

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

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

Name of Management Organisation : **Mentaya Sawit Mas POM – PT Mentaya Sawit Mas Subsidiary of Wilmar International, Ltd**

Plantation Name : Mentaya Sawit Mas I Estate and Mentaya Sawit Mas II Estate

Location : Tangar Village, Subdistrict of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah

Certificate Code : **MUTU-RSPO/058**

Date of Certificate Issue : 24TH April 2015 Date of License Issue : 24TH April 2016

Date of Certificate Expiry : 23RD April 2020 Date of License Expiry : 23RD April 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1	22 – 26 February 2016	Yudwi Wisnu Rahmanto (Lead Auditor), Moh Arif Yusni, Leonada Wintapraja, Entin Hendartin	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	25 April 2016

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FIGURE

Figure 1. Location Map of PT. MENTAYA SAWIT MAS

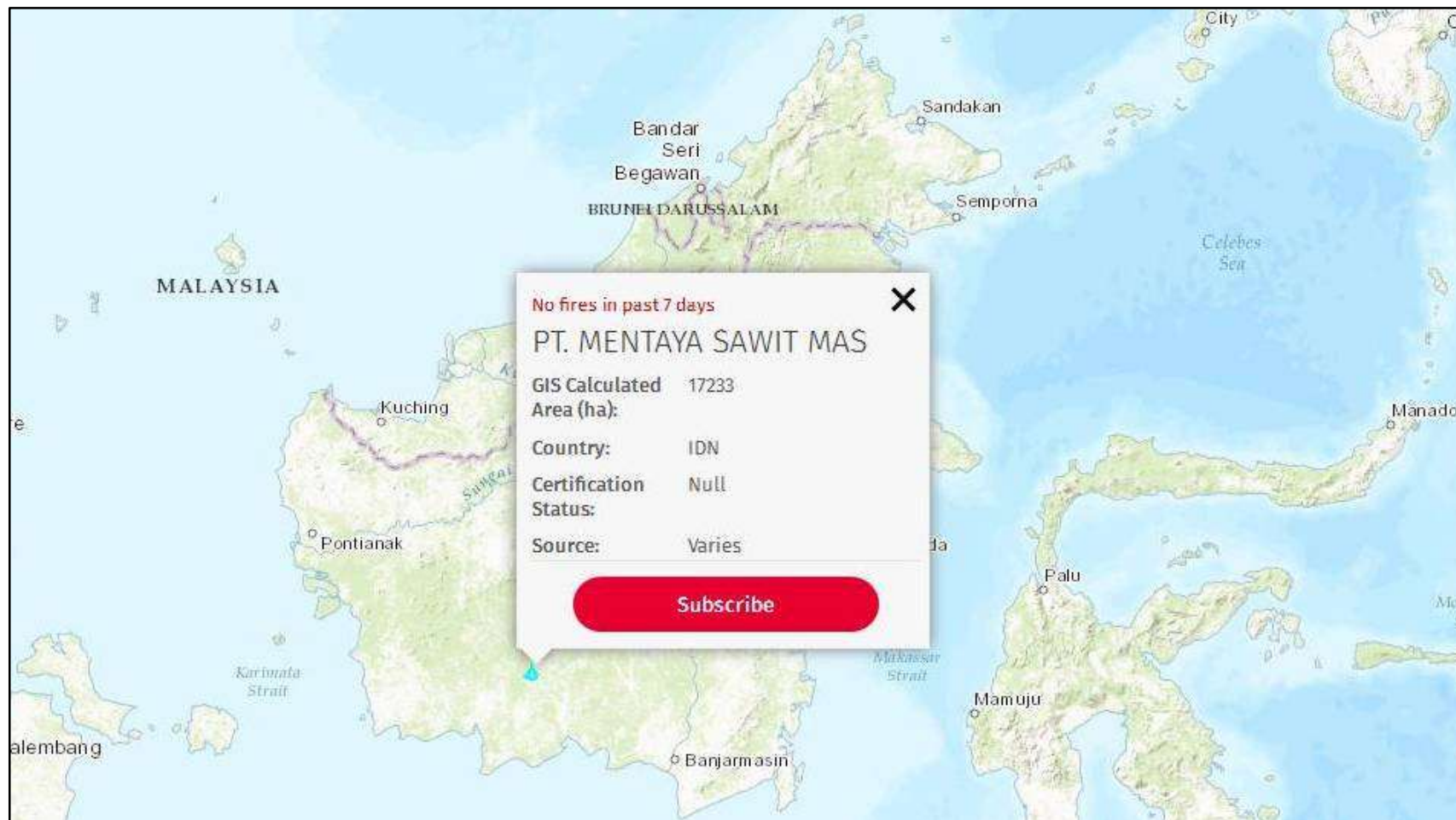
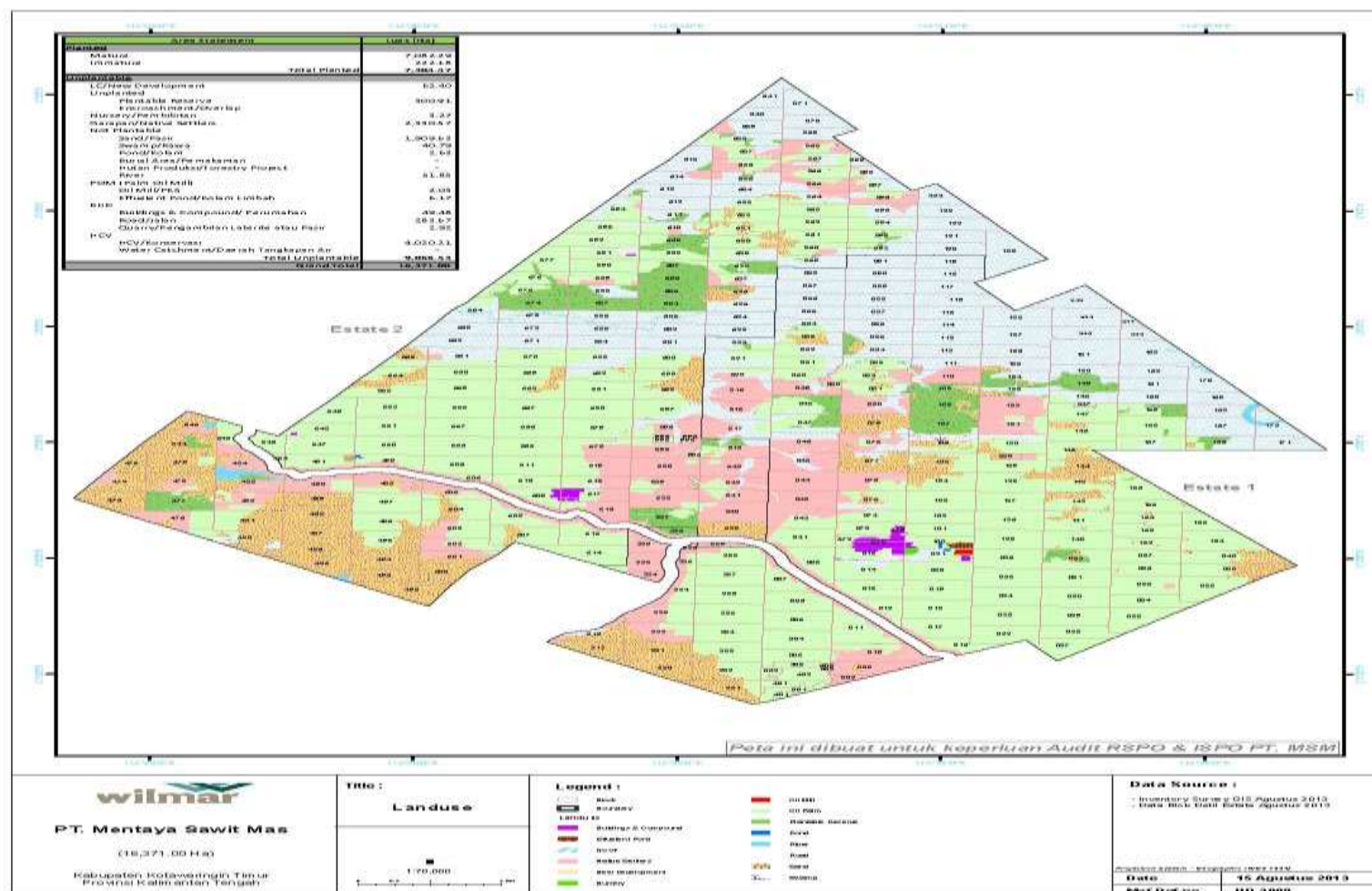


Figure 2. Operational Map of PT. MENTAYA SAWIT MAS



Glossary

ASA	: Annual Surveillance Assessment	IUP	: Plantation Permit/Licenses
ASEAN	: Association of South East Asia Nation	JARI	: Jaringan Relawan Independen (Independent Volunteer Network Organisation)
BMP	: Best Management Practices	JAS	: Japan Agriculture Standard
BOB	: Barn Owl Boxes	KKPS	: Karunia Kencana Permai Sejati
BOSF	: Borneo Orangutan Survival Foundation	LEI	: Lembaga Ekolabel Indonesia (Indonesian Ecolabeling Council)
BSK	: Bumi Sawit Kencana	LKUP	: Laporan Kegiatan Usaha Perkebunan (Plantation Activity Report)
C.A.F.E	: Coffee and Farmer Equity	MAS	: Maju Aneka Sawit
CB	: Certification Body	MEC	: Malaysia Environment Consulting
CDP	: Community Development Program	MoU	: Memorandum of Understanding
CKP	: Central Kalimantan Project	MSDS	: Material Safety Data Sheet
CPO	: Crude Palm Oil	MSM	: Mentaya Sawit Mas
CSPK	: Certified Sustainable Palm Kernel	MUTU	: Mutuagung Lestari
CSPO	: Certified Sustainable Palm Oil	NGO	: Non Government Organisation
CSR	: Corporate Social Responsibility	NOP	: National Organic Programme
EFB	: Empty Fruit Bunches	OHSAS	: Occupational Health and Safety Assessment Series
EHS	: Environmental, Health and Safety	P&C	: Principle and Criteria
EIA	: Environmental Impact Assessment	PIC	: Personel In Charge
EU	: European Union	PK	: Palm Kernel
FFB	: Fresh Fruit Bunches	POM	: Palm Oil Mill
FGD	: Focus Group Discussion	PPE	: Personel Protective Equipment
FM/COC	: Forest Management/Chain of Custody	PR	: Public Relationship
FPIC	: Free, Prior and Informed Consent	RSPO	: Roundtable on Sustainable Palm Oil
FSC	: Forest Stewardship Council	SCCS	: Supply Chain Certification System
GHG	: Green House Gases	SFM	: Sustainable Forest Management
GRTT	: Ganti Rugi dan Tanam Tumbuh (Land Compensation)	SIA	: Social Impact Assessment
HCV	: High Conservation Value	SOP	: Standard Operating Procedure
HGU	: Hak Guna Usaha (Land Use Title/Right)	ST-2	: Stage-2 Assessment/Audit
HRD	: Human Resources Development/Department	TPKD	: Tim Penanggulangan Keadaan Darurat (Emergency Response Team)
ISCC	: International Sustainability and Carbon Certification	WHO	: World Health Organisation
ISO	: International Standard Organisation	WWTP	: Waste Water Treatment Plant
ISPO	: Indonesia Sustainable Palm Oil		

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
	<ul style="list-style-type: none"> • <i>RSPO Principles and Criteria (P&C) for for the Production of Sustainable Palm Oil - April 25th, 2013.</i> • <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i> 		
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT Mentaya Sawit Mas – Wilmar International, Ltd	
1.2.2	Contact person	Simon Siburat	
1.2.3	Organisation address and site address	<p><u>Head Office:</u> 56 Neil Road Singapore Singapore 088 030</p> <p>Multivison Tower Lt. 15 Jl. Kuningan Mulya Blok B9, Kuningan, Jakarta 12980 - Indonesia</p> <p><u>Site :</u> Tangar Village, Subdistrict of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah.</p>	
1.2.4	Telephone	(62-21) 2938 0777	
1.2.5	Fax	(62-21) 2938 0115	
1.2.6	E-mail	simonsiburat@wilmar.com	
1.2.7	Web page address	www.wilmar.co.id	
1.2.8	Management Representative who completed the application for certification	Simon Siburat (Sustainability Controller Wilmar Group)	
1.2.9	Registered as RSPO member	2-0017-05-000-00 16 August 2005	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Mentaya Sawit Mas POM; Mentaya Sawit Mas 1 Estate and Mentaya Sawit Mas II 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
			Latitude Longitude
	Mentaya Sawit Mas	Tangar Village, Subdistrict of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah.	S 02° 9' 52.869" E 112° 34' 9.925"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude

	Mentaya Sawit Mas I (MSM I)	Subdistrict of Mentaya Hulu, District of Kotawaringin Timur, Province of Kalimantan Tengah.	S 02° 9' 32.323"		E 112° 33' 41.523"		
	Mentaya Sawit Mas II (MSM II)		S 02° 8' 58.729"		E 112° 31' 14.067"		
1.5 Description of Area Statement							
1.5.1	Tenure						
	• State		16,371.00		Ha		
	• Community				Ha		
1.5.2	Area Statement						
			MSM 1	MSM 2	TOTAL		
	• Total area		8,289.50	8,081.50	16,371.00	Ha	
	• Mature area		4,036.89	3,224.85	7,261.74	Ha	
	• Immature area		169.01	40.42	209.43	Ha	
	• Mill		10.70	-	10.70	Ha	
	• Infrastructure (Roads, Workers Quarter, Drainage)		183.77	125.63	309.40	Ha	
	• Occupied Area		1,103.81	1,375.51	2,479.32	Ha	
	• Unplantable area		844.17	1,321.39	2,165.56	Ha	
	• HCV		1,941.15	1,958.84	3,899.99	Ha	
	• Land Clearing		-	2.90	2.90	Ha	
	• Unplanted Area		-	31.96	31.96	Ha	
Discrepancy of HCV area with previous assessment approximate 0.36 Ha is due to adjustment of map measurement.							
1.6 Planting Year and Cycles							
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		MSM 1	MSM 2		Total		
	2007	2,927.59	2,148.46		5,076.05		
	2008	785.22	488.07		1,273.29		
	2009	204.61	480.49		685.10		
	2010	16.78	107.83		124.61		
	2013	102.69	-		102.69		
	2014	116.24	-		116.24		
	2015	52.77	40.42		93.19		
	TOTAL	4,205.90	3,265.27		7,471.17		
Year of Planting 2015 is insertion planting, not new development planting.							
1.6.2	New Planting area after January 2010		-		Ha		
1.6.3	Planting Cycle		1 st 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	Extraction	Out put	Extraction

				(ton)	(%)	(ton)	(%)
	Mentaya Sawit Mas	45	185,465.5	44,317.28	23.89	7,899.5	4.26
	<i>*Production data source: February 2015 upto January 2016</i>						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Mentaya Sawit Mas 1	8,289.50	4,205.90	87,519.27	20.81	87,519.27	100
	Mentaya Sawit Mas 2	8,081.50	3,265.27	66,317.18	20.31	66,161.83	99.77
	TOTAL	16,371.00	7,471.17	153,836.45	20.59	153,681.10	99.90
	<i>*Production data source: February 2015 upto January 2016</i>						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location			Supplied to Mill	
						FFB (tonnes/year)	
	BSK I	PT Bumi Sawit Kencana (RSPO Certified at 2012)	District of Kotawaringin Timur, Province of Kalimantan Tengah.			1,159.63	
	BSK II		District of Kotawaringin Timur, Province of Kalimantan Tengah.			758.95	
	KKPS I (4,825.89 Ha)	PT Karunia Kencana Permaisejati (RSPO Uncertified, progress in audit stage 2)	District of Kotawaringin Timur, Province of Kalimantan Tengah.			9,106.54	
	KKPS II (4,022.41 Ha)		District of Kotawaringin Timur, Province of Kalimantan Tengah.			17,599.48	
	KKPS III (3,588.09 Ha)		District of Kotawaringin Timur, Province of Kalimantan Tengah.			3,239.8	
	TOTAL					31,864.4	
	<i>*Production data source: February 2015 upto January 2016</i>						
1.7.4	Jenis Produk			FFB, CPO, PK			
1.8	Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim 24 April 2015 – 23 April 2016 (tonnes/year)		Actual certified product 24 Apr 2015 – 22 Feb 2016 (tonnes/year)	
	• FFB Production			143,906		125,516.86	
	• CPO Production			34,063		26,741.35	
	• Palm Kernel (PK) Production			5,727		4,676.38	
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)		Yield (tonnes/ha/year)	
	Mentaya Sawit Mas 1	8,289.50	4,205.90	93,208		22.16	
	Mentaya Sawit Mas 2	8,081.50	3,265.27	70,628		21.63	
	TOTAL	16,371.00	7,471.17	163,836		21.93	
	<i>*Projected FFB production for 24 April 2016 – 23 April 2017</i>						
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity	FFB	CPO		Palm Kernel	

		(tonnes/ hour)	Processed (tonnes/year)	Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Mentaya Sawit Mas	45	163,836	39,648	24.2	7,782	4.75
<i>*Projected CSPO and CSPK production for 24 April 2016 – 23 April 2017</i>							
1.9 Other Certifications							
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
	Others		-				
1.10 Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit			Location	Estate (Supply Base)	Time Bound Plan	Status
	MILL	Time Bound Plan	Status				
	PT Milano (Pinang Awan)	2009	Certified	North Sumatera	PT Millano (pinang Awan)	2009	Certified
	PT Mustika Sembuluh 1	2009	Certified	Central kalimantan	PT Mustika Sembuluh 1	2009	Certified
				Central kalimantan	Smallholder	2013	Certified
	PT Kencana Sawit Indonesia	2010	Certified	West Sumatera	PT Mustika Sembuluh	2010	Certified
				West Sumatera	Smallholder		-
	PT Kerry Sawit Indonesia 1	2010	Certified	Central Kalimantan	PT Kerry	2010	Certified
	PT Tania Selatan	2010	Certified	South Sumatera	PT Tania Selatan	2010	Certified
					Smallholder (SP1, Sp2, Sp3, Sp4)	2014	Certified
					Smallholder (Korpri, SP5, SP6, SP7)	2015	Certified
	PT AMP Plantation	2011	Certified	West Sumatera	PT AMP Plantation	2011	Certified
					Smallholder	2014	Certified
	PT Agro Nusa Investama	2012	Certified	West Sumatera	PT Agro Nusa Investama	2012	Certified
	PT Buluh Cawang Plantation 1	2012	Certified	South Sumatera	PT Buluh Cawang	2012	Certified
	PT Bumi Sawit kencana	2012	Certified	Central Kalimantan	PT Bumi Sawit Kencana	2012	Certified

PT Gersindo Minang Plantation	2012	Certified	West Sumatera	PT Permata Hijau pasaman Smallholder	2012 2016	Certified -
PT Sarana Titian Permata	2012	Certified	Central Kalimantan	PT Musi Banyuasin	2012	Certified
PT Daya Labuhan Indah-2	2013	Certified	North Sumatera	PT Daya Labuhan Indah	2012	Certified
PT Mustika Sembuluh 2	2014	Certified	Central Kalimantan	PT Mustika Sembuluh 2	-	-
PT Mentaya Sawit Mas	2014	Certified	Central Kalimantan	PT Mentaya Sawit Mas	2014	Certified
BENSO Palm Oil	2014	Certified	Ghana	BENSO Palm Oil	2014	Certified
PT Kerry Sawit Indonesia 2	2014	Final Assesment on 22-5 Nov 2014	Central Kalimantan	PT Kerry Sawit Indonesia 2	2014	Certified
PT Agro Palindo Sakti 1	2014	Certified	South Sumatera	PT Agro Palindo Sakti 1	Planning	Certified
PT Musi Banyuasin Indah	2014	Certified	South Sumatera	PT Musi Banyuasin Indah	2014	Certified
PT Murini Sam Sam	2015	Certified	Riau	PT Murini Sam Sam	2015	Certified
PT Sinarsiak Dianpermai	2015	Certified	Riau	PT Sinarsiak Dianpermai	2015	certified
PT Bumi Pratama Khatulistiwa	2015	Planning	West kalimantan	PT Bumi Pratama Khatulistiwa	2015	Stage 1
PT Karunia kencana Permaisejati	2016	FA on 09/04/2015	Central Kalimantan	PT Karunia kencana Permaisejati	2016	Stage 2
PT Rimba harapan Sakti	2016	certified	Central Kalimantan	PT Rimba harapan Sakti	2015	certified
PT Agro Nusa Investama	2016	Planning	West Kalimantan	PT Agro Nusa Investama	Planning	-
PT Agropalindo sakti 2	2016	Planning	West Kalimantan	PT Agropalindo sakti 2	Planning	-
PT Buluh Cawang Plantation	2015	Certified	West Kalimantan	PT Buluh Cawang Plantation	2015	Certified
PT Agrindo Indah Persada 2	2016	Planning	Bangkao –jambi	PT Agrindo Indah Persada 2	Planning	-
PT Putra Indo Tropical	2016	Planning	West Kalimantan	PT Putra Indo Tropical	Planning	-
PT Pratama Prosentindo	2016	Planning	West Kalimantan	PT Pratama Prosentindo	Planning	-

	PT Indorsin Putra mandiri	2016	Planning	West Kalimantan	PT Indorsin Putra mandiri	Planning	-
	PT Daya landak Plantation	2016	Planning	West Kalimantan	PT Daya landak Plantation	Planning	-
	Sapi Mill	2008	Certified	Sandakan	Sapi Mill	2008	Certified
	Sabahmas Mill	2008	Certified	Lahad	Sabahmas Mill	2008	Certified
	Reka Halus Mill	2008	Certified	Sandakan	Reka Halus Mill	2008	Certified
	Saremas Mill 1	2008	Certified	Miri	Saremas Mill 1	2008	Certified
	Saremas Mill 2	2008	Certified	Miri	Saremas Mill 2	2008	Certified
	Terusan	2009	Certified	Miri	Terusan	2009	Certified
	Ribubonus	2009	Certified	Telupid	Ribubonus	2009	Certified
	Sri kamusan	2010		Sugut	Sri kamusan	2010	Certified
	PT Perkebunan Anak pasaman					2013	-
	PT Kamu					2013	-
	PT Maju Perkasa Sawit					2017	-
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard						
	MSM POM – PT Mentaya Sawit Mas has no smallholders scheme also not received FFB from smallholders or outgrowers. All FFB processes supplied from PT Mentaya Sawit Mas, the other FFB source from PT. Bumi Sawit Kencana and PT. Karunia Kencana Permaisejati (Wilmar Group plantations). All supply bases have included in time bond plan for RSPO Certification.						

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-1	<ul style="list-style-type: none"> • Yudwi Wisnu Rahmanto (Lead Auditor) Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 3 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During this audit, he assigned to verify of supply chain, conservation and legal aspect. • Moh. Arif Yusni (Auditor). Bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor/Lead auditor Management System Certification (ISO 9001-2008), Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor. During this audit, he assigned to verify of environment, health and safety aspect. • Leonada (Auditor). Bachelor of Agriculture, majoring of Agronomy and minor in Plant Breeder and seed technologies, Agriculture Faculty of Bogor Agricultural University. Over five years working experience at oil palm Plantation Company in Indonesia and followed several trainings namely: Auditor Indonesian Sustainable Palm Oil (ISPO), awareness RSPO, Lead Auditor ISO 9001:2008 (Management System Certification), ISO 14001:2005 (Environmental Management System Certification), Management Development Program Agronomy, analysis base solution for operation, Plantation Integrated Pest Management training, Training of the limited pesticide usage (pesticide commission), training of pesticide and fertilizer waste management, resolution conflict training, training of OHS Specialist and OHS Auditor (SMK3). Currently he worked as an auditor at Certification Body. During this audit, he assigned to verify of best management practices aspect. • Entin Hendartin (Auditor). Doctor from the Faculty of Forestry, Bogor Agricultural University in 2011. She was attended training RSPO Lead Auditor, ISPO Lead Auditor Training and Sustainable Forest Management (SFM) with LEI Scheme) and the Ministry of Forestry. Experts in the Environmental, Social, Economic and Cultural. Previously has been a lecturer at the Institute of Technology Bandung. On this assessment was observed on worker welfare, transparency and social aspects.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-1	Number of auditors : 4 Auditors Number of days for ASA-1 at site : 3 days Number of working days for ASA-1 at site : 12 Working days
2.2.2	Assessment Process
ASA-1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Mentaya Sawit Mas to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production on April 2013 and Supply Chain Requirement for CPO Mill, November 2014</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ASA-1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-2</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-1 assessment. All</p>

information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-1	<p>Number of units in this certification activity are two estates, which supply the raw material (FFB) to one palm oil mill. In conducting the assessment, the team of auditors used the $0.8\sqrt{y}$ formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one palm oil mill (MSM POM) and two estates (MSM 1 estate and MSM 2 estate).</p> <p>Public Consultation :</p> <ol style="list-style-type: none"> 1. Local Environmental Body of East Kotawaringin Regency. 2. Plantation Agency of East Kotawaringin Regency. 3. Labor and Transmigration Agency of East Kotawaringin Regency. 4. National Land Agency of East Kotawaringin Regency. 5. Baampah Village 6. Kawan Batu Village 7. Gender Committee 8. Employee Cooperative 9. Local Contractor <p>MSM POM</p> <ol style="list-style-type: none"> 1. Fruits Reception Station and grading 2. Processing Station. 3. Workshop. 4. Water Treatment Plant. 5. Hazardous Waste Temporary Warehouse. 6. WWTP. <p>MSM 1</p> <ol style="list-style-type: none"> 1. Block 019: Spraying Activity 2. Block 012: Fertilization Activity 3. Block 013: BOB Application 4. Block 023: Harvest Activity and Erosion Pole Checks 5. Block 025: POM Effluent Application 6. Block 038: EFB Application 7. Fire Extinguisher 8. Workshop 9. Washhouse of used fertilizer sacks and spray equipment 10. Hazardous Waste Temporary Warehouse 11. Diesel Fuel Tank 12. Pesticide Warehouse 13. Fertilizer Warehouse 14. Employee Housing 15. Places of worship in the form of mosques and churches 16. Daycares 17. Employee Cooperative 18. Elementary School 19. Clinic

20. Block P52/53 (510) Division 2C: area with planting year 2015 in the Land Use Title which previously in the form of arable land owned by the community. GRTT in 2015 covering an area of 30.26 ha (3 landowners). As well as the limits of the production area with HCV, north in the form of old shrub and pioneer Macaranga Plant.
21. Block Q54 (135) Division 2C: sandy area and Danau Serai Riparian. There are several communities residential of Batu Kawan Village at this location and still within the Land Use Title.
22. Block R48/49 (547) Division 2B: crop area limit and the HCV area which must be restored.
23. Block R50/51 (149) Division 2B: The conditions of land burned in 2015 and the north is in the form of grassland (but farmland / no community ownership).
24. Block T42 (146) Division 2B: Land Use Title MSM25. In the East in the form of swamp, South is bordered with PT. MAS
25. Block R41 (145) Division 2A: Land Use Title Pole MSM28. South is bordered with PT. MAS.
26. Block R33/34 (542) Division 2B: River area in the Block (+/- 5 meters wide) and includes peat area. Red mark as the prohibited sign from conducting spray and fertilize with a limit of one palm tree. It is based on the direction of the river width from P&C 2013 Annex-2.
27. Block T25 (040) Division 2B: Land Use Title Pole MSM36. In the East is bordered with PT. MAS.
28. Block T23 (039) Division 2B: Land Use Title Pole MSM37. Located in the east of sandy area and not planted. The pole location is directly adjacent with PT. MAS in the west.
29. Block Q13 (022) Division 1B: Peat subsidence pole No. 2. Decreasing on the peat depth of +/- 11 cm during the period of 3 years.
30. Block O28 and O29 (073) Division 2A: Location of Inorganic and Organic landfill. Landfill distance from the housing as far as +/- 1 km. Domestic waste management system is closed / piled in inter row.

MSM 2

1. Block 547: Spraying Activity
2. Block 566: Fertilization Activity and BOB Application
3. Block 519: Harvest Activity
4. Block 515: EFB Application
5. Block 507: Erosion pole
6. Pesticide Warehouse
7. Fertilizer Warehouse
8. Workshop
9. Hazardous Waste Temporary Warehouse
10. Fire Extinguisher
11. Diesel Fuel Tank
12. Washhouse of used fertilizer sacks and spray equipment
13. Pesticide Warehouse
14. Fertilizer Warehouse
15. Employee Housing
16. Places of worship in the form of mosques and churches
17. Daycares
18. Block L89 (638) Division 2: Burned area in 2015 is in the boundary area. West: community land and PT. KMA.
19. Block M89 (638) Division 2: HCV area in the form of grassland and secondary forest. Domination of Former illegal mining, grassland and pioneer plants (Macaranga).
20. Block L65/66 (588) Division 2: Cultivated area, HCV is not recommended for restoration.
21. Block I56 (561) Division 2: Area of HCV1 in the form of secondary forest.
22. Block I46/I47 (558) Division 2: Weirs area of peat with new water level (no monitoring).
23. Block J41 (565) Division 1B: Subsidence Pole No. 2 peat
24. Block K41 (578) Division 1B: Subsidence Pole No. 1 peat (subsidence pole was lost).
25. Block J40 (511) Division 1B: Weirs with water level is 40 cm.
26. Block E46 (545) Division 1A: Pole MSM92. North and West in the form of bare land and marginal land (sandy), South is sandy area (in the Land Use Title) and Community cultivated land. East: PT. MSM Land Use Title
27. Block F42 (546) Division 1A: Pole MSM95. North is Community rubber plantation. East, South, West: PT. MSM

28. Block D32 (473) Division 1A: Pole MSM86. West and North are Community Land and marginal land/grass land. South is PT. BSK. East is sandy area (not planted) and in the Land Use Title.

2.3 Stakeholder Consultation and Stakeholders Contacted

2.3.1 Summary of stakeholder consultation process.

ASA-1 Summary of stakeholder consultation process
Consultation of stakeholders for PT. Mentaya Sawit Mas was held by:

- Public Notification where held 14 days before assessment on Mutu Certification International website: www.mutucertification.com (February 5th 2016).
- Public consultation meeting with external stakeholders (February 23rd 2016), internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples (February 24th 2016). Numbers of input from stakeholders were clarified by PT. Mentaya Sawit Mas.

2.3.2 Stakeholder contacted

Please find appendix 1

2.4 Determining Next Assessment

The next visit **ASA-2** will be determined one year after this **ASA-1** (February 2017)

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of MSM POM – PT Mentaya Sawit Mas, Wilmar International Ltd, operation consisting of One (1) mill and Two (2) oil palm estates.

During the assessment, there were One (1) Nonconformity were assigned against Major Compliance Indicators; Two (2) nonconformities were assigned against Minor Compliance Indicators; and Five (5) opportunities for improvement were identified.

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

Those corrective actions taken that consist of One (1) Major non-conformity and Two (2) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Wilmar International Ltd complied with the requirements of *RSPO Principles and Criteria for Sustainable Palm Oil Production on April 2013* and *Supply Chain Requirement for CPO Mill, November 2014*.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>Issues (Environmental, social and/or legal) relevant to the RSPO criteria provided by the company to the stakeholders in the form of a report, for example:</p> <ul style="list-style-type: none"> Activity report of Guiding Committee of Occupational Safety & Health PT MSM POM Fourth quarter of 2015 in the period (October to December 2015 on 27 January 2016. There is a receipt from Labor and Transmigration Agency, Province of Central Kalimantan on behalf of Sunu Heryatmoko. Report of Guiding Committee of Occupational Safety & Health in Semester 1 Year 2015 (in the Period of January – June 2015. There is a receipt from East Kotawaringin Environmental Body on October 22, 2015 on behalf of Deswanti Eka Putri <p>The results of interview with the Head of Institutional and Plantation Business Development Department of Forestry and East Kotawaringin Plantation, Head of Labor Supervision, Head of Employment Supervision and Sub Division Head of Supervision and Control of East Kotawaringin Environmental Agency known that PT MSM always regularly reports the progress of the plantation business, environmental reports and employment reports. The responsible person to providing and updating informations is Bina Mitra Officer.</p>	
1.1.2	In 2015 there was no letter of request for information from the parties, either to the management unit of POM, MSM I estate and	

MSM II estate, all of the incoming mail are in the form of requests for assistance, for example:

Letter from Kapuk Village Head No. 03 / I / PEMDES dated January 12, 2015, concerning to the request of Solid Waste (EFB). Letter attached with the list of people who ask for help. The management unit responses the request for assistance with arranging the EFB loading technically while the fleet from the management. There is evidence in the form of coupon to retrieval EFB (20 trips, 40 trips and 50 trips) by the community and a list of EFB retrieval (driver name, vehicle number and signature). During interview with stakeholders known that the responses of informations request from the company are timely manner.

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

Documents that can be accessed by the public contained in the SOP No. SOP47 / PR / 5/1115 effective date of November 1, 2015 (Revision 5) concerning to the Provision of Information to outside parties / Transparency: The SOP set a document with broad access and documents that can be accessed by the consent from general manager.

- Documents with broad access, that is: EIA document (Environmental Impact Assessment), Annual Report of the Company, the Company Policy (Company Profile), Land Use Title and other licensing, monthly reports of farm and mill production, total area of estate and mill operational accompanied by a map (Land), topographic maps, Rights traditional map, boundary map and land use map (land use), river map in the plantations, natural flow and water catchment areas, procedures / operational procedures of estates and mills, organizational structure of the company, reports of High Conservation Value and Management Plan, Plan and Social Impact Assessment (SIA), Tribune Magazine or company Bulletins, Investment Activity Report, Plantation Business Activity Report (LKUP), plantation statistics monitoring, company employee data, employment Foreign Employee Data, company employee data, Foreign Employee Data (employment of expatriates), Land Use Data, Smallholdings Production Data, CDP Implementation and Company CSR, Reduction and Pollution Prevention Plan, Health and Safety Plan (OHS), Grievance and stakeholder Complaints, General Summary of RSPO certification assessment.
- Documents that can be accessed with the approval from general manager, that is the Deed of Incorporation and deed of company amendment, Company Profit / Loss, Company balance, Staff / Employees salary, Identity of shareholders and company management, Identity of operational leadership, staff and employees, List of the company's assets, List soil / land plantation business, community development plan (community development), Payment Data for Land Acquisition, complaints, distribution map of rare animals in the conservation area, smallholdings usage data and third party contributions

The management unit has socialized the policy including a list of documents that can be accessed by the public on December 15, 2015 to the parties (the village staff and employees).

Status: Comply

1.3

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

1.3.1

The management unit has a code of conduct policy (Company Code of Conduct) in 2015 Document No. 044 / DIR-KP / XII / 2015 valid from December 15, 2015 (Document approved by Country Head). Code of Conduct policy consists of the principles of the code of conduct (such as avoiding conflicts of interest, avoiding abuse of authority or position and to ensure the confidentiality of information and prevent the misuse of information obtained through the company's operations both for personal purposes or for the benefit of other interests outside the company), conflicts of interest, accurate report, bribery and illegal or trade practices unethical, entertainment and gifts, abuse of position, insider trading, confidentiality, limitation of application, media relations, political worker unions and social activities, the installation of illegal software on the computer, reporting in collaboration with investigators and law enforcement officers in relation to the breaches.

Code of Conduct Socialization, including:

- Code of Conduct socialization has been implemented in the Mill on February 16, 2016 in collaboration with Bipartite Cooperation Institution meetings, the meeting was attended by the board of Bipartite Cooperation Institution (entrepreneurs and worker representatives as many as 13 people), provided a list of attendance and activity photo.
- Code of Conduct socialization in the estate of MSM II (Division I) has been implemented on February 15, 2016. Provided a list of attendance as many as 204 employees from various departments.
- Code of Conduct socialization in the estate of MSM I) has been implemented on December 15, 2015. Provided a list of attendance as many as 23 employees (the board of female committee and employee).
- Socialization to contractor employees performed in collaboration with the safety briefing.

Based on interview with manuring workers and sprayers was clearly informed that code of conduct has been socialized to the all level of employees.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1; 2.1.2

The company has a mechanism to identify, implement and evaluate the compliance with the law as set in the SOP of Identification Legal regulations and legislation and the Mechanism of Compliance Implementation of related and applicable Laws. In the procedures have been set up the officers who are responsible for updating the regulations (PIC) and mechanism or the details of the procedure. The company showed documents of Law and Regulations List Conditions And Regulations (Law Register) which is used as a reference in the management of estates and mills, which are divided into the aspect compliance of environmental licensing, OHS and Employment. The list is updated every six months. The company can showed the entire copy of the rules stored in the office of each unit. Evidence of compliance conducted by the company, for example to the legality of companies already have Plantation Business License (IUP), the aspect of environmental the company already have documents of environmental impact assessment (EIA) as well as on the aspects of the Employment the company have provided the minimum wage in accordance with applicable regulations, but the company needs to continuously make an effort of information update to the Ministry of Environment and Forestry related to the process of forest area release. **OFI 01**

2.1.3; 2.1.4

All regulations are noted in the list of rules which are always evaluated regularly at least once every six months or if there are regulatory / latest requirements referenced. The latest evaluation was conducted in November 2015. The evaluation was done because there are the latest regulations which are the Regulation of Labor and Transmigration Minister No. 12 Year 2015 about OHS electricity in the workplace. The results showed that the management unit has met the OHS regulations related to the activities of oil palm plantations.

Based on interviews with relevant institutions (Plantation Agency, Labor Agency, Environment Body and National Land Agency) noted that the management unit has met the regulations related to the estate, employment and the environment.

Major 2.1.1 Status: OFI 01

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; 2.2.4; 2.2.5

Land use rights of PT. Mentaya Sawit Mas (MSM) proved legally in the Certificates of Land Use Title (HGU) No. 33 Year 2005

covering an area of 16,370.81 hectares. Explanation of the status of land ownership before land right is issued, is a state land that has been free from the control of the population / community. During stakeholder consultations with statutory bodies and relevant villager (communities) there are no land dispute founded in last three years

2.2.2

Demarcation of PT. MSM plantation through the maintenance of boundaries pole that have been in accordance with the coordinates of owned legal documents and *SOP Pemasangan dan Monitoring Patok Batas* (001/SOP/GIS/2014). The results of field observations by auditor team to ensure the maintenance of the legal boundaries is done well. Visits in MSM-1 Estate on February 23, 2016, the auditor verifies four boundaries pole including: Block T42 (146) Division 2B: Land Use Title Pole MSM25; Block R41 (145) Division 2A: Land Use Title Pole MSM28; Block T25 (040) Division 2B: Land Use Title Pole MSM36. Block T23 (039) Division 2B: Land Use Title Pole MSM37. While on February 24, 2016, field visits in MSM-2 Estate known that three boundaries pole are in preserved condition. Among others: Block E46 (545) Division 1A: Pole MSM92; Block F42 (546) Division 1A: Pole MSM95; Block D32 (473) Division 1A: Pole MSM86.

2.2.3; 2.2.6

Although PT. MSM has gained land rights legally, but in the area of company Land Use Title there is still many people using and cultivating illegally. To avoid the escalation of social conflict, the company continues to make an approach to the community in order to the participatory mapping and identifying the land tenure certainly. In its application, the auditor team saw there is no use of paramilitary force in the overall activities of plantation.

Status: Comply

2.3

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

2.3.1

As described in Criteria 2.2 above, although PT. MSM has gained land rights legally but there are still many people using and cultivating illegally. In 2013, PT. MSM has Enclave Map with a Scale 1: 100,000 as the identification of land owners located within Land Use Title area. At that time, Nine landowners were identified and mapped properly.

The results of field visits in Block L65/66 (588) Division 2, MSM-2 Estate known that the area is a community cultivated area. In addition, many areas in the company are suitability to be planted (plant able) but actually is not planted. This is due to many areas in the form of open land and grass vegetation (*grassland*) owned by the community.

PT MSM has owned Land Use Map with a Scale 1:75,000 (February 19, 2016) showing the use of land within the Land Use Title area, including the community arable land covering an area of 2,479.32 ha. However, during the evaluation of ASA-1, PT MSM has not been able to show:

1. The identification mapping process of the entire land user or arable land with a sufficient scale.
2. Evidence of participatory mapping process by involving the affected party.

Based on the explanation above **raised Non conformity 2016.01 in Major indicators 2.3.1**

2.3.2; 2.3.3

In applying the method of FPIC, PT. MSM has a proof in the form of copy of the latest release of land agreements (2015) from the communities which are located in Block P52-P54, Q53-Q54. The copy was made in Indonesian language and known by all relevant parties. Although the legal status, acquired land is located within the Land Use Title area of the company, which is in the law the company is controlled legally.

Major 2.3.1 Status: NC 2016.01

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

Examination of the company documents can showed the long-term planning in 2016 to 2020 which aimed to ensure the company economic and financial viability in long term. In the work plan is to inform the estimated production, production costs, projected of mill production, and other *financial* parameters such as *profitability*, *revenue* and FFB price.

3.1.2

Replanting program has not been planned up to five (5) years in the future because the oldest planting year is 2007. Based on the owned procedures, the indicator of replanting is Yield / ha (<14 tons of FFB / ha), plant age (> 25 years), plant height (> 13 meters).

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 company has had SOP documents available in each unit of estate and mill covering all operational activities including major activities such as harvesting, transport, fertilization, pest and disease control, plant treatment and processing in the mill. SOP associated with oil palm cultivation contained in the Agricultural Manual and Standard Operating Procedure For Oil Palm published in 2011 approved by the Executive Director of Wilmar International Plantation. In addition there is also an addendum related to the agronomic such as the handling of oil palm seeds, detection and census of oil palm pests and diseases, management and monitoring of peat land for palm oil properly, the census of estimated production of Fresh Fruit Bunch (FFB), fertilization, calibration of agrochemicals spraying, measurement of soil erosion rate and solid fertilizer sampling.

Related to the mill operational procedures available including the SOP of FFB Acceptance (SOP / MSMPOM-WB-001), SOP of POM scales (SOP / MSMPOM-WB-002) and SOP of Sorting (SOP / STPPOM-PRS-01 in 2011). For the processing is described in the SOP ratified by Mill Head in 2011 including SOP of Monitoring and Measuring the Quality of CPO (SOP / MSMPOM-QC-001). The operational procedures both mill and estate have been socialized in general to the employees based on the type of each work regularly either in the training or in the morning briefing before work. Based on the results of field visits in harvesting, spraying, fertilizing, POM grading officer and operator of processing machines known that workers have implemented and understood the technical work.

4.1.2

The Company has a list of SOP available in the document record retention time in the period from January to March 2016. In the list of the SOP contained 90 SOP including operational best practices, environmental, OHS, employment and social. The company also owned SOP of document storage and monitoring No. SOP 36 / CKP / (1) / 0310 ratified by the general manager. In the SOP explaining about the storage period of each document responsibility is borne by the document controller, if there is the abolition of the document must be with the approval from the general manager. Related to the document control described in the SOP of Document control No. SOP 37 / CKP / (0) / 0409 which describes the numbering procedure, a new document creation or change of documents and document distribution. Monitoring the implementation from the procedure is done through internal audits regulated in the SOP of Internal audit No. SOP 65 / CKP / (0) / 0811. The audit activity is conducted periodically and delivered to every operational unit at the beginning of the year and in the SOP also set up an internal auditor who has been trained in accordance with the field.

4.1.3

Activity monitoring of operational activities including problem identification corrective action (PICA) in MSM POM on January 8, 2016 with the findings of identified problems then performed the corrective action with the target time and the correction

progress. There is also a verification of the RSPO internal audit for operational of estate on November 4, 2015, there were 7 findings along with the corrective action needs to be done with the dateline as example of findings related to MSDS and PPE in the sprayer that has been repaired. In the implementation of operations, the company has a report on the implementation of operational activities periodically contained in the monthly report as an example of a report in January 2016 MSM estate report covers the production and maintenance of the plant.

4.1.4

PT Mentaya Sawit Mas received FFB from other wilmar group estate and not receiving from other outgrower (smallholders or independent outgrower), however the CH can identified each of the FFB sources.

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 company has the SOP No. SA 05 / EMU / (1) / 0811 about the application of fertilization that includes the fertilizer recommendations, the expenditure of the fertilizer from warehouse, distribution, application of fertilizer in the field and after the application of fertilizer. The company also monitoring the quality of the received fertilizer in the fertilizer warehouse by conducting fertilizer sampling and laboratory analysis as examples, the samples from MSM 2 estate in March to May 2015 known that K₂O content in the urea is 60.10% above the minimum standard 60%. It is also known during a field visit to a fertilizer warehouse where the head of the warehouse can explain about the process of sampling on the fertilizer that goes into the warehouse. Based on the field visits on the activities of fertilization in MSM estate and MSM 2 estate it is also known that the fertilizer has understood about the technical of fertilization and how to work safely. Fertilization in the field is conducted in the right place and with the right dosage as recommended by the research and using a sow tool that has been calibrated.

4.2.2

The company carries out periodic fertilization recording. Realization of the fertilization has been conducted in accordance with a program based on the recommendation of fertilization. Recapitulation of fertilization for the period of 2015 has been completed according to the program as follows:

Estate	NPK 12	NPK 13	Urea	MOP	Borate	RP	Kieserite	ZA	Dolomite
MSM 1	97.70	2531.70	66.75	801.70	8.20	92.80	100.10	735.40	95.60
MSM 2	1.10	2011.85	26.20	609.95	9.88	87.80	58.45	597.80	48.65

4.2.3

The company has the SOP of sampling soil for soil fertility status document No. SA 12 / EMU / 1/0915 on September 1, 2015 revised on August 31, 2015 ratified by the Manager and general manager. In the SOP stated that the soil analysis has been done once every 15 years. The company also has a guide for taking a sample of leaf from Eco Management Unit - Willmar Borneo ratified by general manager as a reference in formulating the fertilizer recommendations. Last soil analysis conducted in June 2007 where the results are contained in the soil documents of Mentaya Sawit Mas Land from Param Agricultural Soil Surveys. For sampling the leaves of which is shown in the records of the results of leaves analysis in 2015 as example MSM 1 estate block 004 known Nitrogen 2.90, Phosphorous 0.167, Potassium 1.13, Magnesium 0.31, Calcium 0.84 and Boron 29.

4.2.4

The company carries out recycling of nutrients by using empty fruit bunch and effluent applications. Recapitulation of EFB application for mineral land and sandy land in 2015 of MSM estate 1 is 53,217 tons and MSM 2 as many as 546 tons while for effluent application in January 2016 is 19,998 M3. Based on the results of field visits in the estates of MSM 1 and MSM 2 found the EFB application with the recommendation dose of 80 tons / hectare / 2 years. Piles of EFB as many as 300 Kg arranged between the palm trees in the palm tree lines. Application of effluent was also found in the estate of MSM 1 block 025 with the

size of the bed is 9 x 2 x 1 meter arranged on the inter row. Two beds are used as overflow which functioning in case if it rains.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The Company has a map of peat soil types based on the survey by EMU Department in 2016. For the estate of MSM 1 with a scale of 1: 50,000 are identified 204 hectares of shallow peat soil, while in the estate of MSM 2 with a scale of 1: 55,000 are identified 347 hectares of shallow peat. The company also has a marginal soil map in the form of Sandy area map (sandy area) semi-detailed soil survey by Param Agricultural Soil Surveys (M) SDN.BHD in 2007 known MSM 1 estate with a scale of 1: 50,000 there is Buso soil class (60.78 ha), Miri (364.08 ha), and Lemongrass (3148.93 ha), while in MSM 2, map with a scale of 1: 55,000 there is Buso soil class (186.26 ha), Miri (678.48 ha), and Lemongrass (1,072.24 ha).

4.3.2

Based on the identification result in the slope map of SRTM3 in 2006 known that the company area is located in the area with a slope of 0-60 with a flat classification so that the company does not perform specific management strategy in areas with a certain slope. However, the company continues to monitor erosion in areas with sandy soil category by installing erosion pole in each division, it refers to the SOP of Manual measurement of soil erosion document No. SA 08 / EMU / (0) / 0911 in August 2011 ratified by the General Manager. Based on the monitoring results of the erosion pole as for example in MSM 1 estate block 141 and MSM 2 block 507 known there is no erosion. From the results of field visits in the estate of MSM 1 block 023 and MSM 2 block 507 also found the erosion pole does not show erosion.

4.3.3

In doing road maintenance, the company has a maintenance program by using road graders and road hardening. Examples of cooperation in the contract for road hardening for MSM 1 estate with the contract period from February 1, 2015 until December 31, 2015 with PT. Sabindo that is road hardening with the size of 6 meters with a total of 7,500 meters. While for examples of program and the realization of road maintenance by using road grader in the period of 2015 in MSM 1 estate is planning of 8,076 meters and realization of 1,306 meters. Based on the results of field visits in MSM 1 estate blocks 012, 013, 019, 023, 025, 038, and MSM 2 estate blocks 507, 515, 519, 547, 566 known that the road condition is well maintained.

4.3.4

The company has the SOP of management and utilization of peat soil document No. SA 03 / EMU / (4) / 1215 ratified on December 2015 by the general manager. In the SOP describes the technical monitoring of ground water levels and monitoring the peat subsidence. Monitoring the decline of ground level in subsidence pole for example in MSM 1 estate which is located in the block 022 installed since September 21, 2013, until the observation on January 13, 2016 in the three locations of pole there is a decline of 3 cm, 5.3 cm and 7 cm. Monitoring the peat subsidence with mounting pole was also found during a field visit in MSM 1 estate block 022, MSM 2 estate blocks 565 and 578. During a field visit in MSM 2 estate, found that the pole no. 1 has been lost, then the company reinstalled at the location point on February 24, 2016. In this case the company could increase its efforts to prevent the loss of subsidence pole by analyzing the root of the problem and to make necessary improvement efforts.

OFI No 2

Water management program in the peat land by making a ditch like in the MSM-1 along with 335,758 m and in MSM-2 along with 290,667 m. The company also has a water management program in the peat land by building Weirs (embankment / water-retaining dam) in MSM-1 as many as 4 units and in MSM-2 as many as 1 unit. Besides, it is also conduct monitoring the water levels by making the monitoring pole of water level (water level), in MSM-1 as many as 4 units and in MSM-2 as many as 1 unit. Based on the observations of water levels in MSM 1 estate block 023 pole No. 1 in January 2016 known that the water level ranges at an average of 50 cm, while in MSM 2 estate block 578 pole no. 1 in January 2016 known that the water level ranges

between 52 cm to 80 cm. Management of surface water by manufacturing weirs and monitoring the water levels were also found during the field visits.

4.3.5

Based on a review of documents, interviews and field visits has not been identified replanting activity.

4.3.6

Marginal acreage contained in PT. MSM is a sandy area. Related to these areas, the company has Internal Office Memo SOP No. 072 / EMU / VII / 2009 regulating about the strategies for sandy areas such as the identification of the sandy soil, land clearing, planting methods, drainage setting, planting LCC and methods of fertilization in sandy areas. The company also has a Table Soil Management Group results from detailed soil survey of MSM in June 2007 by Param Agricultural Soil Surveys (M) SDN. BHD equipped with development strategies for marginal soils including sandy soil management (Soil Group C and D) in accordance to the recommendations of detailed soil survey results and memo from GM No. 072 / EMU / VII / 2009, the management of peat soils (Soil group E) in accordance to the recommendations of detailed soil survey results and SOP of peat areas management SOP No. SA 03 / EMU / (3) / 0811.

One example in the management of sandy area is EFB application known in 2015 MSM 1 estate as many as 53,217 tons and MSM 2 as many as 546 tons and it also found during the field visit. Management for peat areas also done as the manufacture of weirs, monitoring water levels and the peat subsidence with subsidence pole. It is also found during a field visit in MSM 1 estate block 022, MSM 2 estate blocks 565 and 578 subsidence pole installation and weirs installation and water level in MSM 2 estate blocks 558 and 511.

Major 4.3.4

Status: OFI No 2

4.4

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

4.4.1

The results of verification of documents the company has had a water management plan documents. Inside the document describes about the identification of water needs, water availability, water needs calculation, water resources, water quality testing and efforts / water saving measures.

4.4.2

Based on the river map of PT MSM There are some streams that are located and across the company's operation area including Ngabe river flow, Kajang River, Bakung River, Geronggang River, Danau Haur River, Cancang River, Kapar River. Based on the results of field visits in Bakung riparian known that there was no indication of chemist application along the riparian. The company has marked the riparian border with a distance of 50 meters and there is a sign board of HCV areas identity, protected species and restrictions of undermine the HCV area. The management unit has also been planting woody plants and maintaining ground cover vegetation such as *Nephrolepis sp.*

4.4.3

Effluent produced by the mill is managed on Waste Water Treatment Plant (WWTP) before it is applied to the estate. Examination of documents showed that the effluent quality monitoring is conducted regularly every month by UNILAB PERDANA - Jakarta. Results of testing for the last three months before the assessment (October to December 2015) showed that all the test parameters are met the quality standards.

4.4.4

Based on field observations in the mill, the management unit has been measuring the use of water used by the mill in operational activities and domestic needs. There is flow meter installed in the reservoir and in the water treatment plant (WTP). The volume

of water used routinely documented every day. The results of the examination of documents known that the needs of water for every tons of FFB is 1.20 M3 / Ton FFB.

Status: Comply

4.5

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

4.5.1

Mechanism of Plant Protection – pest and disease management listed in Agriculture Manual and Standar Operating Procedure for oil palm in 2011 with the control technical use is the control method of cultivation, mechanically control and chemically control. The procedure is described in detail in the SOP of detection and census of palm pests and diseases (SA 02 / EMU / (01) 0710) about the activity procedures of detection / census as an effort of early warning system implemented bimonthly. Based on the census results during the period of 2015 in MSM 1 estate and MSM 2 estate found nettle caterpillar attacks, bagworms and rat but still in the light category. Sample of census in MSM 1 estate on January 2016 in block 001 bagworms larvae 0.4, nettle caterpillar larvae 0.33, rat 5%, while in MSM 2 estate on February 2016 in block 495 bagworms larvae 0.17, nettle caterpillar cocoon 0.06, nettle caterpillar larvae 0.01. For rat pest, termites, horn beetles, swine and ganoderma disease are not identified.

The Company applies the biological control of pests by planting a beneficial plant and develops owls as predators for rat. It was found during a field visit in the estates of MSM 1 block 013 and MSM 2 block 566. As for the planting of beneficial plant is found on the ground in each sample location of MSM 1 estate blocks 012, 013, 019, 023, 025, 038 and MSM 2 estate blocks 507, 515, 519, 547, 566. Planting beneficial plant over 2015 is planted as many as 328 ha and January 2016 planted as many as 22.36 ha. Installation of BOB in MSM 1 estate as many as 42 units with the number of active BOB is 11. MSM 2 installed 23 BOB, with the number of active BOB is 1. It becomes observation for the company to continue efforts to improve the owl's development in accordance with the existing area. **OFI No 3**

4.5.2

The company showed the evidence of training for employees who were involved in the pest and disease control. The record sample is on January 15, 2016 related to the calculation of pest and disease and detection submitted by research body (EMU) attended by 44 employees.

4.5.1 Status: OFI no 3

4.6

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

4.6.1

The company has a procedure in using pesticides contained in Agronomy guidance and SOP of oil palm plantation on 2015 ratified by Group Head of Plantation. In the SOP showed the rotation of circle spraying and harvesting path, weed controls *spot/selective weeding* as other special grass and weeds by using pesticides in accordance with the target in the field for example grass controls by *selective* using *glyphosate*. In the SOP also not allowed using pesticide with active ingredient of *paraquat*. Based on the results of field visits on the spraying activities known that pesticides used have been registered in pesticide committee with active ingredient of *glyphosate* in accordance with the target of narrow-leaved weeds in the field.

4.6.2

The company is recorded the use of pesticides for example in 2015 that is Glisat (*gliposat*) application total is 42,503 Ha with the amount of 16,690 liter (0.39 liter/ha), Garlon (*Triklpir*) application total is 968 ha with the amount of 85 liter (0.087 liter/ha) and Tiara (*Metil metsulfuron*) application total is 24,910 ha with the amount of 264 Kg (0.010 Kg/ha).

4.6.3

The company has been minimizing the use of pesticides such as by controlling pests and diseases in an integrated manner by implementing pest control using biological, mechanical and chemical as well as the use of an *early warning system*. The

company also not using pesticides with the ingredients of *paraquat* and *prophylactic* for the prevention of crop pre-grown pesticides and it is in line with the results of interviews with sprayers in the field. The implementation of pest control biologically showed by the planting of *beneficial plant* and development of owl as a *predator* for rat. The use of pesticides is minimized as in the weed control selectively and adjusted to the target of weed types in the field. This is also evidenced during a field visit to the circle spraying activities and harvesting path by using pesticide with active ingredients of glyphosate in accordance with the target of existing weed that is narrow-leaved weeds.

4.6.4

The Company has a list of pesticides for Wilmar Region of Central Kalimantan, which includes the information about the brand, the active ingredient, WHO grade, nature, shape, target, production, and registration number of pesticides. The list consists of 11 types of herbicides, 4 types of fungicides, 6 types of insecticides as well as 2 types of rodenticides. The chemicals are categorized as Type 1A or 1B WHO, or listed in the convention list of Stockholm / Rotterdam and paraquat are not used anymore. It refers to the procedures in the use of pesticides contained in the Guidelines of agronomic and oil palm plantations SOP in 2015 ratified by the Head of Plantation Group. Based on interviews with sprayers also recognized that there is no use of pesticide with paraquat ingredients, it is also in accordance with the results of the visit in the pesticide warehouse that are not identified any pesticide with paraquat ingredients.

4.6.5 and 4.6.7

The company has the SOP of safety work in spraying and fogging document No. PSKK 2 / CKP / (2) / 1111 on November 2011, in the procedure has ensured all workers have understood the MSDS, equipment is ascertained in safe and good, clean water supplies are available, PPE is available and the spraying technical is good. The Company also identified the needs of PPE for each job in accordance with the level of risk. Records of socialization and training of standard procedures for work safety in spraying shown in the recording sample on September 12, 2015 which was attended by 40 employees. Evidence of PPE provision showed in the news event of PPE acceptance to the sprayers for example on November 2, 2015 in the form of PPE masks and gloves were received directly by the employees. PPE usage and condition is monitored regularly to ensure that PPE is always in good condition and used by workers. Based on the results of field visits in the spraying activities known that employees are using appropriate PPE with the potential risks of the spraying job such as gloves and mask accordance to MSDS of specific chemical. The workers have understood the technical work well and how to work safely. Besides, the field supervisor also bring *material safety data sheet* (MSDS) are always delivered to the sprayers routinely before working in the field.

4.6.6

The company has the SOP of storage of pesticides and old pesticide containers document no. SOP 17 / EHS / (0) / 0409. In the SOP explaining about the mechanism of the pesticide storage in special warehouses including the mixing place of pesticides to be used in the field in the isolated special place so that does not potentially exposure to chemicals outside the warehouse. As for the storage of old pesticide containers are stored in the Hazardous Waste Temporary Warehouse then sent to the licensed collector. Based on the results of field visits in pesticide warehouses and hazardous waste temporary warehouse known the pesticide warehouse is managed properly, provided *oil trap*, enough air ducts and isolated so that there is no potential of pesticide to exposure outside the warehouse. Pesticide waste like old pesticide containers are classified as hazardous waste is also stored in the hazardous waste temporary warehouse which is monitored well and then collected to the licensed collectors.

4.6.8

Based on a review of documents and interviews with sprayers as well as the surrounding communities, not identified any application of pesticides from the air.

4.6.9

The company showed the records of socialization and training of safety work standard procedure for sprayers for example on September 12, 2015 attended by 40 employees. Based on the results of field visits in spraying activities in the estate of MSM 1

and MSM 2 known that employees have understood the good technical work in conducting spraying and how to work safely. As for the sharecroppers today the company does not have smallholdings.

4.6.10

Agrochemical waste including pesticide packaging waste disposed in accordance with the applicable legislation. Old pesticide containers are stored in the hazardous waste temporary warehouse that has been cleaned previously and then shipped to the licensed hazardous waste collectors. The old pesticide containers should not be used as food and beverage containers. For hazardous waste handling training has been conducted in MSM POM on December 4, 2015 which was attended by 11 employees.

4.6.11

The Company already has a policies regulating medical examinations of employees regularly listed in the SOP of periodic health examinations for employees and workers with high risk for estae, document No. SOP 07 / EHS / (1) / 0410 stating that the medical examinations carried out every 6 months. Routine physical health examinations performed by company's doctors who have been trained by Hygiene Company and Occupational Health (certificate No. 24 838 / DH-V / 11) from Labor and Transmigration Agency of Indonesia on March 2011. The medical examinations done to all operators of pesticide and fertilizer according to the list of existing pesticide and fertilizer operators. It is also in accordance with the results of interviews with sprayers in the estate of MSM 1 and MSM 2 who were admitted to have followed the regular health examinations including physical examination and cholinesterase. Examples of the results of the routine physical examination in the estate of MSM 1 is from 72 employees are undetected the health problems, there only a few who are recommended to have an additional antidote (milk) and nutritional intake. Cholinesterase examination results in 2015 from 71 operators of pesticide and fertilizer were also detected in the normal state.

4.6.12

The company is not allowed pregnant and nursing workers to work which is related to the chemicals, showed in the *Inter Office memo* from General Manager No 016/GM/VIII/2009 on August 26, 2009. It is also stated in the SOP of Spraying and Fogging clause 2.4 point 2.4.2 stated that pregnant and nursing workers are not allowed to do mixing, spraying chemicals and other activities which are related to the chemicals. This is proved at the time of field visits on the spraying activity recognized that the employees have understood the prohibition policy and there are no pregnant or breastfeeding sprayers. If the sprayers are identified were pregnant through a routine check every month, then the employee is moved to the other work that is not related to the pesticides or other chemicals.

Status: Comply

4.7

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

4.7.1

The Company has a Policy on Safety and Health signed by the Group of Plantation Head and CSR Head Wilmar Group. The company also showed the procedures relating to OHS including First Aid, periodic medical examinations for employees and workers at high risk, assessment of hazard and risk, Guiding Committee of Occupational Safety & Health and investigation of workplace accidents. Policies and procedures related to OHS management plans in general have been socialized to the employees, This is proved during a field visit in the harvesting, spraying and fertilizing activities are recognized by employees in general has already known the policies and procedures on how to work safely.

4.7.2

The company already has SOP of hazard and risk assessment document no. SOP 11/EHS/(0)/0409 as a guide in preparing a risk analysis with measures such as the classification of work activities, hazard identification, analysis of risk level until the risk that can be tolerated. Identification of hazard sources and risk management is conducted and documented in every unit of mill and estate. Examples for mill is contained in the document of environmental impact aspect and OHS in the period of January

1, 2016 to December 31, 2016 made by the supervision of each part and ratified by EHS Officer / Guiding Committee of Occupational Safety & Health secretary and mill manager / Guiding Committee of Occupational Safety & Health chairman. In these identifications including hazard and risk of any part or operation unit at the mill and then presented the control that has been done and the risk analysis that may still appear after the controls so it is necessary to control the rate conditions continued until the risk can be accepted by the management. Based on the results of field visits in harvesting, spraying, fertilizing, pesticide storage and processing activities in the mill known that the work was done by observing the risk aspect by controlling the hazard sources based on the identification that has been done.

4.7.3

The company already has a training Program of OHS among others, program in 2016 as a training of Fire Extinguisher and Hydrant on February and September, Hazardous Waste handling on November, simulation of emergency state on February, First Aid training on August, risk assessment training on January, OHS basic on June. Example of training that has been done on 2015 among others, Simulation of fire emergency response on May 22, OHS basic training on October 30, First Aid Training on May 15, risk management training on January 29 and training in the use of fire extinguisher and Hydrant May 22. The company also provides special training for specific jobs such as operators of heavy equipment, steam boiler and others, for example MSM POM SIO of heavy equipment No. 12.1956 / OPK3 / SC / PAA / VIII / 2013 on September 13, 2013. The company also showed a letter of application for extension SIO which has been expired for the operators of heavy equipment and steam boiler to Labor and Transmigration Agency of East Kotawaringin Regency on February 11, 2016. **OFI No.04**

The company also provides PPE for each job type according to the potential of the existing risk. This is showed in the handover documents of PPE as an example in the MSM POM on February 22, 2016 in the form of 24 masks and 12 ear plugs for maintenance member. In the news event of the PPE handover stated that the requirements provisions in PPE such as PPE exchange if it broken with the requirements that the employee can showed the broken PPE before exchanged for a new one. This is in accordance with the results of interviews with the employee such as officer of POM grading, processing operator in the POM, harvest workers, sprayers and fertilizer who recognized that the broken PPE will be exchanged with the new one.

4.7.4

The company already has the personnel in charge in OHS who includes in the structure of Guiding Committee of Occupational Health and Safety as an example of Guiding Committee of Occupational Health and Safety structure in MSM estate, Ratification decree from Labor and Transmigration Agency No. Kep.560.566/272/Was-KK.P2K3/VI/2014 dated October 14, 2014. Guiding Committee of Occupational Health and Safety secretary has owned the certificate of training and Appointment decree from the Ministry of Labor on behalf of Hengky F Sinaga certificate from the Ministry of Labor and Transmigration Serial No. 13.9580/AK3/U/IX/2014. Appointment Decree No. Kep. 8611/M/DJPPK/IX/2014. The organization of Guiding Committee of Occupational Health and Safety is routinely conducted a meeting to discuss OHS. Examples of the meetings are monthly meetings of Guiding Committee of Occupational Safety & Health in MSM POM on February 19, 2016 was attended by 11 management to discuss the progress of the meeting recommendations before, the installation of the cover belting, widening the platform of kernel sample, etc. Guiding Committee of Occupational Safety & Health organization also conducts quarterly periodic reporting of Guiding Committee of Occupational Safety & Health to the Labor Agency shown in the example of report acceptance in the period from October to December, 2015 MSM estate on January 29, 2016.

4.7.5

The company already has an emergency response system, contained in document SOP of emergency response procedures - emergency response team (TPKD) Documents No. SOP 02 / EHS / (0) / 0409. There is also a flow chart of emergency handling in the SOP of emergency response procedures - emergency response team (TPKD). The Company also has an emergency response organization structure as an example of MSM POM with the Chairman is Yose Rizal, secretary is Hardik, and Task Force coordinator is Parwono and some of the task forces such as emergency handling, communications, rescuers, safety, paramedic, investigation, correction and recovery. Emergency response equipment is regularly checked to ensure the condition

of the tool is always ready when an emergency. Example of checking emergency response equipment is hydrant pump engine checks on December 18, 2015. The emergency response team are prepared to deal with emergencies, this is shown in the records of emergency response simulation as an example of MSM POM conducted simulating fire emergency response on May 22, 2015 with the participants are the whole team of emergency response.

The company also perform monitoring of work accidents and investigating in case of work accident contained in the document of incident notifications and document of incident investigation *reportable* from the accidents for example, work accidents in MSM POM on August 31, 2015 with the type of body contact on head / right face which resulted days lost. From the results of these investigations are known the causes of the incident and then do a repair plan by inspection of valve gasket mainly by flowing hot oil and turn gradually to the valve from the results of the inspection. The company also showed records of valve replacement as on November 23, 2015 valve vacuum sterilizer and November 25, 2016 valve replacement of bay pipe boiler fitting. The company can show evidence of a Social Security claims as showed in the document of accident report phase 1 date of accident on May 25, 2015. The accident report stage II, doctor letter social security 3b Form and evidence of treatment costs. Then the Social Security approved the claim showed in the proof of account transfers amounted to the requested claims.

4.7.6

The Company has a policy to involve all employees in a workplace accident insurance program. In addition the company also provides health services to employees at the company clinic. The policy stipulated in the regulations of PT. Mentaya Sawit Mas Chapter VI about employee welfare and social security. Depositing evidence of health Social Insurance Agency was showed in the transfer receipt of health Social Insurance Agency on February 4, 2016 for all employees of PT. MSM through Bank BNI. While for depositing of employment Social Insurance Agency was conducted on January 20, 2016 including accident insurance, Provident Fund Benefit, death benefit and retirement security. It also reaffirmed during an interview with the employee for example the harvest workers, sprayers, fertilizers, POM grading officer and operators in the POM processing station.

4.7.7

The Company also monitors the work accidents by using the analysis of *loss time accident*. Based on the analysis in 2015 known that the *incident rate* of MSM POM is 2.04 and *saverity* is 358.72 while the rate for workplace accidents in MSM estate known that the *incident rate* is 13 and *saverity rate* is 137.

4.7.3	Status: OFI 04
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4.8

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

4.8.1

The company has had a training program for workers in the period of 2016. The employee training programs include fire extinguisher training, basic training of environment and OHS, SCCS Training, Best Agriculture Practices Training, First Aid training and Fertilization Training.

4.8.2

Records of the training activities followed by every employee are noted in the document of "record in the level of competence and training ". Inside the document explaining the employee's name, the type of training (training, workshops / seminars), presenters and training dates. Based on interviews with workers, it is known that workers have been trained in accordance with the work being done. Contractors has been involved in several training such as OHS and emergency responses on 24 November 2015

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; 5.1.2

The company has an environmental document in the form of EIA of Plantation and Processing Mill of Oil Palm Development covering an area of 15,500 ha with the mill capacity is 90 Tons of FFB / hour. The company has a document of viability based on the Decree from East Kotawaringin Regent No. 660/01/BLH/IV/2009 on April 27, 2009.

5.1.3

The Company has a record evidence of environmental management report periodically and has implemented the entire management and monitoring, as required under the EIA document (Environmental Management Plan / Environmental Monitoring Plan).

Environmental Management Plan & Environmental Monitoring Plan (EIA Document, 2009)	Implementation of Environmental Management Plan & Environmental Monitoring Plan in Semester 1 Year 2015	Information
<ul style="list-style-type: none"> • Temperature & Humidity • Gas and Dust • Noise • Physical Properties of Soil Chemistry • Physical-Chemical Quality of Water Surface • Hydrology / Debit • Aquatic Biota • Attitude & Public Perception • Public unrest • Prevalence and incidence of disease 	<ul style="list-style-type: none"> • Temperature & Humidity • Gas and Dust • Noise • Physical Properties of Soil Chemistry • Physical-Chemical Quality of Water Surface • Hydrology / Debit • Aquatic Biota • Erosion • Potential of Fire • Flora & Fauna • Job Opportunities & Business opportunities • Attitude & Public Perception • Public Unrest • Prevalence and Incidence of Disease 	Has been implemented all the parameters contained in the document of EIA

Until the surveillance activities I is conducted there is no change in the scope and operation of companies that could lead to a revision of environmental documents (EIA and parent Document of Environmental Management Plan / Environmental Monitoring Plan).

Status: Comply

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; 5.2.2

PT MSM has had the outcome document of HCV identification that is HCV Assessment Report of The Wilmar Central Kalimantan Project, February 2009. Identification of HCV conducted by the Malaysian Environmental Consultants, Sdn Bhd.

Based on the document known that the identified HCV areas are covering an area of **3,152.88** hectares. The assessment team is RSPO Approved HCV Assessor.

Attention in the conservation aspects, PT. MSM has done some assessment in cooperation with several conservation organizations including:

1. Survey Biodiversity by WWF in 2007.
2. HCV assessment by MEC, June 2008.
3. Survey of Orangutan population by Conservationist Expert Wilmar Group in 2010.
4. Survey of Biodiversity by Zoologi Society of London (ZSL) in 2009 to 2012.
5. Central Kalimantan provincial government cooperation with PT. MSM and the Borneo Orangutan Survival Foundation (BOSF) in the Program of Best Management Practices (BMP) for Orangutan Protection and its Habitat in Wilmar Palm plantations. Agreement No. 02 / PKS-KSD / KTG / 2013; 02 / DIR-MSM / XII / 2013; 02 / YBOS / I / 2013, dated January 9, 2013. Signed by the Governor of Central Kalimantan, PT. MSM and BOS Foundation. SK of Cooperation Extension: No: 09 / PKS-KSD / KTG / 2015; 001 / MSM / ADM / BM / XI / 2015; 419 / YBOS / XI / 2015, dated November 25, 2015. The period of cooperation: 2 years since it was signed.

The identification results of Population Survey, Distribution and Orangutan Borneo Habitat in WILMAR Group Region of Central Kalimantan Project in 2007. Compiler Team, among others: APAPI, University of Tanjungpura, JARI Central Kalimantan-Social NGO, WWF-Indonesia. The type of Orangutan which is identified from the species of *Pongo pygmaeus wurmbii*. The results of the identification known the number of the nest as many as 24 nests with an estimated population of about 2.05 live / km².

While the results of the population assessment and habitat of orangutans conducted internally by the Wilmar Group Research Manager in the period of April to September 2010, concluded that the estimated population of orangutans as many as 1.07 individuals / km². Or equal with 42 individuals in the area of 3,937.43 ha of HCV area in PT. MSM. The method used in this assessment include: field study in 14 transects, observations through the presence of nests with different level of classes and population density calculation. Each of transect line with the size of 1 km (length), except 1 transect with a length of 950 meters. From 14 transect observation, the highest nest densities are in the transect 3 amounted to 37 nests found and were dominant in the peat swamp habitat. But the company is likely to present the data from routine monitoring of animal species Threatened and Endangered Species (especially Orangutan) in the HCV area which are interpreted in the form of a map. It serves to determine the distribution and populations of these species nest, so that it can contribute to the determination of policies to implement the management plans of HCV to be better. **OFI 05**

5.2.3

Management plan of the steps in the protection of these animals have been described in the Report Management Plant Realization in 2015 and Realization of Management Plan in Riparian Management. The actual implementation of the measures to protect the important species of orangutan through the socialization of HCV at 5 related Village on 5 to 6 March 2015. Pahirangan Village, Penda Durian Village, Baampah Village, Tanjung Bantur Village and Kawan Batu Village. Program conducted is Training of Participatory Mapping, Best Management Practices Program to the survival of HCV area, especially in the presence of Orangutan on January 29 to 30, 2015. While the socialization for plantation workers was conducted on March 9, 2015, May 13, 2015 and May 20, 2015 (MSM-1) and 15, 18, and 19 May, 2015 (MSM-2).

5.2.4; 5.2.5

In addition, the seriousness evidence of PT. MSM in the protection of orangutans are done in the form of meetings about the discussion regarding to the signing of a Memorandum of Understanding related to the Management of HCV in PT. MSM between BOSF, Provincial Environmental Agency, District Forestry Agency, Company Representative and Village Chief of Tanjung Bantur Village, Batu Kawan Village, Baampah Village, Penda Durian Village and Pahirangan Village (September 9, 2015).

The majority of the identified HCV area to ensure the availability of food and habitat for Orangutan is still in good condition and well maintained. Threat to important species including: land use by communities in the Land Use Title and is in the region of HCV, especially in riparian. In addition, the number of illegal mining's activity in the area as a corridor of Orangutan by irresponsible people.

5.2.4 | Status: OFI 05
5.3
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.
5.3.1; 5.3.2

The results of the examination of documents the company has identified the sources of waste and pollution which explains the source / activity and types of waste / pollution generated (Hazardous Waste / Non Hazardous or GHG emissions). Based on the results of field visits and document verification of waste management conducted by the company, among others:

- POM solid waste in the form of shells and fibers are used again as fuel for the boiler while the EFB is used as fertilizer
- Effluent is used for land application
- Domestic waste is collected and disposed to the landfill regularly once a week
- Hazardous Waste is stored in the Licensed Hazardous Waste Temporary Warehouse to be sent to the licensed third party.

5.3.3

But based on the results of document verification of "Estate Waste Identification and its management", the management of Hazardous waste is stored in Hazardous Waste Temporary Warehouse, then sent to the Collector, while for Medical Waste (Infectious) is sent to the hospital. At the time of the audit ASA-1, PT MSM has not shown the implementation of hazardous waste management plan. This is because the cooperation with the collector validity has been expired (PT Maju Asri Jaya Utama and Kuala Pembuang Hospital). Based on the explanation, raised **non conformity No. 2016.02 On Minor Indicator 5.3.3**

Minor 5.3.3 | Status: NC 2016.02
5.4
Efficiency of fossil fuel use and the use of renewable energy is optimised.
5.4.1

The efforts made by the company to make the efficiency use of fossil fuels, among others with shells and fiber utilization as fuel for the boiler. The results of document verification showed that the use of fiber and shell as fuel for the boiler can saved the use of diesel fuel up to 79.72% in 2015.

Status: Comply
5.5
Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.
5.5.1; 5.5.2

The Company has established policies and procedures for land clearing without burning outlined in the procedure of land clearing / preparation of new land clearing which is described the process of land clearing without burning. The results of the document study, public consultation and field visits showed that since ST-2 to the ASA-1, the company did not do a new land clearing.

The results of verification of documents, there are several fires in the operational area of PT MSM. The area has been mapped, identified the source of the fire and reported to the relevant agencies.

Status: Comply
5.6
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.
5.6.1

To reduce pollution and emission the company has identified the sources of pollutions and emissions as described in the document of "sources identification of waste and pollution". Efforts have been made by the management unit to reduce pollutions and emissions including the examination and maintenance of work tools regularly, utilizing solid waste (shell) as a boiler fuel, utilizing solid waste (EFB) as a raw material for composting and utilizing the effluent in the land. In addition, the company also

identifying GHG sources which are accompanied by a plan to manage it.

5.6.2

As an evidence of pollution and emissions management implementation, management unit has been monitoring the quality of emissions regularly (every 6 months) covering Emissions Testing, Ambient Air Testing, Vibration, Noise and odor was conducted by UNILAB PERDANA laboratory of Jakarta (accreditation number LP-195- IDN) and based on the results of the examination there is no parameters above the quality standard.

5.6.3

Verification of documents showed that PT MSM had done the calculations of GHG emission by using RSPO GHG Calculator version 2.1.1 in the period of January to December 2016 and reported to the RSPO on February 15, 2016, based on the calculation results obtained information that the value of GHG emissions is:

1. Total of Estate Emission is 30602.47 tCO₂e
2. Total of Mill Emission is 49074 tCO₂e

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

Management unit has a document of Social Impact Assessment of PT Mentaya Sawit Mas drafted on March 2012. The Process of data collection and analysis of Social Impact Assessment is conducted by Cooperation Institution of Pride Center-Yogyakarta. The document is described about the positive and negative impact from the management of estate and mill of PT Mentaya Sawit Mas. Collection of the field data to draft the report is done through Focus Group Discussion (FGD) in some of the surrounding villages, that is:

- Baampah Village, February 9, 2012 (attended by 65 participants)
- Kawan Batu Village, February 10, 2012 (attended by 54 participants)
- Penda Durian Village, February 11, 2012 (attended by 14 participants)
- Pahirangan Village, February 13, 2012 (attended by 20 participants)

6.1.3

In the document of SIA There are also photographs of Focus Group Discussion activity implementation in the process of collecting the data in the surrounding villages, as well as the records of the meeting results, as shown in Table:

No	Parameter/Indicator	Response from Communities in 5 Target Villages (Baampah Village, Kawan Batu Village, Penda Durian Village, Tanjung Batur Village and Pahirangan Village)
1	Work Reception	Ease of workability and competence requirements for applicants from surrounding villages of PT MSM
2	Consultation and Communication	The existence of meetings or coordination routinely to enhance the cooperation and avoid misunderstandings between communities with the company
3	Cooperative Contract (MOU)	Mou is expected to be realized so that the relationship of cooperation between the community and the company became clearer and stronger

		in legal basis, and the second is that the community immediately feel their increased welfare as a result of the cooperation
4	Community Empowerment	PT MSM is expected can help to improve the economic welfare of society through productive activities for the communities including a group of mothers

SIA Assessment has been conducted by involving the affected parties. The method is performed at the time of assessment is the Focus Group Discussion and Personal Interview. The number of respondents were taken at the time of SIA assessment is: 50 Managerial / staff of PT MSM, 8 Mill employees, 30 general employees, 30 maintenance employees, 40 FFB harvesters, 81 people from Baampah Village, 14 people from Penda Durian Village, 20 people from Hariangan Village, 54 people from Batu Kawan Village and 28 people from Tanjung Batur Village, 2 contractors, 1 supplier, 5 people from sub district head, and 2 BPS Staff.

6.1.4

The management unit has drawn up a plan to reduce negative impacts and enhance positive impacts, including scheduling and responsible implementation. The plan has been in consultation with the parties (there is evidence of consent and meetings with stakeholders such as village chief, Village Consultative Body, traditional leaders, community leaders and youth leaders in the village of Baampah, Kawan Batu, Tanjung Bantur, Penda Durian, Pahirangan and Kapuk. But the management unit not conduct a review of a plan to reduce the impact with minimum of 2 years including the update of the plans that has been made and has not shown any evidence that the review process has involved the affected parties, based on the explanation raised **non conformity No. 2016.03 on Minor indicator 6.1.4**

6.1.5

MSM does not have scheme smallholders due to no obligation from plantation permits.

Minor 6.1.4	Status: NC 2016.03
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6.2

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

6.2.1

The management unit has Procedures of Implementation Mechanism of Communications and Consultations with Community No. SOP 35 / PR / (1) / 0614 (effective on June 12, 2014) are well maintained.

6.2.2

The officer appointed to conduct communication and consultation are included in the SOP of Appointment for Communications and Consultation Officer with the Community. SOP No. 44 / PR / 4/0614 on June 14, 2014 regarding to the appointment of the Consultation and Communication Officer with the Community:

The officer in question are:

- In the field of permitting and government relations (Mr. Juatku Antono and 2 staff).
- In the field of PR and Community Social (Mr. R. Dimas Setyawan and 10 staff).
- In the field of land / smallholdings acquisition (Mr. Andi Ayyub and 8 staff).
- In the field of security (Mr. Sukiman Kadir and 3 staff).
- In the field of CD / CSR or Community Development (Mr. Setyo budi and 7 staff).

The management unit showed evidence of socialization appointment of consultation and communication officers with the public on July 14, 2014 in Tanjung Batur Village, on September 18, 2013 in Baampah Village, and on July 14, 2015 in Tanjung Batur Village, and on January 4, 2016 in Penda Durian Village.

6.2.3

A list of stakeholders owned by PT MSM in the period of January 2016 to June 2016 as follows: Government of Central Kalimantan Province as many as 10, Government of East Kotawaringin District as many as 17, government of Sub district and village (1 Sub district head and five village Chiefs), 20 community leaders, six palm plantation company, Regional Police - Resort Police - Sector Police and military, academics and NGOs as many as 20, Estate Contractors as many as 37, Mill Contractors as many as 15, Suppliers as many as 143, Hospitals as many as 3, banking as many as 3, and Social Insurance Agency of Health and Labor.

Here are some records of communication with stakeholders:

- Minutes of the Annual Meeting of PT MSM in the village of Penda Durian on January 5, 2016 which was attended by 42 representatives from the village of Penda Durian as the village chief, village secretary, chairman of Village Consultative Body, Chairman of Neighborhood Association 02, deputy chairman of Village Consultative Body, Village Consultative Body Member and Chairman of Neighborhood Association 01 and the community) with the Submission agenda of SOP PIC Consultation with the community.
 - Transparency of employment from the company
 - Plans of CD - CSR programs and smallholdings from the company
 - Submission related to the HCV and RSPO held in the company
 - Dialogue with the company related to the presence of the company.

The management unit also documented incoming mail from the parties and documented the response given. All incoming mail containing requests for assistance, and response from the management unit in the form of requested assistance further described in the criteria 6.11.1.

Status: Comply

6.3

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

6.3.1

The management unit has SOP / 34 / PR // (1) / 0614 about the Procedures for Complaints Acceptance and Settlement of Dispute Especially Outside the Court and SOP of grievances and Employee complaints (SOP 42 / HRD / 0/0609), in addition, the management unit also had socialized the SOP and provide a suggestion box. Policy to protect a whistleblower and also the privacy of parties mentioned in Policy number 042. The management unit showed the socialization evidence of grievances procedure and employee complaints on August 19, 2015 in MSM I along with the minutes of the meeting of PT MSM Bipartite Cooperation Institution. Based on interview with manuring workers and sprayers it was clearly informed that complaints and grievances procedure is known by the workers

Based on interviews with the HRD of PT MSM known that:

- A suggestion box is stored in various departments, including the suggestion box storage in the place of employees payday
- Form of complaints and grievances are submitted to the employee when morning absent.
- Employees can write a complaint anonymously

According to the employees, they are free to make a complaint to superiors without fear of being penalized.

6.3.2

Records of employee complaints recorded in the log book of complaints, for example, complaints from mill employees during 2015 recorded as many as 3 complaints, among others:

- Complaints from EHS staff on February 10, 2015 about clogged drains so that water shortages and the sink is clogged so that water overflow onto the floor. The management unit responses the complaint on the same requested date to repair the damage. There are news event and photo of damage repairing referred to above.

Based on the results of the document study and interviews with the parties known that the management unit is documented the grievance resolution process including documented of a process that has been done (although during 2015 there were no complaints from the surrounding communities, and the only complaint received was only from the employee).

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

PT MSM already has a Standard Operating Procedure of Technical Guidelines for Acquisition the Land / Land Acquisition (SOP 29 / BM / (0) 0409). This procedure is a technical guidelines in the organization of the company that are used to ensure that the decision, step or action is in the process of acquisition of land and / or releasing of land for oil palm plantation industry is done properly and correctly according to the provisions and the applicable legislation. In the procedure are also equipped with a process stage involving the village chief, Village Headman, Sub District Head and National Land Agency (BPN).

6.4.3

The process and outcome from any negotiated agreements and compensation claims are documented in the form of a recapitulation of Compensations. Results of verification, records of compensation in PT. MSM in the period of 2006 to 2015, and the total are 792 land plots (10,590.36 hectares). The details: 2006 (1,491.16 hectares); 2007 (6,087.25 hectares); 2008 (1,055.27 hectares); 2009 (1,307.58 hectares); 2010 (197.84 hectares); 2011 (46.93 hectares); 2012 (75.46 hectares); 2013 (58.81 hectares); 2014 (112.43 hectares); 2015 (157.63 hectares).

While the explanation of land tenure status before land rights is issued, is in the state land that has been free from the control of the population / community. Although at the time when the land surveying (cadastral), land agency has involved stakeholders including surrounding communities and there is no recognition of land ownership in the company area.

Status: Comply

6.5

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

6.5.1

The results of document verification known that the employee payment is referred to the regulations of East Kalimantan Governor No. 53 Year 2015 about District Minimum Wage and District Sectoral Minimum Wage in 2016 for East Kotawaringin district amounted to Rp 2,277,634. Examination of payroll and interviews with employees obtained information that the salary received is in accordance with the applicable provisions.

6.5.2

The certificate holder has shown that there are regulations of the Company that has been ratified by Labor and Transmigration Agency of East Kotawaringin District. The employment agreement is in accordance with the existing labor regulations in Indonesia, and it is written in a language and understood by the worker, the interviews with workers in the estate and mill showed that the workers have known about the rights and obligations described in the Company Regulations

6.5.3

Based on the results of field visits known that the company has been providing housing facilities, lighting, water, daycare, cooperatives, employee halls, places of worship, school buses, clinics and educational facilities. The results of interviews with workers at the cottage, it is known that the workers have felt fulfilled with the infrastructure and facilities that have been provided by the company.

6.5.4

The results of field visits showed that the company has been providing employee cooperatives that sell daily necessities to meet the workers need. In addition, the employees are also looking the needs to the market which is approximately 2 km from the company locations.

Status: Comply

6.6

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

6.6.1

The company showed the Internal Memorandum No. 026 / WIP-HRD / INT-VIII / 2009 about the conditions of employment. In point 1 about the freedom of association stated that every employee is free to form and join worker unions and Labor unions in accordance with applicable regulations. Until the activities of ASA- 1 in PT MSM has not been formed Worker Unions, but the company is formed Bipartite Cooperation Institution and has been reported to the relevant agencies, as a forum for the settlement of the existing industrial relations and related to the compliance with the applicable regulations. The results of interviews with workers known that the worker has known about the policy on freedom of association and workers also have known about the function of the worker unions.

6.6.2

The results of a public consultation with worker union boards, it is known that there are no problems that occurred along 2015. The meeting between worker unions and the workers performed routinely or whenever if there is a problem that must be discussed. Last meetings were conducted on February 16, 2016 with a discussion in the form of socialization about the company code of conduct policies and socialization about housing environment cleanliness

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The company showed the Internal Memorandum No. 026 / WIP-HRD / INT-VIII / 2009 about the conditions of employment. In point 2 mention that the company upholds the legislation by not employing children under 18 years old. According to the interviews with employees and field visits which are supported with a document examinations of employee list, known that there are no employees who are under 18 years old. Interviews with employees is also known that they have already known about the minimum age for admission to be employment is 18 years old

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

Policies against discrimination outlined in the Internal Memorandum No. 026 / WIP-HRD / INT-VIII / 2009 about the provision of employment, in point 3 about the same opportunities for employees mentioned that the company upholds the value of professionalism and ensure there is no discrimination in race, skin color, sex, religion, political beliefs, national and social origin.

6.8.2; 6.8.3

Based on interviews with workers, Bipartite Cooperation Institution and gender committee there was no indication of discrimination based on ethnicity, religion, race and class. The results of the document examination of employee data found that PT MSM does not discriminate in recruiting employees. Based on the results of document observations of employee selection and interviews with workers and the company management known that the employee recruitment procedure had been done by the company. The company can show the evaluation of employee performance appraisal form with the aspects, among

others		
	Status: Comply	
6.9		
There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1; 6.9.2; 6.9.3		
<p>Procedure related to the specific complaints in the companies there are no changes from the previous assessment. The results of document verification known that during 2015 there were no specific complaints in each estate and POM. Interviews with the management of gender committee showed that they have already known the duties and responsibilities as the socialization about the complaints mechanism, the socialization of sexual harassment. Additionally obtained information that the company guarantees the anonymity of the reporting and the revealers of the case.</p>		
	Status: Comply	
6.10		
Growers and mills deal fairly and transparently with smallholders and other local businesses.		
6.10.1; 6.10.2		
<p>Until this surveillance, PT Mentaya Sawit Mas does not receives FFB from smallholders or third parties. All the FFB supplied from PT Mentaya Sawit Mas and the other FFB source from PT. Bumi Sawit Kencana and PT. Karunia Kencana Permaisejati (Wilmar Group plantations).</p>		
6.10.3; 6.10.4		
<p>In interviews with the Contractor of CV ioga Saudara and CV Sinar Barokah on February 24, 2016 it is known that during the cooperation no complaints were perceived by the contractor, they read the contract before it signed and save the copies of the contract so that the contractors is understood the contents of the agreements made, in addition to the payments made by the company are always on time according to the contract made</p>		
	Status: Not Applicable	
6.11		
Growers and millers contribute to local sustainable development wherever appropriate.		
6.11.1; 6.11.2		
<p>PT MSM has contributed to local development through third-party donations and activities of CD-CSR to the surrounding villages such as the village of Penda Durian, Kawan Batu, Baampah, Tanjung Batur and Pahirangan (The activity of CD-CSR is done based on the needs and the results of communication with the communities). PT MSM does not have scheme smallholders.</p>		
<p>PT MSM contribution to local development is shown through some record evidence, among others:</p>		
<p>a. Realization of CD-CSR Year 2015 Central Kalimantan Project (CKP) Wilmar International Plantation (WIP) unit of PT MSM. Programs that have been made include the field of Education, Social, Religious, Arts and Sports, Infrastructure, Economic, and Health.</p>		
<p>b. The activities of CD CSR which is conducted, that is:</p>		
<ul style="list-style-type: none"> • Religious, for example: assistance for the celebration of religious holidays (Muslim, Christian), safari Ramadan • Health, For example: assistance in the form of additional foods for baby, pregnant and nursing women • Education, for example: Teacher salary incentive • Social, for example: Aid for Development Planning Consultation Activity, Aid for cut down activities in order for making way, aid for the inauguration of the Center Hall of "Eka Pambejoem", aid for the inauguration of Customary Chief, Aid for village financial management training • Infrastructure, for example: Aid for making wellbore, the construction of the mosque, aid for the manufacture of road and bridge 		

- Arts and Sports, for example: Aid for ceremony *mampakan sahur* and *mamapas lewu* in East Kotawaringin District.
- c. Program of CD-CSR conducted in the village of Pahirangan, Tanjung Batur, Panda Durian, Baampah, Kapuk, Kawan Batu (Mentaya Hulu District, East Kotawaringin Regency)
- d. Recapitulation of CD-CSR realization year 2015:
 - East Kotawaringin Regency, Regency or Other Cities.
 - Mentaya Hulu District
 - Village: Kawan Batu Village, Baampah Village, Panda Durian Village, Pahirangan Village, Tanjung Batur Village and Kapuk Village
- e. PT MSM has contributed to third party in the region in accordance with Regional Regulation of East Kotawaringin No. 13 Year 2000 dated May 24, 2000 about Acceptance of Donations from the third parties to the Regions, and Regent Decision of East Kotawaringin Regency No. 06 Year 2000 about Guidelines for the Implementation of Regional Regulation in East Kotawaringin No. 13 Year 2000 about Acceptance of Donations from the third parties to the Regions.
- f. Examples of record evidence of CD-CSR, among others:
 - Donations for the Village Community Economic Empowerment in Kapuk Village, Mentaya Hulu District on April 11, 2015 (there is evidence of receipt and the minutes of the handover).
 - Donations for wellbore construction in Baampah Village, Mentaya Hulu District (there is evidence of receipt and the minutes of the handover).

The results of interviews with the villagers of Baampah and Communities of Tanjung Batur Village known that the program of CD-CSR of PT MSM has gone well proven with the aid from the company in the form of religious facilities aid, teacher incentives, road maintenance.

	Status: Comply	
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6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Document review and interviews with workers showed that there were no migrant labor, trafficking practices and forced labor. According to interviews with workers showed that they are working on parts in accordance with labor agreements.

	Status: Comply	
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6.13

Growers and millers respect human rights

6.13.1

The company has had a policy on human rights that was ratified in June 2014. In the policy explained that Wilmar International Plantation is complying with the Principles of tribute and protection on human rights internationally known, applicable local laws regulations. The results of verification of documents and interviews with workers obtained information that the policy has been socialized for example on December 2, 2015

During the visits to the division office, the policy has been mounted on the wall of information and also based on interviews with workers, explained that the workers had been aware about the policy.

	Status: Comply	
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PRINCIPLE #7 Responsible development of new plantings

7.1

A comprehensive and participatory independent social and environmental assessment is undertaken prior to

establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
7.1.1; 7.1.2; 7.1.3		
The Company does not have plans for plantation expansion. But the company already have environmental management document, which include the analysis of positive and negative, social and environmental, as well as the participation of the affected parties (local communities) contained in EIA document development of plantations and palm oil mills in the district of Mentaya Hulu, East Kotawaringin Regency, province of Central Kalimantan in 2009 for estate covering an area of 15,500 hectares with the mill capacity of 90 tons FFB / hour.		
	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		
Available document of <i>Soils of Ladang</i> Mentaya Sawit Mas, Kota Besi District, East Kotawaringin Regency, Central Kalimantan province, Indonesia by Param Agricultural Soil Surveys (M) SDN. BHD-Selangor, Malaysia conducted on June 2007. The information contained in the documents are related to geology and geomorphology, topography and drainage, climate, soil types and soil managements.		
7.2.2		
Based on identification in the slope map from SRTM3 in 2006 known that the area of the company is located in the area with a slope of 0 - 60 with a flat classification so that the company does not perform specific management strategy in the areas with a certain slope. However, the company continues to monitor the erosion in areas with sandy soil category to install the erosion pole in each division, it refers to the SOP of Manual measurement of soil erosion document No. SA 08 / EMU / (0) / 0911 in August 2011 ratified by the General Manager. Based on the monitoring results of the erosion pole for example MSM 1 estate known there is no erosion. From the results of the field visit was also found the erosion pole showed that there is no erosion.		
	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; 7.3.4; 7.3.5		
PT MSM has had the document results of HCV identification that is HCV Assessment Report of The Wilmar Central Kalimantan Project, February 2009. Identification of HCV conducted by the Malaysian Environmental Consultants, Sdn Bhd. Based on the document known that identified HCV areas covering an area of 3,152.88 hectares . The assessment team was RSPO Approved HCV Assessor.		
7.3.2; 7.3.3		
While the planting year of PT. MSM based on the statement area version of January 2016 among others: 2007, 2008, 2009, 2010, 2013, 2014 and 2015. Under the direction from the RSPO, PT. MSM has made Disclosure of Liability and has been sent to RSPO through email on April 8, 2015. Until the ASA-1 assessment, there has been no response from the RSPO to the disclosure reports of PT. MSM.		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1		

The Company has soil type maps of *peat soil* based on the survey by the EMU Department in 2016. For MSM 1 estate with a scale of 1: 50,000 are identified 204 hectares of shallow peat soil, while in MSM 2 estate with a scale of 1: 55,000 are identified 347 hectares of shallow peat. The company also has a marginal soil map in the form of Sandy area map (sandy area) semi-detailed soil survey by Param Agricultural Soil Surveys (M) SDN.BHD in 2007 known that MSM 1 estate with a scale of 1: 50,000 there is *Buso* land class (60.78 ha), *Miri* (364.08 ha), and *Serai* (3,148.93 ha), while in MSM 2 map with a scale of 1: 55,000 there is *Buso* land class (186.26 ha), *Miri* (678.48 ha), and *Serai* (1,072.24 ha).

7.4.2

The company has the SOP of management and utilization of peat soil document No. SA 03 / EMU / (4) / 1215 ratified in December 2015 by the general manager. In the SOP is described about the technical monitoring of water levels and monitoring the decline of the peat. Monitoring the decline of ground level with the subsidence pole for example in MSM 1 estate is located in block 022 installed since September 21 2013, until the observation in January 13, 2016 at three pole locations there are decline of 3 cm, 5.3 cm and 7 cm. Monitoring the peat subsidence with mounting the pole was also found during a field visit in MSM 1 block 022, MSM 2 estate blocks 565 and 578.

Water level management program in the peat land by making a trench like in MSM-1 along 335,758 m and in MSM-2 along 290,667 m2. The company also has a water level management program in the peat land by building *Weirs* (dike / water retaining dam) in MSM-1 as many as 4 units and in MSM-2 as many as 1 unit. Besides, it is also conduct monitoring water levels by making the water level monitoring pole (water level), in MSM-1 as many as 4 units and in MSM-2 as many as 1 unit. Based on the observations of *water levels* in MSM 1 estate block 023 pole No. 1 in January 2016 known the water level ranges at an average of 50 cm, while in MSM 2 estate blocks 578 pole no. 1 in January 2016 known *water level* ranges at 52 cm to 80 cm. Management of surface water by manufacturing weirs and monitoring of water levels were also found during the field visits.

Status: Comply

7.5

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

7.5.1

PT MSM already has a Standard Operating Procedure of Technical Guidelines for Land Acquisition (SOP 29 / BM / (0) 0409). This procedure is a technical guideline in the organization of the company that is used to ensure that the decision, step or action in the process of land acquisition for oil palm plantation industry is done properly and correctly according to the provisions and the applicable legislation. In the procedure are also equipped with a stage process involving the village chief, Village headman, Sub District Head and National Land Agency (BPN).

The process and results of any negotiated agreements and compensation claims is documented in the form of a recapitulation of Compensations. Results of verification, records of compensation in PT. MSM in the period of 2006 to 2015, with a total of plots are 792 plots (10,590.36 hectares). The details: 2006 (1,491.16 ha); 2007 (6,087.25 ha); 2008 (1,055.27 ha); 2009 (1,307.58 ha); 2010 (197.84 ha); 2011 (46.93 ha); 2012 (75.46 ha); 2013 (58.81 ha); 2014 (112.43 ha); 2015 (157.63 ha).

While the explanation of land tenure before land rights issued, is a state land that has been free from the control of the population / community. Although at the time when the land surveying (cadastral), land agency has involved stakeholders including surrounding communities and there is no recognition of land ownership in the company area.

Status: Comply

7.6

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

7.6.1; 7.6.2; 7.6.3

PT MSM already has a Standard Operating Procedure of Technical Guidelines for Land Acquisition (SOP 29 / BM / (0) 0409). This procedure is a technical guideline in the organization of the company that is used to ensure that the decision, step or action in the process of land acquisition for oil palm plantation industry is done properly and correctly according to the provisions and the applicable legislation. In the procedure are also equipped with a stage process involving the village chief, Village headman, Sub District Head and National Land Agency (BPN).

7.6.4; 7.6.5; 7.6.6

The process and results of any negotiated agreements and compensation claims is documented in the form of a recapitulation of Compensations. Results of verification, records of compensation in PT. MSM in the period of 2006 to 2015, with a total of plots are 792 plots (10,590.36 hectares). The details: 2006 (1,491.16 ha); 2007 (6,087.25 ha); 2008 (1,055.27 ha); 2009 (1,307.58 ha); 2010 (197.84 ha); 2011 (46.93 ha); 2012 (75.46 ha); 2013 (58.81 ha); 2014 (112.43 ha); 2015 (157.63 ha). While the explanation of land tenure before land rights issued, is a state land that has been free from the control of the population / community. Although at the time when the land surveying (cadastral), land agency has involved stakeholders including surrounding communities and there is no recognition of land ownership in the company area.

Status: Comply

7.7

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

7.7.1; 7.7.2

The Company has established policies and procedures for land clearing without burning outlined in the procedure of land clearing / preparation described about the process of land clearing without burning. The results of the study of the document, public consultation and field visits showed that since ST-2 to the ASA-1, the company did not do a new land clearing.

The results of document verification, there are several fires in the operations area of PT MSM, the area has been mapped, identified the source of the fire and reported to the relevant agencies.

Status: Comply

7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

7.8.1 and 7.8.2

The Company has no new plantation development since Januari ^{1st} 2015.

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity
8.1

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

8.1

The Company has made efforts to reduce the use of pesticides such as by applying pest and disease control in an integrated manner, namely by combining the control of chemical and biological control (beneficial plant development) as well as the use of an early warning system. The use of pesticides is minimized as in weed control selectively and adjusted to target of the weeds kind in the field. This is also evidenced during a field visit in the MSM 1 estate block 019 and MSM 2 estate block 547 circle spraying and harvesting path by using pesticide with glyphosate active ingredients in accordance with the weed target that is narrow-leaved weed.

The Company also conducts regular monitoring of operational activities including:

MSM POM: Problem identification corrective action (PICA) for example in the period of January 2016 with 8 findings identified problems then carried out corrective action with a dateline and the corrective progress.

MSM 2: Verification of internal audit RSPO for estate operations in November 4, 2015 there are 7 findings followed by corrective actions which are need to be done with a dateline for example the findings related to MSDS and PPE on spraying job which has been repaired. Other monitoring activities in the form of verification results of corrective and continuous improvement for MSM 1 MSM 2 and MSM POM, for example on 12 to 14 January 2016 there were 47 findings followed with evaluation and verification as well as the PIC and dateline as examples of administrative findings related to the update of stakeholders list with a dateline of February 2016.

	Status: Comply	
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>MSM POM until audit ASA-1 is still implemented a model of supply chain Mass Balance. FFB supply source for MSM POM is still received from uncertified sources. The volume of products sold by using Mass Balance claim.</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimated volume of certified products for MSM POM is listed in the certificate appendix. The auditor teams conduct verification on the actual volume of certified products produced at the time of Surveillance activities. Information of certified products volume and were sold with a certificate claim, will be attached to the report as well as the renewal (update) data on the system eTrace.</p>
	Status: Comply
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <p>License Information for PT. MSM on the eTrace as follows:</p> <p>Member ID: RSPO_PO1000003150</p> <p>License Status: Expires 04/23/2016</p> <p>Account UID: RSPO_AC1000003120</p>
	Status: Comply
E.3	Documented procedures
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>a. SOP Mass Balance (Document No: SOP-MILL-14, Revision No. 02, July 2014). Procedures include: Data Input of FFB (Certified & Non Certified); Data Input of FFB process become CPO (Certified & Non-Certified); Data Input of CPO Dispatch (Technical dispatch, Seals mounting, Delivery of certified products need to be approved by Head of Administrator and Mill Head); Logistics of quantity data input of sustainable and non-sustainable product delivery; Every three months the condition of the stock balance should not be negative; Transactions of certified products, logistic parts inputting data in the</p>

eTrace system after all commodities are shipped by POM and accepted by consumers. Data input is done after all the transaction details are correct.

- b. Responsible person in the whole process of supply chain MSM POM: Security (registrar of all FFB expeditions and dispatch of CSPO / CPO), Weigh operators (weighing in all received FFB and shipping products), Logistics (calculation results of CSPO / CPO production, dispatch, reports of the products delivery and traceability report), Head of Administrator (acceptance control of FFB and CSPO / CPO, FFB acceptance report, dispatch, product delivery reports and traceability reports), Mill Head.

Status: Comply

E.3.2

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

SOP Mass Balance (Document No: SOP-MILL-14, Revision 2, in July 2014).

6.1.1 FFB Data Input (Materials Acceptance)

- Security guard records all FFB trucks that enter / leave the POM.
- Weigh Operators ensure the Delivery Order Letter of certified and non-certified FFB is still valid and complete.
- Weigh Operators should know the incoming FFB is came from certified or non-certified FFB based on the number of supplier/estate DO listed in the Delivery Order listed in the suppliers list.
- Weigh Operators are reported the recapitulation of FFB acceptance to the logistic for input to the Mass Balance Calculation Format.
- Logistic data input of acceptance FFB to the Mass Balance.

8. Data Input of FFB process became CPO

8.1.1 Depart. FFB process became CPO and report of processed FFB submitted to the logistic parts in the form of Daily Production Report.

8.1.2 Logistic officers calculate CPO production and reported to the Mill Head.

8.1.3 Logistic data input of FFB process and CPO production to the Mass Balance form in accordance with the report of Daily Production Report.

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.

PT. Mentaya Sawit Mas Palm Oil Mill
CPO Products Daily and Monthly Movement Summary Report

YEAR: 2015													
DATE	FFB RECEIVING		FFB PROCESSING		CPO PRODUCTION		CER	PRODUCTION		DISPATCH		STOCK (MT)	
	MSM Delivery (MT)	RIS Delivery (MT)	Outsiders Delivery (MT)	Total FFB Delivery (MT)	Total (MT)	FFB Processed (MT)		NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)
B/E OPENING STK													
End of Quarter 1													
Jan 2015	8,278,210		12,310	8,290,520	8,290,520	8,290,520	98.703	2,587	2,586	343,747	923,030	261,852	943,747
Feb 2015	11,007,100	312,800	1,455,240	12,775,140	12,775,140	12,775,140	98.715	344,915	2,609,131	2,609,131	2,609,131	2,609,131	2,609,131
Mar 2015	11,899,100	308,900	1,326,820	13,534,820	13,534,820	13,534,820	98.712	344,915	2,709,544	2,709,544	2,709,544	2,709,544	2,709,544
End of Quarter 2	28,881,510	3,021,700	2,991,860	34,895,070	34,895,070	34,895,070	98.712	682,739	5,818,822	5,818,822	5,818,822	5,818,822	5,818,822
Apr 2015	11,114,200	50,190	3,426,650	14,590,940	14,590,940	14,590,940	98.712	344,915	2,709,544	2,709,544	2,709,544	2,709,544	2,709,544
May 2015	10,149,610	37,030	3,709,870	13,906,510	13,906,510	13,906,510	98.712	344,915	2,709,544	2,709,544	2,709,544	2,709,544	2,709,544
June 2015	14,206,700	204,100	3,229,850	17,640,650	17,640,650	17,640,650	98.712	344,915	2,709,544	2,709,544	2,709,544	2,709,544	2,709,544
End of Quarter 3	35,288,510	320,180	10,858,950	46,467,640	46,467,640	46,467,640	98.712	1,022,569	17,236,915	17,236,915	17,236,915	17,236,915	17,236,915
July 2015	16,106,670	116,470	1,784,820	18,007,960	18,007,960	18,007,960	98.712	344,915	2,709,544	2,709,544	2,709,544	2,709,544	2,709,544
August 2015	18,222,290	144,710	3,443,660	21,810,660	21,810,660	21,810,660	98.712	344,915	2,709,544	2,709,544	2,709,544	2,709,544	2,709,544
September 2015	15,212,790	191,560	3,499,290	18,903,640	18,903,640	18,903,640	98.712	344,915	2,709,544	2,709,544	2,709,544	2,709,544	2,709,544
End of Quarter 4	51,541,610	465,240	8,997,890	61,004,740	61,004,740	61,004,740	98.712	1,366,286	17,236,915	17,236,915	17,236,915	17,236,915	17,236,915
TOTAL C/F	112,152,778	3,897,810	11,993,670	137,044,258	137,044,258	137,044,258	98.712	4,363,885	17,236,915	17,236,915	17,236,915	17,236,915	17,236,915
YEAR: 2016													
DATE	FFB RECEIVING		FFB PROCESSING		CPO PRODUCTION		CER	PRODUCTION		DISPATCH		STOCK (MT)	
	MSM Delivery (MT)	RIS Delivery (MT)	Outsiders Delivery (MT)	Total FFB Delivery (MT)	Total (MT)	FFB Processed (MT)		NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)
B/E OPENING STK													
January 2016	8,526,080	73,660	1,966,400	10,566,140	10,566,140	10,566,140	98.712	1,891,647	436,746	1,900,000	1,096,700	1,570,735	1,570,735
February 2016	4,838,040	-	422,450	5,260,490	5,260,490	5,260,490	98.712	46,154	1,113,180	1,185,320	-	287,414	40,725
March 2016	19,364,090	76,390	2,401,910	21,842,390	21,842,390	21,842,390	98.712	1,891,647	1,549,928	2,481,520	1,096,700	777,287	40,725

PT. Mentaya Sawit Mas Palm Oil Mill															
PK Products Daily and Monthly Movement Summary Report															
YEAR : 2015															
DATE	FFB Receiving				Total FFB Delivery(MT)	Today (MT)	FFB Processed (MT)	PK Production (MT)	RER %	PRODUCTION		DISPATCH		STOCK(MT)	
	MSM Delivery(MT)	BSK Delivery(MT)	Outsiders Delivery(MT)	Total FFB Delivery(MT)						NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)
S/F OPENING STK														72,746	
End of Quarter 1															
April 2015	2,776,271		12,310	2,788,581	2,788,581	2,788,581	34,515	4.13	508	34,007	27,520			754	34,007
May 2015	11,007,131	312,800	1,455,240	12,975,171	12,975,171	12,975,171	30,154	3.85	50,967	440,187	485,870			1432,368	551,254
Jun 2015	11,556,131	818,400	1,526,000	13,900,531	13,900,531	13,900,531	40,603	3.30	37,509	419,144	302,140			1076,764	970,567
End of Quarter 2	24,941,530		2,393,580	26,895,810	26,895,810	26,895,810	1,071,322		108,995	962,337	1,095,530				93,588
Jul 2015	11,114,771	36,190	1,424,630	14,599,111	14,599,111	14,599,111	30,319	3.47	127,897	381,464	372,020			136,740	135,552
Agustus 2015	10,148,611	37,880	1,754,840	12,941,331	12,941,331	12,941,331	44,292	3.53	138,260	337,903				403,210	283,133
September 2015	14,326,751	204,260	1,222,890	15,753,901	15,753,901	15,753,901	30,154	4.03	255,224	339,579				774,489	92,533
End of Quarter 3	35,384,630		2,393,580	35,384,630	35,384,630	35,384,630	1,801,854		475,486	1,309,967	872,020			1,376,430	89,595
October 2015	18,106,671	138,470	1,794,810	20,040,951	20,040,951	20,040,951	22,512	4.60	73,182	847,034				966,110	121,653
November 2015	18,222,131	134,710	1,843,890	20,200,741	20,200,741	20,200,741	29,404	3.98	154,295	732,646				852,930	335,925
December 2015	15,212,751	142,960	2,434,280	17,790,001	17,790,001	17,790,001	793,446	4.08	46,425	540,046	353,270			124,330	152,974
End of Quarter 4	31,941,630		2,667,860	30,075,260	30,075,260	30,075,260	3,540,563		294,882	3,118,706	303,270			2,023,570	152,914
TOTAL C/F	332,152,770		11,041,470	337,439,440	337,439,440	337,439,440	5,418,341	0	881,956	4,408,410	1,893,820			3,950,000	152,914
YEAR : 2016															
DATE	FFB Receiving				Total FFB Delivery(MT)	Today (MT)	FFB Processed (MT)	PK Production (MT)	RER %	PRODUCTION		DISPATCH		STOCK(MT)	
	MSM Delivery(MT)	BSK Delivery(MT)	Outsiders Delivery(MT)	Total FFB Delivery(MT)						NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)
S/F OPENING STK														360,727	
January 2016	12,830,280	75,960	2,114,250	15,020,490	15,020,490	15,020,490	698,752	4.06	523,853	85,899	649,470			47,320	36,770
February 2016	4,803,040		5,421,180	10,224,220	10,224,220	10,224,220	182,371	3.81	15,482	182,075				184,060	31,160
March 2016														31,060	36,770
End of Quarter 1	17,633,320		7,535,430	20,444,690	20,444,690	20,444,690	881,123		539,335	367,974	649,470			391,180	1,960,899

Certified sources that is MSM (Certified Scope Area), while BSK and Outsiders (Non-Certified Scope Area).

Status: Comply

E.4.2

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

Appendix 1 certificate of MSM POM: April 24, 2015 to April 23, 2016.

Certified FFB: 143,906 MT

CSPO: 34,063 MT

CSPK: 5,727 MT

Actual data of certified product in the period of April 24, 2015 to February 22, 2016 (at the time of audit ASA-1).

Certified FFB: 125,516.86 MT

CSPO: 26,741.35 MT

CSPO sales: 1,096.20 MT

CSPK: 4,676.38 MT

CSPK sales: 3,581.18 MT

Until the implementation of audit ASA-1, production of certified product still below the previous year's projection.

Status: Comply

E.5

Record keeping

E.5.1

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

b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.

c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

Certified sources that is MSM (Certified Scope Area), while BSK and Outsiders (Non-Certified Scope Area).

Status: Comply

E.4.2
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

Appendix 1 certificate of MSM POM: April 24, 2015 to April 23, 2016.
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 CSPK sales: 3,581.18 MT
 Until the implementation of audit ASA-1, production of certified product still below the previous year's projection.

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 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 months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)

PT. Mentaya Sawit Mas Palm Oil Mill CPO Products Daily and Monthly Movement Summary Report

YEAR : 2015

DATE	FFB Receiving					FFB Processed	CPO Production	OER	PRODUCTION		DISPATCH		STOCK(MT)	
	MSM Delivery(MT)	BSK Delivery(MT)	Outsiders Delivery(MT)	Total FFB Delivery(MT)	Today (MT)				NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)
B/O OPENING STK	-	-	-	-	-	-	-	-	-	-	-	-	781,038	-
End of Quarter 1	-	-	-	-	-	-	-	-	-	-	-	-	781,038	-
April 2015	3,479,470	-	12,310	3,491,780	3,491,780	3,491,780	396,709	9.07	2,090	34,747	522,020	261,952	345,747	-
May 2015	11,007,130	912,800	1,455,240	13,375,170	13,375,170	13,375,170	3,004,246	22.45	844,915	2,669,191	2,604,201	2,604,201	7,207,049	8,212,878
June 2015	11,556,112	908,900	1,526,030	13,991,042	13,991,042	13,991,042	3,026,812	22.41	344,669	2,709,344	2,671,110	2,671,110	7,516,222	8,516,822
End of Quarter 2	26,042,712	1,821,700	2,993,580	28,858,012	28,858,012	28,858,012	6,661,561	22.39	682,739	6,318,822	6,300,448	6,300,448	-	785,537
July 2015	11,114,270	94,190	1,426,620	12,635,080	12,635,080	12,635,080	3,474,671	27.38	653,746	2,861,795	3,024,440	3,024,440	2,211,244	3,451,272
August 2015	12,148,610	17,830	1,750,870	13,917,310	13,917,310	13,917,310	3,729,141	28.23	653,953	2,803,188	3,393,800	3,393,800	4,738,777	5,720,480
September 2015	14,506,750	204,290	1,526,990	16,238,030	16,238,030	16,238,030	4,496,461	28.69	1,195,649	3,299,812	4,743,778	4,743,778	16,272,652	16,272,652
End of Quarter 3	35,789,510	316,310	4,806,590	40,912,410	40,912,410	40,912,410	11,116,273	27.38	8,236,515	11,148,418	-	-	747,280	-
October 2015	18,106,670	138,470	1,784,820	20,030,960	20,030,960	20,030,960	4,339,329	24.55	305,791	3,977,620	4,135,290	4,135,290	3,855,759	4,725,818
November 2015	18,222,230	134,710	1,844,890	20,201,830	20,201,830	20,201,830	4,525,561	25.37	274,841	3,751,220	4,569,640	4,569,640	77,995,037	8,476,228
December 2015	15,212,750	191,560	1,495,290	16,900,600	16,900,600	16,900,600	3,910,693	24.08	545,184	3,879,210	3,844,700	3,844,700	10,546,579	11,705,439
End of Quarter 4	51,541,830	465,740	6,067,690	58,075,260	58,075,260	58,075,260	12,774,813	23.88	11,838,959	12,191,488	-	-	18,532,334	24,986,678
TOTAL C/F	112,152,728	1,801,810	11,093,470	124,048,008	124,048,008	124,048,008	30,886,847	24.76	12,163,885	15,161,818	25,048,848	25,048,848	18,532,334	24,986,678

YEAR : 2016

DATE	FFB Receiving					FFB Processed	CPO Production	OER	PRODUCTION		DISPATCH		STOCK(MT)	
	MSM Delivery(MT)	BSK Delivery(MT)	Outsiders Delivery(MT)	Total FFB Delivery(MT)	Today (MT)				NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)
B/O OPENING STK	-	-	-	-	-	-	-	-	-	-	-	-	777,287	-
January 2016	8,526,561	75,660	1,968,470	10,570,691	10,570,691	10,570,691	2,350,137	22.36	1,893,405	436,746	1,500,000	1,096,200	1,570,778	1,654,454
February 2016	4,838,042	-	422,450	5,260,492	5,260,492	5,260,492	1,257,339	23.91	46,158	1,111,503	1,181,520	1,181,520	287,414	405,739
March 2016	-	-	-	-	-	-	-	-	-	-	-	-	287,414	405,739
End of Quarter 1	13,364,603	75,660	2,401,920	15,842,183	15,842,183	15,842,183	3,607,476	23.40	1,939,563	1,548,249	2,681,520	1,096,200	777,287	-

PT. Mentaya Sawit Mas Palm Oil Mill PK Products Daily and Monthly Movement Summary Report

YEAR : 2015

DATE	FFB Receiving					FFB Processed	PK Production	OER	PRODUCTION		DISPATCH		STOCK(MT)	
	MSM Delivery(MT)	BSK Delivery(MT)	Outsiders Delivery(MT)	Total FFB Delivery(MT)	Today (MT)				NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)
B/O OPENING STK	-	-	-	-	-	-	-	-	-	-	-	-	72,748	-
End of Quarter 1	-	-	-	-	-	-	-	-	-	-	-	-	72,748	-
April 2015	2,778,271	-	12,310	2,790,581	2,790,581	2,790,581	54,535	4.13	308	54,007	77,320	-	724	54,007
May 2015	11,007,131	912,800	1,455,240	13,375,171	13,375,171	13,375,171	3,011,541	22.55	50,967	440,187	465,371	-	1,032,768	551,234
June 2015	11,556,112	908,900	1,526,030	13,991,042	13,991,042	13,991,042	4,064,653	29.10	57,909	418,144	502,140	-	1,076,768	970,597
End of Quarter 2	26,042,712	1,821,700	2,993,580	28,858,012	28,858,012	28,858,012	10,717,222	37.16	108,985	802,297	1,095,650	-	93,588	-
July 2015	11,114,270	94,190	1,426,620	12,635,080	12,635,080	12,635,080	3,033,161	24.00	121,697	381,464	372,020	156,740	120,523	355,552
August 2015	12,148,610	17,830	1,750,870	13,917,310	13,917,310	13,917,310	4,468,762	32.10	138,769	357,063	-	408,210	1,111,558	285,133
September 2015	14,506,750	204,290	1,526,990	16,238,030	16,238,030	16,238,030	4,011,601	24.70	255,024	509,270	-	775,480	1,031,460	68,535
End of Quarter 3	35,789,510	316,310	4,806,590	40,912,410	40,912,410	40,912,410	11,811,866	28.76	475,486	1,304,967	872,030	1,326,490	10,944	93,595
October 2015	18,106,670	138,470	1,784,820	20,030,960	20,030,960	20,030,960	4,253,796	21.24	78,182	847,034	-	868,310	1,011,631	123,763
November 2015	18,222,230	134,710	1,844,890	20,201,830	20,201,830	20,201,830	4,544,041	22.46	152,295	752,646	-	832,930	833,366	124,045
December 2015	15,212,750	191,560	1,495,290	16,900,600	16,900,600	16,900,600	3,794,496	22.45	66,425	540,046	353,270	124,330	1,152,494	189,671
End of Quarter 4	51,541,830	465,740	6,067,690	58,075,260	58,075,260	58,075,260	12,560,563	21.63	294,882	1,118,706	353,270	2,023,970	1,152,494	189,671
TOTAL C/F	112,152,728	1,801,810	11,093,470	124,048,008	124,048,008	124,048,008	30,886,847	24.76	12,163,885	15,161,818	25,048,848	3,390,000	1,152,494	189,671

YEAR : 2016

DATE	FFB Receiving					FFB Processed	PK Production	OER	PRODUCTION		DISPATCH		STOCK(MT)	
	MSM Delivery(MT)	BSK Delivery(MT)	Outsiders Delivery(MT)	Total FFB Delivery(MT)	Today (MT)				NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)	NS (MT)	SUSTAINABLE (MT)
B/O OPENING STK	-	-	-	-	-	-	-	-	-	-	-	-	160,727	-
January 2016	12,830,280	75,660	2,119,250	15,025,190	15,025,190	15,025,190	609,752	4.06	523,853	85,899	648,470	47,220	35,110	38,779
February 2016	4,838,042	-	422,450	5,260,492	5,260,492	5,260,492	1,257,339	23.91	15,482	1,02,075	-	184,060	31,063	38,743
March 2016	-	-	-	-	-	-	-	-	-	-	-	-	31,063	38,743
End of Quarter 1	17,668,322	75,660	2,541,700	20,285,682	20,285,682	20,285,682	1,867,091	9.20	539,335	101,974	648,470	47,220	66,173	77,522

Certified sources that is MSM (Certified Scope Area), while BSK and Outsiders (Non-Certified Scope Area).

Records of certified product sales during the period of April 24, 2015 to February 22, 2016 (when the audit ASA-1), as follows:
Delivery of CSPO with RSPO claims: 1,096.20 MT sent from PT. MSM to PT. Sari Alam Permai Kumai (Refineries Under WILMAR Group). While shipping of CSPK with RSPO claims: 3,581.18 MT from PT. MSM to PT. Wilmar Nabati Indonesia – Bagendang (Kernel Crushing Plant).

The mechanism of the products movement from MSM POM to Refineries or KCP is delivery and does not include sales, because the recipient of the certified product is still in WILMAR group.

Status: Comply

E.5.2

In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.

N/A. The Whole kernels are shipped to Kernel Crushing Plant of PT. Wilmar Nabati Indonesia in Bagendang.

Status: Not Applicable

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	PT Mentaya Sawit Mas has no used RSPO trademark and CB logo	√
	Status: Comply	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or √
ASA-1	PT Mentaya Sawit Mas has no used RSPO trademark and CB logo	√
	Status: Comply	
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-1	PT Mentaya Sawit Mas has no used RSPO trademark and CB logo	√
	Status: Comply	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-1	PT Mentaya Sawit Mas has no used RSPO trademark and CB logo	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

Management unit(s) observed:		
1. PT. BUMI PRATAMA KHATULISTIWA KALIMANTAN BARAT		
2. PT KARUNIA KENCANA PERMAI SEJATI, KALIMANTAN TENGAH		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	
	Based on results of verification in 2 units as an example of the assessment, company has complied with the regulation.	
	Status: Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	
	Based on documents verification there is available legal documents of land use right and there is no land conflict in each sample units.	
	Status: Compliance	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	
	There is available several procedure : <ul style="list-style-type: none"> - Standard Operational Procedure of Communication, Consultation and Coordination (No. PRO-BM.BEN-001) - Standard Operational Procedure of Land Acquisition (No. SOP-IJIN LAHAN&OPS-006) - Standard Operational Procedure of Conflict Resolution Mechanism (No. PRO-BNM-004) These procedures was implemented and already socialization to stakeholder.	
	Status: Compliance	
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.	
	Based on verification is available evident of land acquisition and compensation in each management unit. This process was documented and the document is signed by all parties related on compensation process.	
	Status: Compliance	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	
	Based on verification there is not primary forest replaced and the management unit is still on process to identification the High Conservation Value Area.	
	Status: Compliance	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
	There is no new plantings	
	Status: Compliance	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
	There is no new plantings	
	Status: Compliance	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at [ST-2](#) Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.01	Major 4.6.4	The ex-pesticide package management The ex pesticide of MSM 1 and MSM 2 were stored in hazardous waste that has no permit yet.	Estate	NC	Before Submit Report	The company has to show that hazardous waste of ex pesticide package of MSM 1 and MSM 2 are stored in permitted hazardous waste storage.	<p>05 November 2014 Root Cause The hazardous waste was built on 2014 therefore, the legal process of hazardous waste permit just can be processed after the storage was ready and fulfil the condition to get the permit.</p> <p>Corrective Action The company has sent hazardous waste to PT Bumi Wasit Kencana Wilmar Group) and further sent to PT Maju Asri Jaya Utama with evidence of hazardous waste manifest No. KQ 0021908 for ex pesticide packages with volume of 13 drums dated October 3, 2014; transported with vehicle number DA 9762 AG. However, there was still ex pesticide package kept in non-permitted storage.</p> <p>12 November 2014 The company has sent the evidence of Letter Permit for hazardous waste storage PT Mentaya Sawit Mas based on Decree of Head of District of Kotawaringin Timur No. 660/534/BLH-Ek.SDA/VIII/2014,dated August 6, 2014.</p> <p>Preventive Action</p>	Closed	12 Nov 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<p>Ensuring the permitted hazardous waste storage is provided.</p> <p>Auditor's Conclusion Based on corrective action sent by PT MSM, the non-conformity is closed.</p>		
2014.02	Minor 5.3.1	<p>The management of hazardous waste conforming the applied regulation</p> <p>There is hazardous waste management in form of oil filter and ex pesticide package that was stored over 90 days and was placed in a non permitted storage.</p>	Estate & Mill	NC	S1	<p>The company has to show the management of hazardous waste management conforming the applied regulation.</p>	<p>05 November 2014 Root Cause PT MSM has not had hazardous waste storage and has not had schedule of hazardous waste transporting as a monitoring effort</p> <p>Corrective Action The company has sent hazardous waste to PT Bumi Sawit Kencana (Wilmar Group) and then sent the waste to PT Maju Asri Jaya Utama proven by manifest document of hazardous waste no. KQ 0020286 for 3 drums of used oil and manifest no. KQ 0021908 for 13 drums of used pesticide package dated October 03, 2014 with vehicle number DA 9762 AG. However, there is used oil filter and ex pesticide was kept in non permitted storage</p> <p>November 12, 2014 The company had sent the evidence of permit of hazardous waste storage PT Mentaya Sawit Sumber Mas in regards of Decree of Head of Kotawaringin District No. 660/534/BLH-Ek.SDA/VIII/2014, dated August 6, 2014.</p> <p>Preventive Action Hazardous waste permit has been available</p>	Closed	12 Nov 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							and made the transporting schedule of hazardous waste every two months. Auditor Conclusion Based on the corrective evidence given by PT MSM, the non conformity is closed.		
2014.03	Minor 6.1.1	PT MSM has the document of Social Impact Assessment. However, the evidence of social impact management and monitoring plan report with public participation on a regular basis is not provided yet.	Estate & Mill	NC	S1	PT MSM should be able to demonstrate evidence of social impact management and monitoring plan record, with public participation on a regular basis.	Root Cause: SIA management and monitoring plans have not been communicated with the community and the period of monitoring has not been determined so the report has not been available. Plans for Improvement: 1. To communicate and inform the SIA management plans to employees and community. 2. To determine the period of SIA monitoring together with the employees and community. The report of SIA management and monitoring is available every 6 months and is submitted into the report of Environmental Management and Monitoring Plan/RKL-RPL to be reported to relevant agency. Auditor Conclusion: 23 February 2016 Auditor verifies the evidence of corrective action provided by the Certificate Holder onsite. According to the available evidence,	CLOSED	23 Feb 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							status of this NC can be CLOSED.		

3.5.2 Identification of Findings, Corrective Actions and Observations at [ASA-1](#) Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2016.01	2.3.1	<p>Map of Other Land Uses (Occupation Land)</p> <p>PT MSM has owned Land Use Map with a scale of 1:75,000 (February 19, 2016) which showed various land uses within the Land Use Title area, including the communities arable land covering an area of 2,479.32 ha. In 2013, based on the Enclave Map with a Scale of 1:100,000 (September 17, 2013) there are nine tenants or users of land identified in the Land Use Title area. However, during the audit ASA-1 PT MSM has not been able to show:</p> <p>3. The process of identification mapping of the entire users or arable land with sufficient scale. Evidence of participatory mapping process by involving the affected parties.</p>	PT. MSM	Major	60 Days (April 24, 2016)	PT MSM must have a map with an adequate scale that shows the level of rights usage, customary rights or other legal rights in the Land Use Title. As well as participatory mapping process involving all affected parties.	<ul style="list-style-type: none"> • Root cause: Occupation Land inside the concession has widely definition. The area not the land that cultivated by villagers only. Participatory of land mapping program has not continued. • Corrective action (+evidence) <ol style="list-style-type: none"> 1. Making identification program of cultivated land status of 2,479.32 Ha 2. Conducting participatory mapping with the land cultivators. • Preventive action: <ol style="list-style-type: none"> 1. Clear status of land tenants that only inserted within occupation land. 2. Updating data of land occupation if there are any changes through participatory mapping. <p>Corrective Action evidence :</p>	CLOSED with Observation	12 April 2016

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ol style="list-style-type: none"> 1. Identification Program of Occupation Land 2016. 2. Map of Several Occupation Land that accepted and approved by cultivators. <ul style="list-style-type: none"> • Auditor conclusion: Verifikasi 12 April 2016 PT MSM has provide <ol style="list-style-type: none"> 1. Program of identification all the occupied land (2,7493.32 Ha). Based on groundtruting identification by the company, it was informed that the occupied land is comprises of cultivated land by villagers and bareland. 2. Evidence of participatory mapping process has conducted and involved the land ownership. <p>According to the corrective action evidence, the status of this NC stated CLOSED WITH OBSERVATION</p>		
2016.02	5.3.3	Implementation of Hazardous Waste Management Plan The results of document verification "Identification of estate waste and its management", the management of hazardous waste is stored in Hazardous	PT MSM	Minor	ASA-2	PT MSM must be able to show the Work Agreements of Hazardous Waste Collection and Transport and medical waste generated with the licensed collectors.	<ul style="list-style-type: none"> • Root cause: There is no agreement with Hazardous Waste Collection and Transport with the licensed collectors. 	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		Waste Temporary Warehouse, then sent to the Collectors, while for Medical Waste (Infectious) is sent to the hospital. At the time of the audit ASA-1 PT MSM has not shown the implementation of the hazardous waste management plan. This is because has been expired the cooperation with the collector (PT Maju Asri Jaya Utama and Kuala Pembuang Hospital)					<ul style="list-style-type: none"> Corrective action (+evidence) Making an agreement with Hazardous Waste Collection and Transport with the licensed collectors. Preventive action: To ensure the validity of contract agreement. <p>Auditor conclusion:</p> <p>6 April 2016: Certificate Holder submits the Corrective Action Plan while the evidences will be verified during next assessment (ASA-2).</p>		
2016.03	6.1.4	Periodic Review on the Social Plan in Participatory Manner PT MSM has had a social impact reduction plan which involves the parties. However, the plan has not been reviewed periodically (at least 2 years) with the participation of all affected parties.	PT MSM	Minor	ASA-2	PT MSM must conduct a review of the impact reduction plans regularly (at least 2 years) with the participation of all affected parties.	<ul style="list-style-type: none"> Root cause: SIA Management and Monitoring plan has not review yet. Corrective action (+evidence) Conducting review against SIA Management and Monitoring plan with participatory of affected parties. 	Open	

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> Preventive action: Sustainability Coordinator ensuring SIA Management and Monitoring reviewed as minimum once every two years Auditor conclusion: 6 April 2016: Certificate Holder submits the Corrective Action Plan while the evidences will be verified during next assessment (ASA-2). 		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	Major 2.1.1	The Progress Status of Forest Area Release The company needs to continuously make efforts to reform to the Ministry of Environment and Forestry related to the process of forest area release.
2	Major 4.3.4	Subsidence Pole Supervision The company needs to increase the oversight of the existence of peat subsidence pole.
3	Major 4.5.1	Biological Pest control The company may continue to boost the development of owls as predators for rats, for example, the ratio of the distribution and occupancy levels.
4	Major 4.7.3	Operator Training The company needs to ensure that all training programs for operators are implemented (OBSERVATION).
5	Minor 5.2.4	Mapping from Monitoring RTE species The Company has an opportunity to present the data from routine monitoring of animal species Threatened and Endangered Species (especially Orangutan) in the HCV area are interpreted in the form of a map. It serves to determine the distribution and populations of these species nest, so that it can contribute to the

	determination of policies to implement the HCV management plans to be better.
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3.5.4

No	Descriptions
1	PT. MSM has a serious commitment in the management of HCV areas which are quite spacious (\pm 3,900 ha), especially the cooperation in the protection of orangutan habitat by involving relevant stakeholders.
2	Team Enthusiastic (Estate and Mill) and a good mentoring during the RSPO audit activities.
4	Competence from each responsible person in accordance with the field.

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><u>Forestry and Plantation Agency of East Kotawaringin Regency (Head of Plantation Business Development and Section Head of institutional and Plantation Business Development).</u></p> <p>Consultation results:</p> <p>Positive Aspects:</p> <ul style="list-style-type: none"> • PT MSM has periodically submitted a Plantation Business Activity Report (LKUP). Plantation Business Activity Report in fourth quarter was received on January 28, 2016. • PT MSM including estate class III • The tribes which were scattered around the area of PT MSM for example Dayak, Banjar and Trans. • Already done Plantation Business Assessment (PUP) in 2015 but the results have not been there • PT MSM had a fairly good CSR activity <p>Negative Aspects:</p> <ul style="list-style-type: none"> • The management unit has not submitted the third party donations to the local government in accordance with the Regulation of East Kotawaringin Regency No. 13 Year 2000 about the acceptance of third party donations to the Regions, and in accordance with the Decree of East Kotawaringin Regent No. 6 Year 2000 about the Regional Regulation of East Kotawaringin No. 13 Year 2000 about the third party Donation Acceptance to the Regional. • PT MSM has an obligation to build smallholdings, in accordance with Local Regulation No. 5 / 2011. 	<p>Negative Aspect comments : Third party donations</p> <ul style="list-style-type: none"> • Refer to Kotawaringin Timur Regulation No 13 year 2000 it has explained that donation to the regional government as sincerely • PT. MSM has given the donation to the local government of Kotawaringin Timur for road construction at Bagendang, sub district of Mentaya Hilir Utara and village Sei babi subdistrict of Telawang 	<ul style="list-style-type: none"> • Its relevants with criteria 2.2; 2.3;6.1 and 6.11

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><u>Labor and Transmigration Agency of East Kotawaringin Regency (Division Head of Labor Supervision, Section Head of Labor Supervision Norms, Division Head of Industrial and Labor Relations, and Section Head of Industrial Relations)</u></p> <p><u>Positive Aspects</u></p> <ul style="list-style-type: none"> • The management unit routinely provided quarterly reports of Guiding Committee of Occupational Safety & Health. Recent reports of Guiding Committee of Occupational Safety & Health in the period from October to December, 2016 on January 26, 2015. • The management unit routinely provided employment report in accordance with Laws No. 7 Year 1981. MSM I and MSM II estate and POM give employment report on April 1, 2015 and compulsory report on March 1, 2016. • PT MSM has implemented a minimum wage in accordance with the applicable District Sectoral Minimum Wage (UMSK) for the year of 2015 in East Kotawaringin. • PT MSM has registered all workers in the Labor Social Insurance Agency completely. • The Department also routinely conducted an examination on the work machines in PT MSM POM. • Until January 2016 there are no serious industrial problems. Some incidents can be resolved by the management unit and not up to East Kotawaringin Labor and Transmigration Agency. • PT MSM has a PP (Company Regulations) not Collective Labor Agreement. 		<ul style="list-style-type: none"> • Its relevants with criteria 2.1; 4.7; 6.1; 6.5; 6.6

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> PT MSM does not have worker unions, but the company has a Bipartite Cooperation Institution which are quite active There is no issue of Minors labor or discriminatory treatment of workers (ethnic, racial, gender). Provisions of working hours have already implemented overtime salary There is no migrant workers in PT MSM Guiding Committee of Occupational Safety & Health Secretary in PT MSM has owned General OHS expert certificate Wilmar group including a nice category in handling labor (almost all of the provisions of labor are followed) <p>Negative Aspects</p> <ul style="list-style-type: none"> Each activity of Bipartite Cooperation Institution should be reported to the head of the company, and the head of the company is reported Bipartite Cooperation Institution activity to the relevant agencies, every six months according to the Ministry of Labor Regulation No. 32 Year 2008, Article 17 (PT MSM has not been reported Bipartite Cooperation Institution activities to East Kotawaringin Labor and Transmigration Agency. For Labor Social Insurance Agency not yet all registered because it is constrained by a system in Social Insurance Agency that requires an Identity Card Number (Electronic Identity Card). Electronic Identity Card requires moving letter from related employee Heavy equipment in estates such as generators and other heavy equipments to be maintained immediately the periodic examinations. 	<p>Negative Aspect :</p> <ul style="list-style-type: none"> Reporting of activities between company and worker union will made periodically as refer to Permenaker No. 32 year 2008, The company have tried as much as possible to fulfilled the requirement of BPJS Kesehatan (medical Insurance) Annual inspection of heavy equipment will proposed to related government agency 	

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><u>National Land Agency (Section Head of Agriculture Worker Union, National Land Agency of East Kotawaringin Regency).</u></p> <ul style="list-style-type: none"> PT MSM does not have permission for new location There are no additional of Land Use Title There is no land disputes were reported to National Land Agency 		<ul style="list-style-type: none"> Its relevants with criteria 2.2 and 2.3
<p><u>Local Environmental Bodies (Head of Conservation and Restoration of Environment, Sub Head of Environmental Impact Supervisory of East Kotawaringin Regency.</u></p> <ul style="list-style-type: none"> The management unit provides effluent compulsory report regularly (quarterly) The Company has obtained permission of Hazardous Waste Temporary Warehouse and land applications The management unit provides Environmental Management Plan - Environmental Monitoring Plan reports regularly There is no pollution issues related to the company's operations from the community. <p>Negative Aspect:</p> <ul style="list-style-type: none"> The difference of the area in the environmental documents (EIA) of PT MSM (covering an area of 15,500 ha) and an area of governance based on the Certificates of Land Use Title PT MSM (covering an area of 16,370,815 ha), Local Environmental Body has no information or explanation from PT MSM. PT MSM should communicate the matter to the Local Environmental Body, so that the Local Environmental Body can issue a recommendation of its follow-up. 	<ul style="list-style-type: none"> PT. MSM has sent a letter to environmental agency of Kotim related to discrepancy of plantation area history. PT. MSM has conduct communication with several hazardous collector i.e: 1.CV. Rama Manunggal Jaya 2.CV. Sami Jaya 3.CV. Nazar 	<ul style="list-style-type: none"> Its relevants with criteria 2.1 and 5.3

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> PT MSM is not yet cooperated with the company (third party) that transport, accommodate and exterminate Hazardous Waste 	4.CV. Indo Rudi Green 5. PT. Maju Asri Jaya Utama	
<p>Tuesday, February 23, 2016 Local Communities 1. Baampah Village Communities 2. Tanjung Bantur Village Communities</p> <p><u>The contents of the meeting:</u> In general, the relationship between the company and the communities around the plantations and smallholdings cooperative are quite good and harmonious, communication between the communities and the company are pretty well. Based on the results of communities recognition obtained information, among others:</p> <ul style="list-style-type: none"> There are no issues related to environmental pollution from local communities The Collective Labor Agreement between the cooperative and the company for the development of the estates are quite transparent and fair. There is a direct aid to village communities in the form of religious facilities, teacher incentives, road maintenance, etc. Canals became a fish source. There are no conflicts related to land issues in the nucleus estate The estates are facilitated the formation of communities cooperative and the maintenance of the smallholdings legality. There is no land of communal forest or customary in the estate area. Socialization for protection of flora and fauna have been 	<p>The company has made an acces road for villagers of Pahirangan (2 KM) and Kawan Batu village (4Km) to the nearest town .</p> <p>Meanwhile, Baampah Village has request for the acces road in 2015. however the communities has agreed to divert the fund to build the village office</p>	<ul style="list-style-type: none"> Its relevants with criteria 6.1; 6.2 and 6.11

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>conducted by the company</p> <p>Village Communities Expectation:</p> <ul style="list-style-type: none"> - The company is expected to open or help the road access between the villages with the company so that with the opening of the road access community economy is expected to be increased, more communities who work in the company and the village is not isolated 		
<p><u>Gender Committee (Head of Female Committee in POM, MSM I and MSM II Estates)</u></p> <ul style="list-style-type: none"> • Gender Committee Boards are determined by employees • The socialization of gender, sexual harassment and violence are carried out in conjunction with routine activities conducted by the gender committee for example in the morning absence, <i>yasinan</i> activities and other regular meetings. • Gender Committee meeting once a month • New policy is socialized by the committee at the meeting included in the morning briefing • In 2015 until January 2015 there have been no written complaints that go into gender committees. • Many women who do not want to complain because of shame or felt it was family problems. • The company policy for gender committees: providing a room and consumption for gender commission meeting. But there is no specifically funding. • The management unit is supporting gender committee operational activities by providing a room and consumption when gender committee held a meeting, but there is no specifically funding for the operational activities 		<ul style="list-style-type: none"> • Its relevants with criteria 4.6; 4.7; 6.5; 6.6; 6.7; 6.8 and 6.9

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> Other support from the company that is providing time for the board to conduct socialization, and management always remind the female committee meeting schedule Protection of reproductive rights have been met by the company, for example with the implementation of menstruation leaves (H1) and leaves for maternity / childbirth (H2) for a female employees with still to be paid their wages in full. Female committee helps the company to socialize such as complaints policy, code of conducts, human rights, and Social Security. 		
<p><u>Bipartite Cooperation Institution (Bipartite Cooperation Institution Chairman and members of MSM I and MSM II Estates and Vice Chairman of POM Bipartite Cooperation Institution):</u></p> <ul style="list-style-type: none"> Bipartite Cooperation Institution regularly conduct a meeting once a month Problems that have been completed by Bipartite Cooperation Institution is making housing trench and speed bump in MSM I The work program of Bipartite Cooperation Institution is to conduct mutual cooperation in the housing plot every Friday afternoon Industrial relationship between employees and company can be done in HRD level, not up to Bipartite Cooperation Institution 		<ul style="list-style-type: none"> Its relevants with criteria 4.7; 6.5; 6.6; 6.7 and 6.8
<p><u>Cooperatives (Head of Independent Cooperatives in MSM I and MSM II Estates)</u></p> <ul style="list-style-type: none"> Primary savings and compulsory savings of each member amounted to Rp 100,000 and Rp 25,000. If the employees are saving / investing Rp 2,000,000 (then the fund consists of main savings and compulsory 		<ul style="list-style-type: none"> Its relevants with criteria 6.5 and 6.6

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>savings) if one day has been enough a month, then the lack of the fees will be charged</p> <ul style="list-style-type: none"> Cooperative business unit of MSM I and MSM II is <i>Waserda</i> Cooperative price is lower than the stalls at the roadside Cooperative members until now: MSM I as many as 172 people and MSM II as many as 200 people The number of members is less than the number of employees (1400 people). It is the focus of attention from the cooperative board to socialize the member recruitment continuously. The distribution of the profits from <i>Waserda</i> as follows: 40% reserve fund, 15% for cooperatives guards, 10% for administrators and supervisors fund, 25% for members in accordance with the deposits proportion, 2.5% for the cooperative employees welfare, 2.5% for employees social fund, 2.5% for regional empowerment, and 2.5% for the training of cooperative members. The management unit support of PT MSM against the cooperative is to provide assistance of cooperative building and cars for cooperative operational transportation (shopping) Cooperative programs are: (1) Basic food problems service, (2) salary transfer to the employee's family, (3) payments of employees installment such as motorcycle and other installments so that the employees remain quiet doing the work, and (4) sought the cooperation with BNI and BRI Bank for payroll deductions (as an employee loan installment payments). 		

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p><u>Contractors of MSM I and MSM II Estates (CV Tiga Saudara and CV Sinar Barokah MSM II)</u></p> <ul style="list-style-type: none"> • It has been 2 years in cooperation with MSM I and MSM II • Safety briefing is conducted by the management unit of PT MSM • OHS equipments are provided by the contractor (boots, helmets, gloves). • Payment made by the management unit is in accordance with the contracts made and timely • During a cooperation with PT MSM, never experienced disappointment (there is no complaint) • The youngest employees is 25 years old • Contractors are used labor from Java and do not want to use local labor because related to the work qualities. • If the contractor employees are sick then brought to the company clinic, if the illness is severe then will be brought to the larger hospital • The minimum labor cost is 100,000 per / day and the maximum is 150,000 / day • All labors are registered in the insurance program • Contractor work is insured. 		<ul style="list-style-type: none"> • Its relevants with criteria 4.7; 4.8; 6.5 and 6.11

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

Here under sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. MENTAYA SAWIT MAS
Management Representative



SIMON SIBURAT
Selasa, 12 April 2016

Mutuagung Lestari
Lead Auditor



YUDWI WISNU RAHMANTO
Selasa, 12 April 2016

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Respon	
						Yes	No
1	Plantations and Forestry Agency	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
2	Transmigration and Manpower Agency	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
3	National Land Agency	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
4	Regional Environmental Agency	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
5	Villagers of Baampah Village	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
6	Villagers of Tanjung Bantur Village	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
7	Gender Committee	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
8	Worker Union	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
9	Employees Organisation (Koperasi Karyawan)	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
10	Local contractor MSM I and MSM II (CV Tiga Saudara and CV Sinar Barokah MSM II)	District of Kotawaringin Timur	-	Direct visit and interview	23 February 2016	√	-
11	Indonesia Environment Forum (WALHI) - NGO	Jakarta	informasi@walhi.or.id	By email	19 February 2016	-	√
12	Lestari Hutanku - NGO	Palangkaraya, Kalimantan Tengah	info@lestari-hutanku.com	By email	19 February 2016	-	√
13	Yayasan Orang Utan Indonesia - NGO	Palangkaraya, Kalimantan Tengah	info@yayorin.org	By email	19 February 2016	-	√

Appendix 2. Assessment Program

DATE		22 – 26 February 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 22 Pebruari 2016			
14.30 - 16.00	14.30 - 16.00	Jakarta – Sampit	YWR / LEO / MAY / EHT
15.00 - 18.00	15.00 - 18.00	Sampit – PT Mentaya Sawit Mas	
Tuesday, 23 Pebruari 2016			
08.00 – 12.00	08.00 – 12.00	Stakeholder Consultation with relevant government agencies	• EHT
08.00 – 08.30	08.00 – 08.30	Opening Meeting	• YWR / LEO / MAY
09.00 – 12.00	09.00 – 12.00	Field observation to Mentaya Sawit Mas I 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)Workers Facilities Condition (Housing, Creche, Sport Court, Workers Meeting Hall, Sanitary)Implementation of Legal Aspect (Land Ownership, Legal Boundaries)Conservation Aspect (Field observation at HCV Identified Area, Riparian Zone/Watercourse, Reservoir, Forested Area)Social Aspect (Stakeholder Consultation with surrounding villagers)	• LEO • LEO • LEO • MAY • MAY • YWR
12.00 – 14.00	12.00 – 14.00	Break and lunch	
14.00 – 16.30	14.00 – 16.30	Field observation to Mentaya Sawit Mas POM <ul style="list-style-type: none">Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)Interview with Worker's Union Mill, Contractor of CPO Transporter, Gender Committee.	• YWR • LEO • MAY • YWR / LEO / MAY / EHT
16.30 – 17.00	16.30 – 17.00	Daily review of field findings and planning for the next day	
Wednesday, 24 Pebruari 2016			

DATE		22 – 26 February 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00		Field observation to Mentaya Sawit Mas 2 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) • Workers Facilities Condition (Housing, Creche, Sport Court, Workers Meeting Hall, Sanitary) • Implementation of Legal Aspect (Land Ownership, Legal Boundaries) • Conservation Aspect (Field observation at HCV Identified Area, Riparian Zone/Watercourse, Reservoir, Forested Area) • Social Aspect (Stakeholder Consultation with surrounding villagers) 	<ul style="list-style-type: none"> • LEO • LEO • EHT • MAY • MAY • YWR
12.00 – 14.00		Break and lunch	
14.00 – 16.30		<ul style="list-style-type: none"> • Interview with Estate Worker's Union, Local Contractor, Gender Committee. • Review of previous assessment findings 	<ul style="list-style-type: none"> • MAY • YWR / LEO / EHT
16.30 – 17.00		Daily review of field findings and planning for the next day	• YWR / LEO / EHT
Thursday, 25 Februari 2016			
08.00 – 10.00		Field Observation (Continued): <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) • Workers Facilities Condition (Housing, Creche, Sport Court, Workers Meeting Hall, Sanitary) • Implementation of Legal Aspect (Land Ownership, Legal Boundaries) • Conservation Aspect (Field observation at HCV Identified Area, Riparian Zone/Watercourse, Reservoir, Forested Area) 	<ul style="list-style-type: none"> • LEO • LEO • EHT • MAY • MAY
10.00 – 12.00		<ul style="list-style-type: none"> • Document review and Verification of field visit 	• YWR / LEO / MAY / EHT
12.00 – 14.00		Break and lunch	

DATE		22 – 26 February 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 15.30		Audit Finding Conclusion Preparation / Team Meeting	
15.30 – 17.00		Closing Meeting: <ul style="list-style-type: none"> • Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion) • Comments, Responses and Questions 	YWR / LEO / MAY / EHT
Friday, 26 Pebruari 2016			
08.00 – 11.00		<ul style="list-style-type: none"> • PT Mentaya Sawit Mas- Sampit 	YWR / LEO / MAY / EHT
12.30 – 14.00		<ul style="list-style-type: none"> • Sampit – Jakarta 	