mill informed that there is no complaint related to violation of human rights.

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.

The company has been established since 1989, the planted year is between 1990-1997, currently is on second cycle (replanting). There were no any new planting and land expansion done by the PT TGK. The SEIA has been done in 2010, detailed explains in C6.1

Status: Comply

7.2

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

7.2.1 and 7.2.2		
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented.		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5		
No new plantings which replacing primary forest or any of (or more) of High Conservation Values (HCVs), since November 2005. Planting was done from 1990 to 1997. Planting performed after November 2005 was replanting activities.		
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997.		
Sime Darby Plantation, Bhd as a holding of PT TGK has delivered a disclosure of liability for all of its subsidiaries to the RSPO on 30 July 2014.		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1 and 7.4.2		
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented.		
	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.		
The company has been established since 1989, the planted year is between 1990-1997, currently is on second cycle (replanting). There were no any new planting and land expansion done by the PT TGK.		
	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.		
The company has been established since 1989, the planted year is between 1990-1997, currently is on second cycle (replanting). There were no any new planting and land expansion done by the PT TGK. The SEIA has been done in 2010, detailed explains in C6.1		
	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 and 7.7.2		
According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997.		
	Status: Comply	
7.8		
New plantation developments are designed to minimize net greenhouse gas emissions.		

7.8.1 and 7.8.2

According to the data of Areal Statement, there is no new estate expansion conducted by PT TGK post 2005. The latest planting program was conducted on 1997. Therefore, all the principle 7 matters are not implemented (refer to 5.6).

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

8.1

The company has continually conduct the planting of beneficial plant, owl development and commitment not to use paraquat dichloride.

For the social aspect, the company are continually conduct the socialization of replanting for smallholders scheme.

Internal audit related to the RSPO implementation are conducted routinely by the PSQM staff.

The company consider to adjust the implementation of all RSPO standard against the RSPO P&C generic 2018 that should be mandatory by November 2019. **OFI**

Status: Comply

3.2. Summary of Assessment Report of Supply Chain Requirement

3.2.1 General Chain of custody requirements for the supply chain

Clause	Requirement														
5.1	Applicability of the general chain of custody requirements for the supply chain														
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>The mill are take all physical handling and legal ownership on it product since FFB received and processed in mill up to CPO/PK storage and dispatched, except for the transporting of CPO from mill to bulking of Bahumbelu are given to third party namely CV Mario Marennu.</p> <p>The Bahumbelu Bulking is managed under Ungkaya POM.</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>The audit are done to CPO Mill which are produce and sale its own product, the mill did not buy certified product from licensed traders and/or distributor.</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>The mill has been registered as member RSPO under Sime Darby Plantation Bhd, registration member no.: 1-0008-04-000-00 since 9 January 2018.</p> <p>The mill has been registered on RSPO IT Platform, detailed below:</p> <table border="1"> <tr> <td>Sub License ID</td><td>CB83105</td></tr> <tr> <td>Member Name</td><td>Sime Darby Plantation - Ungkaya POM, PT TGK</td></tr> <tr> <td>Member ID</td><td>RSPO_PO1000000331</td></tr> <tr> <td>RSPO Membership Number</td><td>1-0008-04-000-00 (Sime Darby Plantation Berhad)</td></tr> <tr> <td>Issued On</td><td>29-03-2019</td></tr> <tr> <td>Start Date</td><td>29-03-2019</td></tr> <tr> <td>End Date</td><td>09-07-2019</td></tr> </table>	Sub License ID	CB83105	Member Name	Sime Darby Plantation - Ungkaya POM, PT TGK	Member ID	RSPO_PO1000000331	RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)	Issued On	29-03-2019	Start Date	29-03-2019	End Date	09-07-2019
Sub License ID	CB83105														
Member Name	Sime Darby Plantation - Ungkaya POM, PT TGK														
Member ID	RSPO_PO1000000331														
RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)														
Issued On	29-03-2019														
Start Date	29-03-2019														
End Date	09-07-2019														

	Status: Comply
5.1.4	Processing aids do not need to be included within an organization's scope of certification.
	The mill do not use any of processing aids both of material and/or tools.
	Status: Comply
5.2	Supply chain model
5.2.1	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.
	The mill only apply model E (MB) for SCC.
	Status: Comply
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
	The mill only apply model E (MB) for SCC.
	Status: Comply
5.3	Documented procedures
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.
	<p>No changes to the SCCS SOP since ASA 1.1.</p> <p>Ungkaya POM have an update Manual RSPO SCCS, document id: SCCS-Std/RSPO/PSQM/03 dated 11 May 2018. The procedure has been referring to the newest RSPO Supply Chain Certification, covering:</p> <ul style="list-style-type: none"> · The implementation of all elements of the supply chain model. · Records and reports that compliance with supply chain model (including training records) · Person having overall responsibility for and author over the implementation of supply chain requirements. <p>Task and responsibility of personal towards SCCS mass balance implementation are:</p> <p><u>Factory Manager</u></p> <ul style="list-style-type: none"> ● Keeping and maintaining all documents, records or notes of the usage of all raw materials and supporting materials used on the production process and ultimate product quality. ● Verification of the status of the product sent to the buyer by signing the official record of the product dispatch with the buyer. <p><u>PSQM Assistant</u></p> <ul style="list-style-type: none"> ● Conducting FFB quality control (grading) in mill and composing daily recapitulation. ● Monitoring the palm product dispatch and load/unload as well as witnessing the compilation of official record of CPO and Palm Kernel dispatch. <p><u>Laboratory Foreman or Assistant</u></p> <ul style="list-style-type: none"> · Analyzing and testing the product and raw material quality in all mill production process stages. · Keeping, maintaining and distributing the result of raw material and product analysis to the stakeholders. <p><u>Bulking Assistant/Senior Assistant/Manager</u></p> <ul style="list-style-type: none"> · CPO and PK product transport from POM to bulking station. · CPO and PK handling and storage in bulking station.

	Status: Comply
5.3.2	The site shall have a written procedure to conduct annual internal audit
	In the document of manual of RSPO SCCS No. SCCS-Std/RSPO/PSQM/03 dated 11 May 2018 clause of 4.2.3 mentioned that internal audit for SCCS are done one a year (two months before external audit), audit conducted by Dept of PSQM. The latest internal audit are done in 1-6 April 2019, there was no NCR raised on RSPO SCCS implementation.
	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
	The mill does not purchase RSPO certified product from outsider, it only sell its own product.
	Status: Comply
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	The mill does not buy products from outsider, however in the manual of RSPO SCCS has been explained that if there are non-conformance on products and/or documents, verification will be done by the mill manager and Marketing Dept. in Jakarta Office, if the document or product quality is not suitable it will be returned to the supplier.
	Status: Comply
5.5	Outsourcing activities
5.5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.
	The mill does not hire refinery and/or crusher facility. Except for the transporting of CPO from mill to bulking of Bahumbelu are given to third party namely CV Mario Marennu (transporter), the agreement are observed by the auditor between the company with the transporter namely agreement no.: 001/UKF/SPK-LKL/I/2019 dated 1 Jan 2019
	In the agreement has been stated that the third party facilities hired are ready to be visited and inspected by the auditor at any time if needed.
	Status: Comply
5.5.2	Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:
	<ul style="list-style-type: none"> a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance
	The mill outsourced some of its activities to the third parties which is bounded by the agreement. The mill shows document of agreement of all contractor hired:

<p>Agreement no.: 001/UKF/SPK-LKL/I/2019 dated 1 Jan 2019 between Ungkaya POM and CV Mario Marennu (transporter), regarding to the CPO transportation. The agreement states that the transporter will only deliver to the destination set by the mill.</p> <p>In the agreement has been stated that the third party facilities hired are ready to be visited and inspected by the auditor at any time if needed.</p>	
	Status: Comply
<p>5.5.3 The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	
<p>It been stated in the agreement, CV Mario Marennu are located in Sampeantaba Village, Sub District of Witaponda, Morowali Regency, Central Celebes.</p>	
	Status: Comply
<p>5.5.4 The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products</p>	
<p>There is no additional contractor since ASA 1.1.</p>	
	Status: Comply
5.6	Sales and goods out
<p>5.6.1 The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer</p>	
<p>Based on document of transaction report and mass-balance report it shown that there is no sales of certified product since the last 12 months (May 2018 – April 2019).</p> <p>The mill can show the CPO and PK delivery document such as WB tickets and DO which informs: DO number, type of product, quantity, seller, buyer name, buyer address and date of delivery. For e.g.: DO no.: 00367/00317/02/19/L-TGK-MKS, amount of 4000 MT, buyer: PT Multi Nabati Indonesia, type: CPO (conventional), buyer address: Bitung, date delivery: 22 Feb 2019.</p> <p>Sighted the document of CPO shipping no.: 0003/BAP-CPO/TGK-UKF/III/2019 on 23 March 2019 from PT TGK to PT Multi Nabati Sulawesi (address in Bitung Sulawesi), amount of 4000.82 MT, type of product: CPO (conventional).</p>	
	Status: Comply
5.7	Registration of transactions
<p>5.7.1 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 	
<ul style="list-style-type: none"> Audit are done to CPO mill namely Ungkaya POM. Ungkaya POM are done physically handle to the product and owned the certified product legally, and has been registered on RSPO IT Platform, detailed below: 	
Sub License ID	CB83105
Member Name	Sime Darby Plantation - Ungkaya POM, PT TGK

Member ID	RSPO_PO1000000331
RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)
Issued On	29-03-2019
Issued By	PT Mutuagung Lestari
Start Date	29-03-2019
End Date	09-07-2019
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: <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 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. 	
<p>Verified through transaction report (palm trace) and mass-balance report as well as product sales document (sales contract and delivery document) it was known that there is no certified product sales (CSPO and CSPK) sold since May 2018-April 2019.</p> <p>Based on the palm trace transaction report, it can be seen that there are no sales reported under RSPO claims or other schemes/conventional sales.</p> <p>Based on the mass-balance report for the period of May 2018 - April 2019 there are sales of conventional CPO from a sustainable stock amount of 13,776.09 MT and sales of conventional PK from a sustainable stock amount of 2,686.74 MT.</p> <p>In this case, the company has not been able to show evidence that the product sales has been reported and removed from stocks sold as other or conventional schemes within the RSPO Palm trace. It raised as NCR No.: 2019.10</p>	
Status: NCR No.: 2019.10	
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	
The SCCS training are planned twice a year, based on training program. The next training are planned on June 2019 and Dec 2019.	
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	
The mill has conduct the SCCS training to the personnel involve in the SCCS implementation, the latest training are done in 11 August 2018 to as much as 13 participant, such as: mill manager, head admin, processing assistant, PSQM staff, production clerk, WB clerk, dispatch clerk, and grading officer.	
	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	
All the record of SCCS are kept in mill office exclude the announcement report on palm trace (kept in HQ), the record are complete, up to date and available to access.	
	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	
Based on supply chain procedure, all record related to supply chain are kept for 5 year. The auditor has been verified the supply chain record for example the mass balance data are available for two years period.	
	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.	
The mill has set the estimate volume of oil palm (CSPO and CSPK), and the up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months (May 2018 – April 2019) are verified by auditor.	
	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 Oleo chemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleo chemical and personal care industries	
The audit are conducted to palm oil mill which is convert FFB to crude palm oil and palm kernel. The mill has been defined the conversion rate based on FFB, CPO and PK produce on daily basis, for example average of rate of product on May 2018 April 2019 namely : · OER : 22.77% · KER : 4.61%	
	Status: Comply
5.10.2	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	

The mill has been defined the conversion rate based on FFB, CPO and PK produce on daily basis.	
	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.	
The mill does not claim any product under RSPO MB. However, the Ungkaya POM has had a trademark license under Sime Darby Plantation Berhad, number: RSPO-1106024.	
	Status: Comply
5.12	Complaints
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
No changes to the complaint mechanism, it has been stipulated in the Manual RSPO SCCS ref.: No. SCCS-Std/RSPO/PSQM/03 dated 11 May 2018. Up to ASA 1.2 audit, there's no complain on the submitted by buyer to Ungkaya POM.	
	Status: Comply
5.13	Management review
5.13.1 The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
The management review has been done annually by the mill, the latest are done in 15 October 2018.	
	Status: Comply
5.13.2 The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
On the minute of management review which done on 15 Oct 2018, it has been included the information of: <ul style="list-style-type: none"> • Result of internal audit SCCS à the mill not yet conduct the internal audit, the schedule has been set based on management review on 3-4 Oct 2018 • Status of preventive and corrective action à the internal audit scheduled after management review, namely on 3-4 Oct 2018 • Follow up action has been discussed in the subsequent management review • No changes to the management system done by the mill • No feedback from customer for the last 12 months • Recommendation for the improvement to conduct training of SCCS continuously once a year. 	
	Status: Comply
5.13.3 The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
Based on the minute of management review, it was shown that the output has included related to improvement of effectiveness	

and resources need, namely the mill are planned to conducting training of SCCS continuously once a year. No changes to the management system and processes.

Status: Comply

3.2.3 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement																
E.1	Definition																
E.1.1																	
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																	
Ungkaya POM are applying RSPO SCCS module E – MB, since the mill are receiving and processing the FFB from certified (UKE) and uncertified sources (PT TGK smallholder scheme and Morokerta Cooperative unit). The mill can only claim the volume of product produced from certified FFB as MB, however since May 2018 to April 2019 there is no RSPO MB claim made by the mill for both CPO and PK.																	
	Status: Comply																
E.2	Explanation																
E.2.1																	
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.																	
The estimation of CPO and PK could potentially be produced by the Ungkaya POM are contained in the ASA 1.1 certificate (for period of 10 July 2018 – 9 July 2019). The actual production are verified by the auditor in the ASA 1.2 for the last 12 months, as well as verified are done to the next license projection (period of 10 July 2019 – 9 July 2020). The detailed can be seen in the table below:																	
<table><tr><th>Product</th><th>Estimation of Certified Product for 10 July 2018 – 9 July 2019 (Ton)</th><th>Actual Production May 2018 – April 2019 (Ton)</th><th>Estimation of Certified Product for 10 July 2019 – 9 July 2020 (Ton)</th></tr><tr><td>FFB</td><td>69,631</td><td>72,585.20</td><td>77,657</td></tr><tr><td>CPO</td><td>16,015</td><td>15,805.63</td><td>18,048</td></tr><tr><td>PK</td><td>3,482</td><td>3,410.66</td><td>3,883</td></tr></table>		Product	Estimation of Certified Product for 10 July 2018 – 9 July 2019 (Ton)	Actual Production May 2018 – April 2019 (Ton)	Estimation of Certified Product for 10 July 2019 – 9 July 2020 (Ton)	FFB	69,631	72,585.20	77,657	CPO	16,015	15,805.63	18,048	PK	3,482	3,410.66	3,883
Product	Estimation of Certified Product for 10 July 2018 – 9 July 2019 (Ton)	Actual Production May 2018 – April 2019 (Ton)	Estimation of Certified Product for 10 July 2019 – 9 July 2020 (Ton)														
FFB	69,631	72,585.20	77,657														
CPO	16,015	15,805.63	18,048														
PK	3,482	3,410.66	3,883														
	Status: Comply																
E.2.2																	
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).																	
The mill has been registered as member RSPO under Sime Darby Plantation Bhd, registration member no.: 1-0008-04-000-00 since 9 January 2018.																	
The mill has been registered on RSPO IT Platform, detailed below:																	
Sub License ID	CB83105																
Member Name	Sime Darby Plantation - Ungkaya POM, PT TGK																

Member ID	RSPO_PO1000000331
RSPO Membership Number	1-0008-04-000-00 (Sime Darby Plantation Berhad)
Issued On	29-03-2019
Start Date	29-03-2019
End Date	09-07-2019

Verified through transaction report (palm trace) and mass-balance report as well as product sales document (sales contract and delivery document) it was known that there is no certified product sales (CSPO and CSPK) sold since May 2018-April 2019.

Based on the palm trace transaction report, it can be seen that there are no sales reported under RSPO claims or other schemes/conventional sales.

Based on the mass-balance report for the period of May 2018 - April 2019 there are sales of conventional CPO from a sustainable stock amount of 13,776.09 MT and sales of conventional PK from a sustainable stock amount of 2,686.74 MT. In this case, the company has not been able to show evidence that the product sales has been reported and removed from stocks sold as other or conventional schemes within the RSPO Palm trace. Raised as **Non-conformity No.: NCR 2019.10**

Status: Non-conformity No.: NCR 2019.10

E.3 Documented procedures

E.3.1

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

- 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.**

No changes to the SCCS SOP since ASA 1.1.

Ungkaya POM have an update Manual RSPO SCCS, document id: SCCS-Std/RSPO/PSQM/03 dated 11 May 2018. The procedure has been referring to the newest RSPO Supply Chain Certification, covering:

- The implementation of all elements of the supply chain model.
- Records and reports that compliance with supply chain model (including training records)
- Person having overall responsibility for and author over the implementation of supply chain requirements.

Task and responsibility of personal towards SCCS mass balance implementation are:

Factory Manager

- Keeping and maintaining all documents, records or notes of the usage of all raw materials and supporting materials used on the production process and ultimate product quality.
- Verification of the status of the product sent to the buyer by signing the official record of the product dispatch with the buyer.

PSQM Assistant

- Conducting FFB quality control (grading) in mill and composing daily recapitulation.
- Monitoring the palm product dispatch and load/unload as well as witnessing the compilation of official record of CPO and Palm Kernel dispatch.

Laboratory Foreman or Assistant

- Analyzing and testing the product and raw material quality in all mill production process stages.
- Keeping, maintaining and distributing the result of raw material and product analysis to the stakeholders.

Bulking Assistant/Senior Assistant/Manager

- CPO and PK product transport from POM to bulking station.
- CPO and PK handling and storage in bulking station.

Status: Comply
E.3.2
The site shall have documented procedures for receiving and processing certified and non-certified FFBs

The procedure for receiving and processing FFB is explained in the manual of RSPO SCCS, explained that verification of FFB received is based on a FFB consignment letter, verification is carried out by security and weighing officers. Based on interviews with weighing operator and security officers, the source of FFB allowed to be received is from Ungkaya estate (certified) and 2 non certified sources namely scheme smallholders of PT TGK and OCP

Status: Comply
E.4
Purchasing and goods in
E.4.1
The site shall verify and document the volumes of certified and non-certified FFBs received.

The mill has verified all the FFB received, the following table describes all the FFB received from certified and non-certified sources for the last 12 months (May 2018-April 2019):

Month	FFB Received (KG)		
	Sustainable	Non sustainable	Total
May-18	4,152,830	11,458,590	15,611,420
Jun-18	3,936,140	9,123,320	13,059,460
Jul-18	5,453,700	10,386,180	15,839,880
Aug-18	5,379,840	11,040,260	16,420,100
Sep-18	6,412,560	11,182,680	17,595,240
Oct-18	7,335.82	7,743,420	7,750,756
Nov-18	8,136,450	10,275,660	18,412,110
Dec-18	7,909,500	12,790,480	20,699,980
Jan-19	6,648,470	12,912,600	19,561,070
Feb-19	5,401,470	11,187,230	16,588,700
Mar-19	6,154,870	11,050,370	17,205,240
Apr-19	5,663,550	11,362,330	17,025,880
Grand Total (Kg)	72,585,200	130,513,120	203,098,320

Status: Comply

E.4.2

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

There is no over production of the certified product compare between the estimation of CPO and PK of Ungkaya POM for period of 10 July 2018 – 9 July 2019 and the actual production for the last 12 months (May 2018-April 2019). The detailed can be seen in the table below:

Product	Estimation of Certified Product for 10 July 2018 – 9 July 2019 (Ton)	Actual Production May 2018 – April 2019 (Ton)
FFB	69,631	72,585.20
CPO	16,015	15,805.63
PK	3,482	3,410.66

Status: Comply

E.5

Record keeping

E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (I.e. product can be sold before it is in stock.)

The mill has recorded and balanced the FFB received/processed and CPO/PK produced and delivered on monthly basis. All volumes of CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. There is no deliver of certified product sales since May 2018 – April 2019 done by the mill. Detail mass balance report shows on the table below:

CPO

Month	FFB		CSPO			Non CSPO		
	Cert FFB Processed	Un-cert FFB Processed	CSPO Produce	CSPO Sold as conventional	STOCK	CPO Non certified	CPO sold	Stock of conventional
May-18	4,152,830	11,458,590	870,443		2,156,653	2,401,747		2,422,264
Jun-18	3,936,140	9,123,320	789,310		2,945,963	1,829,489	3,503,497	748,256
Jul-18	5,453,700	10,386,180	1,103,235	629,512	3,419,686	2,101,032	2,867,139	-17,851
Aug-18	5,379,840	11,040,260	1,110,658	1,722,235	2,808,109	2,279,240	2,279,240	-17,850
Sep-18	6,412,560	11,182,680	1,408,992		4,217,101	2,457,100		2,439,250

Oct-18	7,335,820	7,743,420	1,557,127		5,774,228	1,643,646	4,000,030	82,866
Nov-18	8,136,450	10,275,660	1,867,252	359,782	7,281,698	2,358,184	3,341,331	-900,281
Dec-18	7,909,500	12,790,480	1,742,533	5,393,598	3,630,632	2,817,856	2,607,369	-689,795
Jan-19	6,648,470	12,912,600	1,474,650	1,215,634	3,889,648	2,864,052	2,784,590	-610,333
Feb-19	5,401,470	11,187,230	1,225,995	1,831,321	3,284,322	2,539,215	2,169,911	-241,030
Mar-19	6,154,870	11,050,370	1,408,854	1,648,417	3,044,759	2,529,438	2,352,405	-63,997
Apr-19	5,663,550	11,362,330	1,246,581	975,592	3,315,748	2,500,916	2,484,169	-47,250
Total	72,585,200	130,513,120	15,805,628	13,776,090		28,321,914	28,389,681	

PK

Total PK produce	CSPK			Non CSPK		
	CSPK produce	Sold as conventional	STOCK	PK Non certified	PK sold	Stock of conventional
667,932	177,678		1,454,845	490,254	700,168	453,861
535,832	161,501		1,616,345	374,331	363,300	464,892
672,671	231,602		1,847,947	441,069	998,648	-92,686
757,381	248,146		2,096,094	509,234		416,548
834,697	304,204		2,400,298	530,493		947,040
710,315	345,557		2,745,855	364,757	1,000,021	311,777
868,271	383,695		3,129,550	484,575		796,352
973,615	372,020	1,679,726	1,821,844	601,595	1,321,560	76,387
1,023,012	347,704		2,169,548	675,308		751,695
827,352	269,395		2,438,943	557,957		1,309,651
830,462	297,083	534,289	2,201,737	533,379	1,715,780	127,250
817,913	272,073	472,730	2,001,080	545,839	527,275	145,815
9,519,450	3,410,659	2,686,745		6,108,791	6,626,752	

Status: Comply

3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA 1.2	The company does not use RSPO logo. The Ungkaya POM has had a trademark license under Sime Darby Plantation Berhad, number: RSPO-1106024	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA 1.2	The company does not use RSPO logo. The Ungkaya POM has had a trademark license under Sime Darby Plantation Berhad, number: RSPO-1106024	√
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA 1.2	The company does not use RSPO logo. The Ungkaya POM has had a trademark license under Sime Darby Plantation Berhad, number: RSPO-1106024	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA 1.2	The company does not use RSPO logo. The Ungkaya POM has had a trademark license under Sime Darby Plantation Berhad, number: RSPO-1106024	√

3.4. Summary of RSPO Partial Certification.

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

Sime Darby Plantation Bhd Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Bhd are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Bhd has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Bhd is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Bhd Indonesian representative on January 2019 by the Head of PSQM.

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

MUTU Auditor has verified company partial certification and concludes that:

- There are significant land conflicts in PT Mitra Austral Sejahtera, there is still an issue that remains unresolved social i.e. from *Serikat Petani Kelapa Sawit* (SPKS), but improvements are ongoing.
- PT Budidaya Agro Lestari waiting for land title process to some of its operational area.
- PT Guthrie Pecconina Indonesia – Sungai Jernih Estate currently is in HGU process
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labor 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.

3.4.1 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, latest partial internal audit are held in July – December 2018, for five units and three smallholder scheme.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit, latest partial internal audit are held in July – December 2018, for five units and three smallholder scheme.</p> <ul style="list-style-type: none"> - PT Mitra Austral Sejahtera : 2 December 2018 - PT Budidaya Agro Lestari : 2 April 2018 - PT Guthrie Pecconina Indonesia – Sungai Jernih Estate : 8 Aug 2018 - PT Sandika Natapalma – Karya Palma Estate : 10 July 2018
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:</p>

		<p>Sime Darby Plantation Bhd sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2nd revision on 24 June 2016. Current status of LUCA report of SDP Bhd is has been sent the 19 report of LUCA to RSPO on Aug 2018, responded by RSPO with need clarification. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p>
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 Sdn Bhd) Further details please refer to: http://www.rspo.org/members/complaints/status-of-complaints/view/29</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are land conflict in :</p> <ul style="list-style-type: none"> • PT Mitra Austral Sejahtera, this issue are remain being resolved with RSPO dispute settlement facilities • PT Bina Sains Cemerlang, this issue was raise on 22 April 2017 and still being process to resolve.

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: Auditor has verified the supporting evidence of above the company statement. There are no labor dispute in company unit.</p>
iv.	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>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, i.e.:</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.

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

NCR No.	: 2018.07	Issued by	: Trismadi N
Date Issued	: 9 November 2018	Time Limit	: 8 August 2019
NC Grade	: Minor Raised to Major	Date of Closing	: 12 July 2019
Standard Ref. & Requirement	: 4.7.6. All workers shall be provided with medical care, and covered by accident insurance (see criteria 6.5.3)		
Evidence observed (filled by auditor): The certification unit was showing contractor list, such as: <ol style="list-style-type: none">1. PT Mitra Karya Jaya Perkasa No 0/Reff:005/MMTC-AWD/V/2018/Plant (Replanting)2. CV Cyprus Investama No 03/UKE/SPK-LKL/VII/2017 (Road maintenance)3. CV Tirta Samudra No 83/UKE/SPK-LKL/IX/2017 (Flat bed maintenance)4. Intial A.K No 82/UKE/SPK-LKL/VIII/2018 (Land application pipe maintenance)5. DA No 73/SPK-LKL/VIII/2018 (FFB transporter)6. CV Mario Malanu (CPO transporter)7. NN (EFB application) However, there are no evidence that contractor workers has been provided with medical care and covered by accident insurance. In addition that, based on interview with contract workers (12 BSS workers) sighted that actually they only registered on the Workers Insurance. While they doesn't registered on the health insurance. It was written on the contract article III, point 3.3. That the company were not responsible on the health insurance.			
Non-Conformance Description (filled by auditor): The certification unit has no been shown that all workers been covered on the health insurance and accident insurances.			
Root Cause Analysis (filled by organization audited): Not shown yet.			
Correction (filled by organization audited): Not shown yet.			
Corrective Action (filled by organization audited): Not shown yet.			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 9 May 2019 Regarding the findings of discrepancies in ASA-1.1, workers with PKWT (contract workers) status have not been registered by the company for the BPJS Health program and the contents of Article III 3.3 point of the contract workers agreement stating that the company does not cover medical expenses, has been verified in ASA-1.2, with verification results as the following: <ul style="list-style-type: none">• Based on the results of interviews with contract workers, for example with 9 herbicide applicators in Division 2 Field A004, it is known that currently they are registered in the BPJS Employment and BPJS Health program. This is as			

contained in a contract workers agreement, for example number 111 / UKE-E / SPK / I / 2019 / PKWT Article VI concerning *Jaminan Social Tenaga Kerja* (Guaranteed Labor Social Affairs) with the details borne by the company is *Jaminan Kecelakaan Kerja*, *Jaminan Kematian* and *Jaminan Hari Tua* and borne by contract workers are *Jaminan Hari Tua* and *Jaminan Kesehatan* and Article VII of the *Jaminan BPJS Kesehatan* (BPJS Health Guarantee), which is borne by the company 4% of basic salary + allowance and borne by workers 1% of basic salary + allowance.

- Based on a review of the *luran Peserta BPJS Kesehatan* (BPJS Health Participant) document, there are known statuses for contract worker and SKU-H and SKU-B workers (permanent worker).

However, the Certification Unit has not shown evidence that all contractors according to the list below have been provided with health services and work accident insurance protection:

- PT Mitra Karya Jaya Perkasa No 0 / Ref: 005 / MMTC-AWD / V / 2018 / Plant (Replanting)
- CV Cyprus Investama No. 03 / UKE / SPK-LKL / VII / 2017 (road repairs)
- CV Tirta Samudra No. 83 / UKE / SPK-LKL / IX / 2017 (Excavating flat beds)
- Alwalid No 82 / UKE / SPK-LKL / VIII / 2018 (making excavation pipes for POME Application installation)
- Dwi Andriyono No. 73 / SPK-LKL / VIII / 2018 (transporting FFB)
- CV Mario Malanu (CPO Transport)
- Nurmin (empty fruit bunch application)

In addition, the certificate holder has not completed the root problem analysis column, corrective actions for contractors and preventive measures. This makes the **non conformity grade of Minor Raised to Major**.

Verification on July 8, 2019

The certificate holder shows proof of improvement as follows:

- Employment BPJS List of Tamaco Graha Krida POM Kontraktor Workers' Wages documents (CV. Mario Manalu) for 13 workers with detailed wages, *Jaminan Hari Tua* contributions, *Jaminan Kematian* (life insurance) and work accident insurance along with their respective BPJS Employment participant cards.
- For CV Tirta Samudra, it is shown the Certificate of Membership BPJS Employment document as follows:
 - Membership Certificate of CV. Tirta Samudra, number 190000000744155, company registration number 19146358 stipulated June 26, 2019.
 - Certificate of Construction Services Membership, project number 1900000221197, name of the procurement and delivery contract project valid in June 2019.
 - Certificate of Construction Services Membership, project number 1900000221228, the name of the project for the POME waste flat bed application applies in June 2019.
- Nurmin Contractor Participant Individual Registration document, May 23, 2019, amounting to 7 people. The certificate holder also shows proof of payment of BPJS Employment contributions for the 7 people paid on June 25, 2019 with a program followed by work accident insurance and death insurance.
- BPJS Employment Details of PT Mitra Karya Jaya Perkasa's Labor Fee document, the reporting period in May 2019, which explains the number of workers 4 people who take part in the work accident insurance program, life insurance, old age insurance and pension insurance.

Verification on July 12, 2019

The certificate holder shows proof of improvement as follows:

- Evidence of the participation of individual *Kartu Indonesia Sehat* (KIS) for empty fruit bunch application contractor workers Nurmin on behalf of Nurmin, Kusran, Ahmad Frengky, Nurdin and Eliyakim.
- The work agreement with CV Tirta Samudra and Alwalid, which explained that there had been no cooperation since September 24, 2018.
- Work agreement with CV Cyprus Investama, which explained that there had been no cooperation since 31 August 2017.
- Work agreement with Dwi Andriyono, which explained that he had not been actively cooperating since 31 July 2018.

Based on the root cause analysis presented, the evidence of the improvements shown as well as the preventive actions taken, the nonconformity in this indicator are stated to be **closed with observation** in the next assessment.

Verified by : Affiffuddin			
NCR No.	: 2018.09	Issued by	: Trismadi N
Date Issued	: 9 November 2018	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	: 9 May 2019
Standard Ref. & Requirement	: 4.8.2. Training records for each worker must be maintained.		
Evidence observed (filled by auditor): The certification unit shows the realization of training related to the RSPO P & C in 2018 at UKE.			
Non-Conformance Description (filled by auditor): The certification unit has not been able to show evidence that training for each worker in UKF in 2018 has been carried out.			
Root Cause Analysis (filled by organization audited): There is a replacement of controller documents, so that some documents cannot be presented during the audit activity.			
Correction (filled by organization audited): Program documents and realization of training have been re-created			
Corrective Action (filled by organization audited): Every document retrieval in the Secretariat Room will be registered by the person in charge / document controller.			
Assessor Evaluation and Conclusion (filled by auditor): Verification December 27, 2018 Regarding to minor non-conformance last year (ASA-1.1), the company shows some evidences of improvement as follows: <ul style="list-style-type: none"> • Safety Town Hall dated July 2, 2018 followed by 125 employees and 5 UKF staff members, discussing related to Safety and preventive accidents. • Realization of Training Matrix, for example: harvest training in September 2018, spraying and sorting of fruits in September 2018, HCV in August 2018, Boiler & WTP in July 2018, RSPO SCCS in November 2018. 			
Verification May 9, 2019 Regarding to minor non-conformance last year (ASA-1.1), The company shows training records in accordance with the matrix owned by the company, including: <ul style="list-style-type: none"> • Spray training on February 23, 2019 by the UKE Senior Manager. • Harvest training on February 28, 2019 by the UKE senior manager. • Fire Fighting Training at the POM on January 29 by the PSQM Assistant and Senior Assistant. • Available minutes of Fire Extinguisher training held on January 25, 2019. • Availability of minutes of first aid training held at the POM on February 2, 2019 led by a company doctor. • SCCS training held on 11 August 2018 at the factory led by the PSQM Assistant. <p>The records were completed with training minutes, attendance lists, training materials, attendance, participant signs, and documentation of the event.</p> <p>The auditor also conducted interviews with workers in the field, knowing that the workers had attended the training held by the company.</p> <p>Based on the objective evidences, minor non-conformance is fulfilled</p>			

Verified by	:	Trismadi N and Briyogi
--------------------	----------	-------------------------------

NCR No.	:	2018.13	Issued by	:	Trismadi N
Date Issued	:	9 November 2018	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	8 Mei 2019
Standard Ref. & Requirement	:	6.6.2. Records of meetings with trade unions / labor unions or worker / labor representatives must be available.			

Evidence observed (filled by auditor):

Based on the results of the interview with the Chairman of the Worker Union it was stated that there were no regular meetings with the employers.

Non-Conformance Description (filled by auditor):

The certification unit has not been able to show evidence that regular meetings between worker union and the company have been conducted routinely.

Root Cause Analysis (filled by organization audited):

The two-year routine formal meeting in the framework of the employee Collective Labor Agreement discussion has not been conducted until November 9, 2018 (during the audit). Whereas non-formal meetings exist but are not documented.

Correction (filled by organization audited):

The Routine Meeting between worker union and the Company was conducted on November 22-23 2018 in Kendari in the context of the Collective Labor Agreement.

Corrective Action (filled by organization audited):

Every meeting between SPSI and the company, both formal and non-formal, will be documented.

Regular meetings are programmed every 2 years in the context of Collective Labor Agreement discussions and incidental meetings conducted by Workers' Unions with the Company if there are discussions (e.g. changes in the premium system, increases in the wage scale, etc.). Every meeting between worker union and the company, both formal and non-formal, will be documented by the SPSI secretary.

Assessor Evaluation and Conclusion (filled by auditor):
Verification March 22, 2019

Regarding to minor non-conformance last year (ASA-1.1), the company shows some evidences of improvement as follows:

- Attendant Register of the Collective Labor Agreement 2018 - 2020 dated November 22-23 2018, attended by 12 representatives of Workers' Unions with 11 representatives of employers.
- On the minutes letter of the Collective Labor Agreement discussion in the 2018-2020 there are 13 points of agreement, for example: in Chapter V, post 16 paragraph 4: "sentence changes are made into working days and eliminate the sentence of the previous day and after it. Will be carried out delivery of employees' bodies for a maximum distance of 100 Km by using a company ambulance and through unit consideration".

Verification on May 8, 2019,

The company has identified the root causes, corrective actions and preventive measures. Evidences of improvement is acceptable.

Based on the objective evidences, minor non-conformance is fulfilled.

Verified by	:	Briyogi
--------------------	----------	----------------

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

NCR No.	:	2019.01	Issued by	:	Briyogi Shadiwa
Date Issued	:	9 Mei 2019	Time Limit	:	ASA 1.3
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	2.1.4 A system for tracking any changes in the law shall be available and implemented.			
Evidence observed (filled by auditor): The company shows a list of RSPO related regulations in 2019, with the number of regulations evaluated 235 (laws, presidential regulations, ministerial regulations, regional regulations, regents). However, there are still regulations that have not been updated and or have not been evaluated, for example, but not limited to: <ul style="list-style-type: none"> • Minister of Environment and Forestry Regulation No. 5 of 2018 standard and competency certification of the person in charge of waste water treatment operations and the person in charge of controlling water pollution • Minister of Manpower Regulation No. 38 of 2016 OHS Machine Power and Production • Minister of Manpower Regulation No. 5 years 2018 OHS work environment • Minister of Manpower Regulation No. 1 of 2017 the structure of the wage scale • Minister of Manpower Regulation No. 18 of 2017 procedures for reporting labor • Minister of Environment Regulation No. 05 of 2014 concerning Waste Water Quality Standards 					
Non-Conformance Description (filled by auditor): Referring to the explanation above, the management unit has not been able to show evidence that information on requirements has been provided, relevant and updated legal requirements					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

NCR No.	:	2019.02	Issued by	:	Sandra Purba
Date Issued	:	9 May 2019	Time Limit	:	ASA 1.3
NC Grade	:	Minor	Date of Closing	:	

Standard Ref. & Requirement	2.2.3 In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.
Evidence observed (filled by auditor): Based on the hectare statement and field observations to block 2, there were 79.74 ha of area occupied by the community, until the ASA 1.1 completion process was carried out by reporting the area to Morowali Sub-District Head on June 21, 2017 However, the company has not been able to show evidence of the settlement process that has been accepted through Free, Prior and Informed Consent (FPIC) by all parties involved in the area since June 2017 to May 2019 .	
Root Cause Analysis (filled by organization audited):	
Correction (filled by organization audited):	
Corrective Action (filled by organization audited):	
Assessor Evaluation and Conclusion (filled by auditor):	
Verified by	:

NCR No.	:	2019.03	Issued by	:	Afiffuddin
Date Issued	:	9 May 2019	Time Limit	:	8 August 2019
NC Grade	:	Major (Recurring)	Date of Closing	:	23 May 2019
Standard Ref. & Requirement	:	4.6.6 Storage of pesticides shall be according to recognized best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criteria 5.3).			
Evidence observed (filled by auditor): The certificate holder has a Procedure document of <i>Penyimpanan Pestisida</i> , document number <i>Ad. Gudang</i> , number revision 00, in 2018, which among others explained that pesticides must be stored in a safe place (warehouse locked), apart from spare parts, food ingredients and water sources, and pesticide storage rooms must be installed with hazard and toxic warning boards, the room is only for officers , SOP, MSDS Product, fire extinguisher, first aid kit, place for washing hands, face, body and eyes (safety shower) and every pesticide storage package attached to the logo and label of the type of product hazard that has been regulated according to the applicable rules and regulations. However, based on the results of field observations, were found pesticides (Capture, Basta, Ken Up and Dithane) which were stored in nursery warehouses, mixed with used pesticide packaging, used paint packaging and warehouses not meeting the requirements for pesticide storage. In addition, based on field observations to the central fertilizer warehouse, found Rodenticide Racumin stored in the					

fertilizer warehouse.

This is not in accordance with the *Penyimpanan Pestisida* Procedure document regarding the application of pesticide storage and Minister of Manpower Regulation No. 3/1986 concerning the OHS requirements in the workplace that manage pesticides.

Root Cause Analysis (filled by organization audited):

Nursery foremen have not stored pesticides, used pesticide packaging and used paint packaging in their place (hazardous waste warehouse and Agrochemical Warehouse) because they do not know the procedures for the storage procedure according to the applicable rules.

Rodenticide racumin which is stored in the fertilizer warehouse was caused by the time the stock arrived, the agrochemical warehouse was in full condition and until the audit had not been carried back storage from the fertilizer warehouse to the agrochemical warehouse.

The company through the PSQM and P2K3 teams has ensured management and carried out routine identification every semester in all work areas related to the management of pesticides and used pesticide packaging through ESH Assessment.

Correction (filled by organization audited):

The foreman and nursery team have been socialized regarding the procedure for requesting agrochemical materials and storage of agrochemical materials and packaging in accordance with the Pesticide Storage Procedure (the socialization attached). In addition, the delivery of hazardous waste packaging to licensed hazardous waste temporary warehouse at the mill has also been submitted (attached hand over submission).

Rodenticide has been transferred to the agrochemical warehouse again and socialization has been carried out to the warehouse clerk (attached photo).

The company has re-identified in the field on May 20, 2019 related to the management of pesticides in the ESH Assessment report (attached).

Attached are reports on ESH assessment activities conducted in April 2019.

Corrective Action (filled by organization audited):

The estate manager has issued a warning memo prohibiting storage of hazardous waste and agrochemical packaging materials (attached).

The Safety Officer and P2K3 Team will carry out routine inspections regarding the application of the memo.

Corrective action is taken if there is agrochemical acceptance when the warehouse is full, namely the estate will make a new warehouse located next to the agrochemical warehouse.

The location of the new warehouse is right next to the old agrochemical warehouse so that OHS facilities such as ventilation systems, reservoirs, emergency showers, etc. follow the old building (attached photo).

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 12 May 2019

The certificate holder shows proof of improvement as follows:

1. Minutes of Handover of Hazardous Waste, Clinical Wastes and Poisons on May 8, 2019 with details 7 pieces of toxin packaging and hazardous waste register of contaminated packaging.

2. Photo of Rodenticide Racumin which has been transferred from the fertilizer warehouse to the agrochemical storage warehouse.
3. Photo of the nursery warehouse after the pesticide was transferred to the Agrochemical warehouse and used pesticide packaging to be transferred to hazardous waste temporary warehouse.
4. Inter-Office Mail number 02 / P2K3-TGK / V / 2019 from the Chairman of P2K3 to all employees of PT TGK regarding the *Tata Cara Penyimpanan Bahan Kimia dan Kemasan LB3*, dated 8 May 2019, which among other things explains that hazardous waste packaging use is only permitted for use materials according to their initial packaging and limited to certain jobs and recording and under the supervision of the P2K3 team. In addition, storage of chemicals and hazardous waste is only allowed to be stored in predetermined conditional warehouses.
5. Photo on the socialization of the *Tata Cara Penyimpanan Bahan Kimia dan Kemasan LB3* at Ungkaya Factory and Estate.
6. Minutes of socialization of *Penanganan Bahan Agrochemical dan LB3* in the Nursery area on May 9, 2019 attended by 11 employees.

Verification on 21 May 2019

The certificate holder shows proof of improvement in the form of the Checklist *Penilaian ESH Kebun Ungkaya Estate* document on April 2, 2019 and Ungkaya mill on April 4, 2019 conducted by Senior Assistant PSQM. Based on these documents it is known that the assessment in the estate includes traction areas, warehouses, hazardous waste temporary warehouse, housing, generator houses, Block Harvesting System activities, Block Spraying System activities, Block Manuring System activities and road safety. For example, assessments in warehouses include the availability of SOPs and HIRACs, the latest MSDS is available and complete, PPE signboards are available and entry bans are available, warehouses are clean and tidy, ventilation and lighting are good, fire extinguisher is available in good condition and monitoring updates and there is a shower and eye washer in the chemical warehouse.

Verification on 23 May 2019

The certificate holder shows proof of improvement in the form of:

1. Checklist *Penilaian ESH Kebun Ungkaya Estate* document on May 20, 2019 and Ungkaya Factory on May 21, 2019 conducted by PSQM. Based on these documents it is known that the assessment in the estate includes traction areas, warehouses, LB3 TPS, housing, generator houses, BHS activities, BSS activities, BMS activities and road safety. For example, assessments in warehouses include the availability of SOPs and HIRACs, the latest MSDS is available and complete, PPE signboards are available and entry bans are available, warehouses are clean and tidy, ventilation and lighting are good, fire extinguisher is available in good condition and monitoring updates and there is a shower and eye washer in the chemical warehouse.
The results of identification in all work areas that the management of pesticides and used pesticide packaging are carried out according to the SOP.
2. Photo of the condition of the Agrochemical warehouse and the new warehouse / reserve located next to the old warehouse where if there is agrochemical reception when the warehouse is full then the warehouse will be used with OHS facilities such as ventilation systems, reservoirs, emergency showers, etc. following the old building.

Based on the root cause analysis presented, the correction actions shown and corrective actions to be taken, then these nonconformities are stated to be **closed with observation**.

Verified by : Afiffuddin

NCR No.	: 2019.01	Issued by	: Afiffuddin
Date Issued	: 9 May 2019	Time Limit	: 8 August 2019
NC Grade	: Major	Date of Closing	: 17 June 2019
Standard Ref. & Requirement	: 4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about		

	health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.
Evidence observed (filled by auditor):	
<p>Based on the results of the document review, there is a P2K3 structure approved by the Department of Manpower and Transmigration of Central Sulawesi Province on 10 July 2018 and interviews with management, it is known that there is a work mutation for the chairman and secretary of P2K3.</p> <p>However, the company has not been able to show the latest P2K3 structure that has been approved by the local Manpower Office.</p>	
Root Cause Analysis (filled by organization audited):	
<p>The certificate holder has not been able to show the latest P2K3 structure that has been approved by the Manpower Office because at the time of the audit, the P2K3 secretary has just been transferred to work (2 weeks) so that reporting and formation of new structures for the chairman and secretary of P2K3 are still in process.</p>	
Correction (filled by organization audited):	
<p>The certificate holder has formed the latest P2K3 Structure and sent approval to the Manpower Office. The Central Sulawesi Manpower Office has issued a Decree on Ratification and the date of stipulation of the structure of P2K3 PT.TGK (attached).</p>	
Corrective Action (filled by organization audited):	
<p>The certificate holder through the Head of Administration will routinely update the latest P2K3 Structure and report to Manpower Office.</p>	
Assessor Evaluation and Conclusion (filled by auditor):	
<p>Verification on June 17, 2019</p> <p>The certificate holder shows proof of improvement as follows :</p> <ol style="list-style-type: none"> 1. Decree of the Head of the Manpower and Transmigration Office of Central Sulawesi Province, number 560/1720 / UPT WAS WIL II dated 11 June 2019 concerning Ratification of the P2K3 Organizational Structure at PT Tamaco Graha Krida. 2. General Occupational Health and Safety Expert Certificate number Ser.13.8625 / AK3 / U / VII / 2014, July 16, 2014. 3. Minister of Manpower Decree number KEP.P.7830 / NAKER-BINWASK3 / IX / 2017 concerning Appointment of Public Occupational Safety and Health Experts on behalf of Hardian Eko Prasetyo, September 20, 2017. <p>Based on the root cause analysis presented, the corrective actions shown and corrective actions to be taken, then these nonconformities are stated to be closed with observation.</p>	
Verified by	: Afiffuddin

NCR No.	: 2019.02	Issued by	: Rizliani Aprianita
Date Issued	: 9 Mei 2019	Time Limit	: ASA 1.3
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arise from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.		
Evidence observed (filled by auditor):			

The company shows a report on the implementation of Semester 2nd environmental of management and monitoring plan (July to December) in 2018 and evidence of delivery of reports to the DLH of Morowali District on 08 February 2019 (No letter 001/TGK-UKF/SP/II/19). The results of environmental of management and monitoring plan implementation report are known as follows:

- a. Not yet available attachments resulting from the measurement of air quality, emissions and noise, river water quality, ground water and aquatic biota, and quality of liquid waste which is the result of analysis from an accredited laboratory.
- b. There are still test parameters for the quality of river water and ground water that exceeds the quality standard that has not been evaluated. For example, the parameters of the mill river (upstream and downstream) tests, Fluoride parameters in the Mamalu River and MUL River, the COD parameters of the Laluria River.
- c. Not yet available, attachments to monitoring are carried out as an effort to manage and monitor the impact of potential fires.
- d. There is no available attachment for monitoring the presence of flora and fauna as evidence of management and monitoring the impact of disturbed flora and fauna carried out every six months.
- e. There is no evidence of interviews and questionnaires as a form of management and monitor the impact of community unrest that is carried out every six months.
- f. There is no explanation for the monitoring plan carried out on the community's environmental impacts (erosion/flooding)

Non-Conformance Description (filled by auditor):

Referring to the explanation above, the company has not been able to show a complete document on the implementation of the environmental management and monitoring plan in accordance with the guidelines for preparing the environmental management and monitoring plan implementation report (Decree of the Minister of Environment No. 45 of 2005), as well as an improvement/evaluation plan for the monitoring results

Root Cause Analysis (filled by organization audited):
Correction (filled by organization audited):
Corrective Action (filled by organization audited):
Assessor Evaluation and Conclusion (filled by auditor):
Verified by
:
NCR No.
:
2019.03
Issued by
:
Sandra Purba

Date Issued	: 9 Mei 2019	Time Limit	: ASA 1.3
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 5.2.4 Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.		
Evidence observed (filled by auditor): The company shows documents related to HCV management activities including: <ul style="list-style-type: none"> • HCV Management Program of Ungkaya Estate for period 2018/2019 • Documentation of protected areas with HCV attributes • Documentation of planting Trembesi trees and signboards in the buffer zone area. • Monitoring of flora and fauna in the May 2019 buffer zone area Based on the HCV Monitoring of Ungkaya Estate in April 2019 which refers to the results of Pollito's identification in 2010 of HCV area of 249.75 Ha (potential HCV). Furthermore, the HCV Area Distribution Map document is shown with a total area of 101.53 ha consisting of conservation forest (19.98 ha) and forest in the river border (81.45 ha).			
Non-Conformance Description (filled by auditor): Referring to the explanation above, the company has not been able to show evidence of the evaluation of HCV management and monitoring programs that are used as the basis for the preparation of HCV management programs in the next period			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

NCR No.	: 2019.04	Issued by	: Sandra Purba
Date Issued	: 9 May 2019	Time Limit	: 8 Aug 2019
NC Grade	: Major	Date of Closing	: July 26, 2019
Standard Ref. & Requirement	: 6.1.3 Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.		

Evidence observed (filled by auditor):

The company has prepared a program for managing and monitoring social impacts 2017-2019 which was compiled based on the 2010 SEIA report by Polito.

However, the SIA program did not include the implementation schedule and the person in charge of the implementation for each issue.

In addition, based on interviews with community representatives in Ungkaya and Emea Villages, there was an issue of social jealousy related to the different of hectare of land between transmigration community and local communities, but these issues have not been included in the 2017-2019 social impact management plan.

Root Cause Analysis (filled by organization audited):

The company has not been able to identify and input all social issues that arise, because it has not yet been determined the PIC to be responsible for the preparation and review of the program on a scheduled basis.

Correction (filled by organization audited):

The company has determined the person in charge, prepared and revised the social impact management and monitoring plan as well based on the results of the participation of the affected parties.

Corrective Action (filled by organization audited):

The company through the person in charge of the program will continuously routinely identify and improve the program in accordance with the predetermined schedule and issues that develop in the environment around the company.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on July 26, 2019,

The company shows evidence of correction in the form of a negative impact mitigation program that is prepared based on the SEIA report (POLITO 2010) for the period 2019 and 2021, the person in charge in preparing the program is the PSQM staff and examined by the Estate and Mill manager. The preparation has been prepared in a participatory manner by PSQM through interviews with surrounding village community leaders. The program has included the PIC and the implementation schedule and has included all issues from all stakeholders, especially the issues that arose during public consultation with the community during the audit.

Nonconformities are stated to be fulfilled.

Verified by : Sandra

NCR No.	: 2019.05	Issued by	: Sandra Purba
Date Issued	: 9 May 2019	Time Limit	: ASA 1.3
NC Grade	: Minor	Date of Closing	: July 26, 2019
Standard Ref. & Requirement	6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
Evidence observed (filled by auditor): The company has reviewed the social impact management program, carried out on November 2017, the review has involved relevant stakeholders namely PT TGK employees, plasma farmers and the surrounding community. Based on the SIA review document it is known that there are results of issues that arise, for example:			

<p>- Employees: related to the issue of inadequate employee housing facilities (40% of participants stated inadequate),</p> <p>- Issues from plasma farmers who disagree with changes to the KKPA pattern, FFB grading systems and guidance (40%)</p> <p>However, the results of reviews of SIA programs have not been included as one of the references in the preparation of the SIA program.</p>	
<p>Root Cause Analysis (filled by organization audited):</p> <p>The company has not been able to identify and input all social issues that arise, because it has not yet been determined the PIC to be responsible for the preparation and review of the program on a scheduled basis.</p>	
<p>Correction (filled by organization audited):</p> <p>The company has determined the person in charge, prepared and revised the social impact management and monitoring plan as well based on the results of the participation of the affected parties.</p>	
<p>Corrective Action (filled by organization audited):</p> <p>The company through the person in charge of the program will continuously routinely identify and improve the program in accordance with the predetermined schedule and issues that develop in the environment around the company.</p>	
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Verification on July 26, 2019,</p> <p>The company shows evidence of correction in the form of a negative impact mitigation program that is prepared based on the SEIA report (POLITO 2010) for the period 2019 and 2021, the person in charge in preparing the program is the PSQM staff and examined by the Estate and Mill manager. The program has included the PIC and the implementation schedule and has included all the issues identified during the 2-year review process.</p> <p>Nonconformities are stated to be fulfilled.</p>	
Verified by	: Sandra

NCR No.	:	2019.06	Issued by	:	Briyogi Shadiwa
Date Issued	:	9 Mei 2019	Time Limit	:	8 August 2019
NC Grade	:	Major	Date of Closin	:	25 May 2019
Standard Ref. & Requirement	:	6.5.2 Collective labor agreements / Company Regulations in accordance with labor regulations, available in clear language and explained by management or Labor Unions to workers.			

Evidence observed (filled by auditor):

Based on document review, the company shows the following:

- The company shows the 2016 premium system document which covers PT TGK activities (plantations and factories) except LA / effluent (land applications) activities.
- Based on the results of a document review of the employee's daily premium list in January - April 2019, it is known that LA / effluent workers get premiums / overtime worth IDR. 15,000 / hour. This applies equally to weekends / holidays and regular workdays.

And based on the interview, the following are known:

- The company explains the basic premium / overtime calculation for LA / effluent stream employees based on calculation of overtime / premium for plasma employees (based on inter-office mail from plasma assistants on

April 13, 2018), but also does not explain the value of premium / overtime units IDR 15,000 / hour (which is set at IDR 16,592 / hour).

- From the results of interviews with LA workers it is known that employees do not yet know the basic calculation of overtime / premiums that they have received so far. And workers recognize every day working from 6:00 to 16:00 WITA.

In addition, there is an overtime order for spray employees to work on holidays with a number of 7 working hours (07.00 - 14.00 WITA) in January, February and March 2019. However, from the 2019 Allowance and Deduction payment document review, these workers are only paid IDR. 109,400 (1 HK) for Sundays / holidays.

Non-Conformance Description (filled by auditor):

Based on objective evidence, the company has not implemented payments and overtime calculations in accordance with applicable regulations.

Root Cause Analysis (filled by organization audited):

Explanation related to overtime and or premiums, especially for jobs in estate, is the provision of language, which is used in the language of premiums rather than overtime. This also applies to the provision that for holiday work a holiday premium is set as stated in the premium system document so that premium payments apply, which is equal to 1 HK for holidays.

Care work in the estate on working hour holidays refers to the hours of weekday work with the aim of output work equal to normal days. Regarding the overtime warrant, this is only a diction to accommodate affirmations regarding the names of employees who will work on holidays.

The company has set a premium system for LA employees based on document No. 8 / AST-1 / II / 2012 dated February 24, 2012 concerning Application for Determination of JJK Effluent and Hopper Labor Premiums from Division 1 Assistant and has been approved by the Estate Manager. However, at the time of the audit it could not be demonstrated because there was a change in account.

Correction (filled by organization audited):

The company has implemented overtime payments and calculations in accordance with applicable regulations (attached to the premium assessment document) and has previously been socialized to Worker Union representatives.

The company has re-identified it based on the foreman's activity book and spray team attendance (attached). From these data it is known that in January there were 2 times working on holidays as a breaker and in February there were 2 times working days off for spray work. Based on these data the company has calculated premiums compared to overtime and it is known that there is a lack of payments. The company has made a shortfall in the payment (attached).

Corrective Action (filled by organization audited):

At the transition Staff Administration, will carry out an inventory of documents so that no documents are scattered.

Companies through HRM and Management will evaluate every wage change that applies according to Regional Minimum Wage and Government regulations.

Assessor Evaluation and Conclusion (filled by auditor):

Verification May 11, 2019

The company shows premium determination for land application personnel (132 / UKE-UKE / V / I9) provided that:

- LA workers are formed 3 shifts / day (7 hours / shift)
- Each TK is given a premium of 25 hours / month
- Work holidays because their responsibilities are given an additional premium of 1 HK.

Verification May 21, 2019

- The company provides a reference for 1 HK if it works on Sundays / holidays because the actual average spray work carried out on Sundays / holidays is carried out for 3 hours only. When compared with overtime, what is earned is only 6 x hourly wages, so the company still gives a premium value that is greater than the value of overtime for holidays. However, according to the attached memo, the company will still not employ employees for non-harvest work on Sundays / holidays (attached).
- The company has re-identified it based on the foreman's activity book and spray team attendance (attached). From these data it is known that in January there were 2 times working on holidays as a breaker and in February there were 2 times working days off for spray work. Based on these data the company has calculated premiums compared to overtime and it is known that there is a lack of payments. The company has made a shortfall in the payment (attached).

Verification May 25, 2019

The company has shown evidences of payment for the lack of overtime workers who work on Sundays. Proof of payment is completed with the signature of the recipient (the worker concerned).

The company has set a memo related to the prohibition of hiring employees for non-harvest jobs on Sundays / holidays. Based on the objective evidence, the nonconformity has been fulfilled and further observations regarding consistency in the next assessment will be made.

Verified by : Briyogi Shadiwa

NCR No.	: 2019.07	Issued by	: Sandra Purba
Date Issued	: 9 May 2019	Time Limit	: 8 Aug 2019
NC Grade	: Major	Date of Closing	: 28 May 2019
Standard Ref. & Requirement	SCCS COC 5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. SCCS E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).		

Evidence observed (filled by auditor):

Based on the palm trace transaction report, it can be seen that there are no sales reported under RSPO claims or other schemes/conventional sales.

Based on the mass-balance report for the period of May 2018 - April 2019 there are sales of conventional CPO from a sustainable stock amount of 13,776.09 MT and sales of conventional PK from a sustainable stock amount of 2,686.74 MT.

So in this case, the company has not been able to show evidence that the product sales has been reported and removed from stocks sold as other or conventional schemes within the RSPO Palmtrace.

Root Cause Analysis (filled by organization audited):

The company not yet prepared and set the mechanism for coordination in relate of monitoring of stock in palm trace,

currently the reporting and updating is traced upon email from PSQM in unit and not conducted routinely and regularly, its caused by the lack of understanding of the PIC to the RSPO SCC new standard requirements.	
Correction (filled by organization audited):	
The company through the reports from the PSQM of units and Head Office as well as Marketing Dept has conduct the reporting and removing of stock in palm trace on 16 May 2019.	
Corrective Action (filled by organization audited):	
<ul style="list-style-type: none"> The company has set the mechanism for coordinating the stock monitoring in palm trace The company has assigned PIC namely Mr Wirando (PSQM Staff) and Mr Wawan Kusumawanto (GTM Staff) who is responsible for SCC requirement Sosialization to all parties has been done through email on 17 May 2019. 	
Assessor Evaluation and Conclusion (filled by auditor):	
Verification on 24 May 2019,	
The company has shown the correction evidence namely copy of document of product (CSPO/CSPK) sales monitoring between PSQM Dept and GTM Dept which issued on 1 April 2019 by Head Sustainability GSQM Indonesia. The company has shown the evidence of removing stock on palm trace fro CSPO and CSPK which is sold under conventional amount of 13,776.09 MT (CSPO) and 2,686.74 MT (CSPK).	
Verification on 28 May 2019,	
The company has shown the organization chart on implementation if RSPO SCC stock and palm trace monitoring issued in 13 April 2019 and evidence of socialization of mechanism of stock monitoring through email to all personnel key on 17 May 2019.	
Based on all evidence the NCR considered comply.	
Verified by	: Sandra

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	Ensure Sterilizer Operator License which on process.
2	4.6.10/5.3.2	Ensure the mechanism of the re-use of pesticide waste.
3	5.3.3	Consistency of implementation of hazardous waste transport from each unit to licensed hazardous waste temporary storage (Observation)
4	6.8.3	Realization of the appointment of permanent employees for employees who have passed the assessment.
5	6.9.1	Program for gender committee activities for the period of 2019.
6	8.1.1	Adjustment of all RSPO standard implementations to the RSPO P&C generic 2018 that will be mandatory by November 2019.

3.5.4 Noteworthy Positive Components


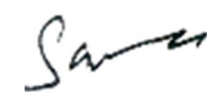
No	Ref Std	Descriptions
1.		The company has obtained ISPO (Indonesian Sustainable Palm Oil) certificate
2.		Ungkaya POM has received the PROPER certificate in 2018 with blue predicate
3.		Ungkaya POM has received a 5S certificate.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Worker Welfare and Transmigration Agency Morowali Regency <ul style="list-style-type: none"> • P2K3, WLTK, and routine accident reports are reported. • Currently the company has a Worker Agreement and there has been no change. • There are no issues related to employment. • The company accepts local workers • Wages according to minimum wage. • Worker Unions actively communicate with companies • The company registers all employees at BPJS • There are no issues regarding underage workers, unpaid overtime and workers who do not get their rights. • There is no discrimination issue. 	<p>Has been verified on indicators related to worker welfare and occupational health and safety.</p> <p>Auditor has done consultation public with worker union that there are no issues related to worker welfare.</p>
National Land Agency Morowali Regency <ul style="list-style-type: none"> • The company has land use title. • The company has reported the Report on the Utilization of land use title. • There are no issues related to land disputes and overlapping land. 	<p>Company already showed land use title certified and based on interview with surrounding villages there's no land conflict.</p>
Plantation Agency Morowali Regency <ul style="list-style-type: none"> • The company has reported plantation report. • There are no issues related to land disputes and burning. • There has been no change in business license. • The company uses registered pesticides. 	<ul style="list-style-type: none"> • Has verified the documents that the company has a business license. • Based on field observations, the pesticides used are registered trademarks.
Environment Agency Morowali Regency <ul style="list-style-type: none"> • Environmental permits owned by the company have not been amended / revised. • Hazardous Waste Storage permit has been obtained • The company reports the implementation of environmental permits every semester. • No negative issues related to the environment. 	<p>Based on field observation on Palm Oil Mill, Ungkaya Estate and High Conservation area (riparian) there's no issue related to environment pollution.</p>
Worker Unions <ul style="list-style-type: none"> • There is no negative issues such as discrimination, the use of labor under 18 years, sexual abuse issues and others. 	<ul style="list-style-type: none"> • Has been described in criterion 6.5.

<ul style="list-style-type: none"> • Providing wages and overtime in compliance with applicable regulations. • All employees have been included in the program BPJS employment and health. • The Company has conducted periodic health checks to workers with high risk. • The Company has also provided PPE which is provided for free. 	<ul style="list-style-type: none"> • Has been described in indicator 6.5.1 • The company has paid labor social insurance and labor health insurance for all workers as written in indicator 4.7.6. • Has been described in indicator 4.6.11 • Has been described in indicator 4.7.3
Gender Committee <ul style="list-style-type: none"> • PT TGK has a gender committee structure and each division of estate has a representative for employee complaints if there is violation case of women's rights • There are no complaints related to violations of women's rights or violence against women in the workplace • PT TGK has granted the rights of women such as the right to maternity leave and menstruation leave. • Gender Committee still on development about 2019 program activities. 	<p>PT TGK has committed to guarantee the rights of women, for example, the company has granted maternity leave and menstruation. Based on interviews with workers known that there are never happened of violence against women in workplace (see C6.8 and C6.9)</p> <p>Has been added on <i>Opportunities For Improvement</i> (OFI).</p>
CV Mario Malanu (CPO Transporter) <ul style="list-style-type: none"> • The renewable of agreement every year, last on December 2018 until December 2019. • Work agreements have been made fairly, transparently and signed by the contractor and the company. • Price of CPO transport is accordance to regulations, from Ungkaya POM to the Bahumbelu Bulking Station. • Contractor workers has been register <i>BPJS Ketenagakerjaan</i> and <i>BPJS Kesehatan</i>, but contractor workers that they don't agree with the <i>BPJS</i> deduction • The contractor hopes for price adjustments, due to an increase in fuel prices. • Payment is in accordance with the agreed conditions in the work agreement, and on time every month 	<p>All contractors have been bound by an agreement signed by both parties. A copy of the agreement has been given to the contractor, payment is made in a timely manner. There are no issues that arise related to the contractor, all explanations related to the contractor can be seen in C6.10.</p>
FFB transporting (individual contractor) <ul style="list-style-type: none"> - The agreement is set per 3 months, until now the payment by the company in time - Prices set based on mutual agreement - The company has established a policy so that all contractors fulfill PPE obligations and insurance to their workers - Company conduct monthly meetings with contractors to evaluate the performance of contractors 	<p>All contractors have been bound by an agreement signed by both parties. A copy of the agreement has been given to the contractor, payment is made in a timely manner. There are no issues that arise related to the contractor, all explanations related to the contractor can be seen in C6.10.</p>

<p>Ungkaya and Emea Village – Head of Village</p> <ul style="list-style-type: none"> - The relationship and communication with the company so far is quite good, communication can be done by phone or directly - The response from each communication and aspiration delivered by the community is good - There is no land dispute between the company and the community - The absorption of labor is large and as well as the absorption of local contractors. - There was no compensation at the time of plantation development because the company's area came from the forest / state area. - There is social jealousy between the plasma farmers from the local community and the transmigration community due to the different plot sizes, for the local community only 1 ha / person while the transmigration community is 2 Ha / person. - There is no impact of pollution caused by plantation operations that are felt by the community 	<p>Auditor has verified through document verification and interview with the MR, there is no land dispute and/or other disputes from community.</p> <p>Related to the social jealousy between the plasma farmers from the local community and the transmigration community, it was verified by the auditor that the plot setting is based on the Regent decree. However, against the issue not yet set a management program by the company, it has been raised as NCR on C6.1</p>
<p>Plasma farmers – farmer group of Sumber Rizki 2 and Solonsa Utama</p> <ul style="list-style-type: none"> - Communication is good, now the cooperation relationship is in the form of buying and selling FFB. All operational activities have been carried out by the farmers themselves and cooperatives, the credit debt to the company has paid off - Payments are made based on prices set by the government and have been carried out by the company in a timely manner - The company has carried out socialization related to replanting, but at present the farmers have little difficulty in cooperating with the company because some farmers have pledged their land certificates in the bank. 	<p>Auditor has verified through document verification and interview with the MR, there is no land dispute and/or other disputes from community.</p> <p>All explanations related to the smallholder can be seen in C6.11 and C6.10.</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 style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Tamaco Graha Krida Head of Sustainability – Minamas Plantation</p>  <p><u>Alagerdian Maniam</u> Friday, 26 July 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> Friday, 26 July 2019</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	Worker Welfare and Transmigration Agency	Morowali Regency	-	Direct interview	8 May 2019	√	
2	National Land Agency	Morowali Regency	-	Direct interview	8 May 2019	√	
3	Plantation Agency	Morowali Regency	-	Direct interview	8 May 2019	√	
4	Environment Agency	Morowali Regency	-	Direct interview	8 May 2019	√	
5	Ungkaya Estate <ul style="list-style-type: none"> • Workshop operator 2 worker • Officer BSS's house • Head of warehouse agrochemical and fertilizer. • Pesticide applicator 11 Worker • Empty Bunch applicator 4 Worker • Nursery 1 foreman • Harvester 3 Worker • Circle racking 6 worker • Land Application 1 worker 	Morowali Regency	-	Direct interview	7 May 2019	√	
6	Ungkaya POM <ul style="list-style-type: none"> • 1 Security • 1 Operator Wight bridges • 2 worker in chemical warehouse • 1 WWTP Operator • Grading 6 worker • Sterilizer station 2 operators • Engine room station 1 operator • Boiler station 1 operator • Press station 1 operators • Workshop 2 workers • WTP station 1 operators 	Morowali Regency	-	Direct interview	8 May 2019	√	
7	Workers union	Morowali Regency	-	Direct interview	8 May 2019	√	
8	Gender committee	Morowali Regency	-	Direct interview	8 May 2019	√	
9	CV Mario Malanu (CPO Transporter)	Morowali Regency	-	Direct interview	8 May 2019	√	
10	FFB transporting (individual contractor)	Morowali Regency	-	Direct interview	8 May 2019	√	
11	Ungkaya dan Emea Village – Head of Village	Morowali Regency	-	Direct interview	8 May 2019	√	

12	Plasma farmers – farmer group of Sumber Rizki 2 and Solonsa Utama	Morowali Regency	-	Direct interview	8 May 2019	√	
13	WWF	Jakarta, Indonesia	-	Email	1 May 2019		√
14	Sawit Watch	Jakarta, Indonesia	-	Email	1 May 2019		√

Appendix 2. Assessment Program

DATE	06 – 10 May 2019	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday/ Senin, 06 May 2019		
01.15 – 04.55	JAKARTA TO MAKASSAR	● All Team
08.00 – 09.10	MAKASSAR TO MOROWALI	
09.30 – 10.00	MOROWALI TO PT TGK	
10.00 – 12.00	Opening meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	● All Team
12.00 – 14.00	BREAK	
14.00 – 17.00	<ul style="list-style-type: none"> Verification of Basic Information Verification of TBP and partial certification 	● All Team
Tuesday/ Selasa, 07 May 2019		
08.00 – 12.00	Field observation to Ungkaya Estate : <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of HCV management area and legal boundaries. Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect. Observation of Workers Facilities (Housing, School, Worship Place). 	● All Team
12.00 – 14.00	BREAK	
14.00 – 17.00	<ul style="list-style-type: none"> Continuing field Observation and field observation clarification Completing Checklist/ Documen Verification 	● All Team
Wednesday/ Rabu, 08 May 2019		
08.00 – 12.00	Field observation to Ungkaya Factory : <ul style="list-style-type: none"> Workshop, Chemical Storage, Loading Ramp (Grading), waste management Supply Chain & Operational activities WWTP (IPAL), Land Application (LA), WTP, Hazardous Waste Material (LB3) management Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor, FFB Supplier, etc. Public Consultation with communities / Head of Village Public Consultation with Agency in District of Morowali. 	● All Team
12.00 – 14.00	BREAK	
14.00 – 17.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	● All Team
Thursday/ Kamis, 09 May 2019		

08.00 – 12.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	<ul style="list-style-type: none"> All Team
12.00 – 14.00	BREAK	
14.00 – 16.00	<ul style="list-style-type: none"> Continue Field Observation and field observation clarification Verification of field visit and completing checklist 	<ul style="list-style-type: none"> All Team
Friday/ Jum'at, 10 May 2019		
08.00 – 10.00	CLOSING MEETING	<ul style="list-style-type: none"> All team
10.00 – 11.00	PT TGK TO MOROWALI	
11.50 – 13.00	MOROWALI TO MAKASSAR	
15.25 – 16.45	MAKASSAR TO CGK	