

Roundtable on Sustainable Palm Oil Certification
R S P O

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

Name of Management Organisation : Muara Wahau Mill – PT Kresna Duta Agroindo, subsidiary of Golden Agri Resources Ltd

Plantation Name : PT Kresna Duta Agroindo – Muara Wahau Estate and Gunung Kombeng Estate

Location : Village of Sukamaju, Sub District of Kongbeng, District of Kutai Timur, Province of Kalimantan Timur, Indonesia.

Certificate Code : **MUTU-RSPO/043**

Date of Certificate Issue : 26 June 2014 Date of License Issue : 26 June 2018

Date of Certificate Expiry : 25 June 2019 Date of License Expiry : 25 June 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	02 to 06 April 2018	Sandra Purba (Lead Auditor), Arif Faisal Simatupang, Naila Karima, Asystasya Aishah Silalahi, Yudhi Yuniarto Tallutondok	Octo HPN Nainggolan	Ardiansyah

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	21 May 2018

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FIGURE

Figure 1. Location Map of PT Kresna Duta Agroindo

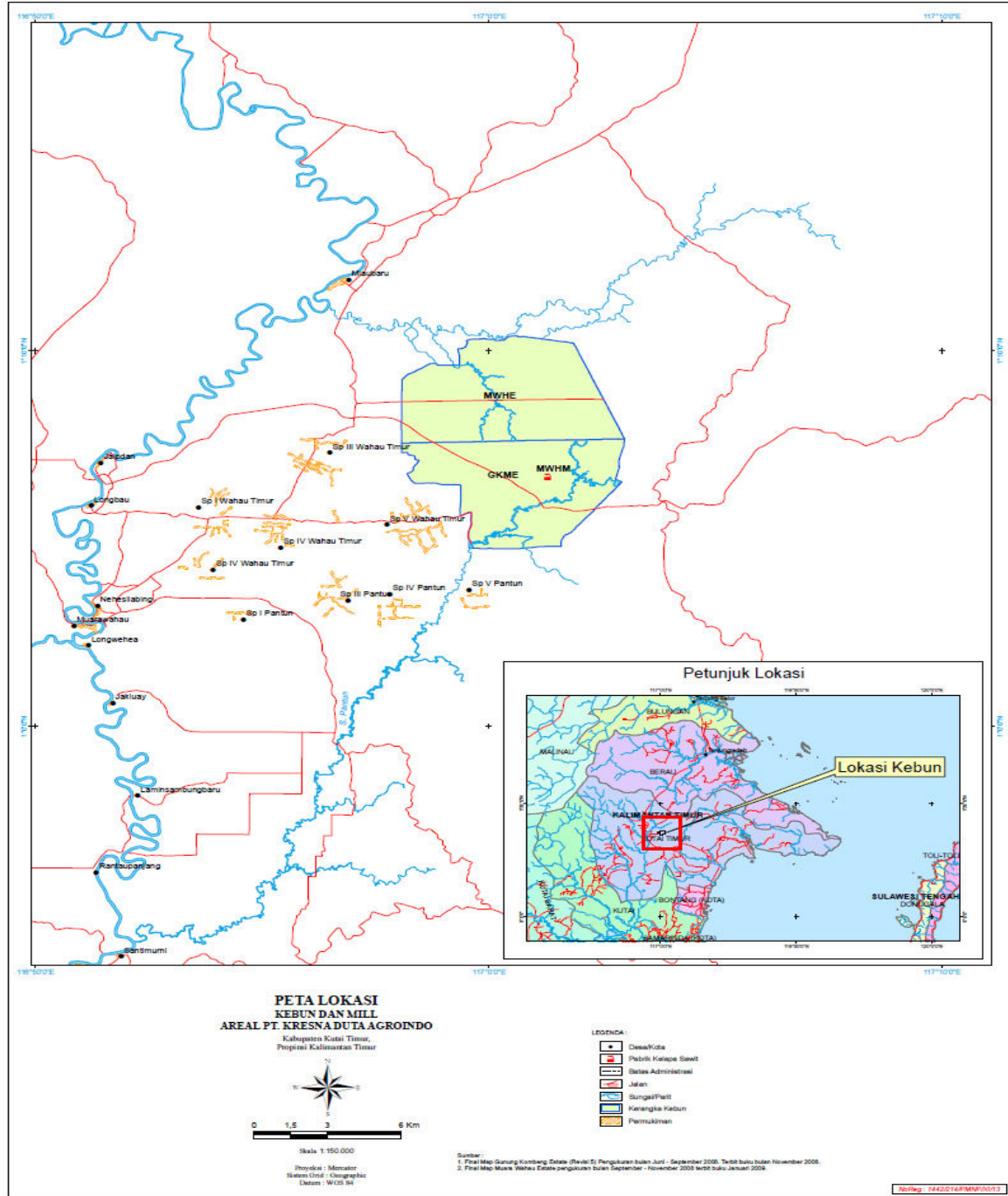


Figure 2. Operational Map of PT Kresna Duta Agroindo (Muara Wahau Estate)

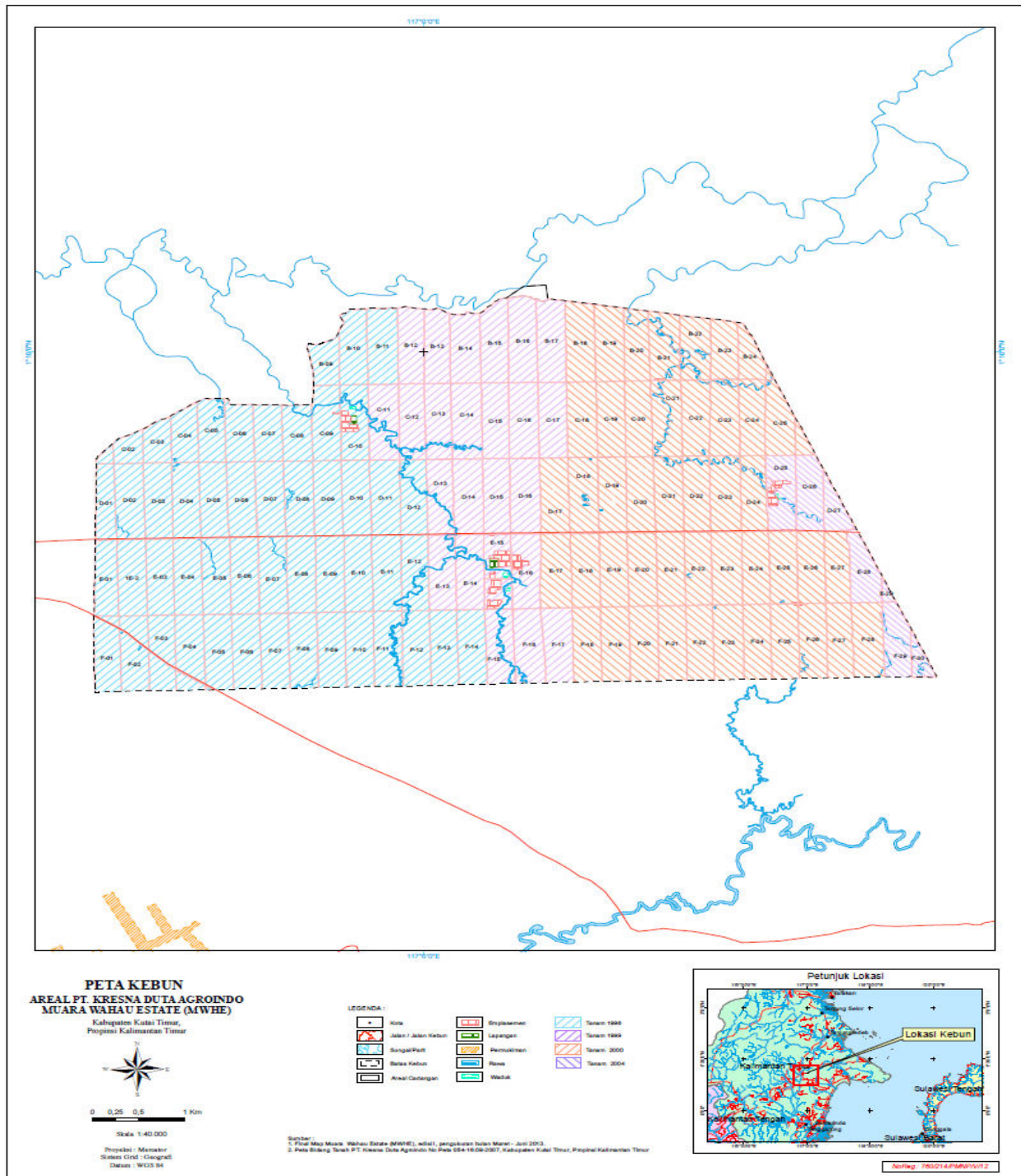
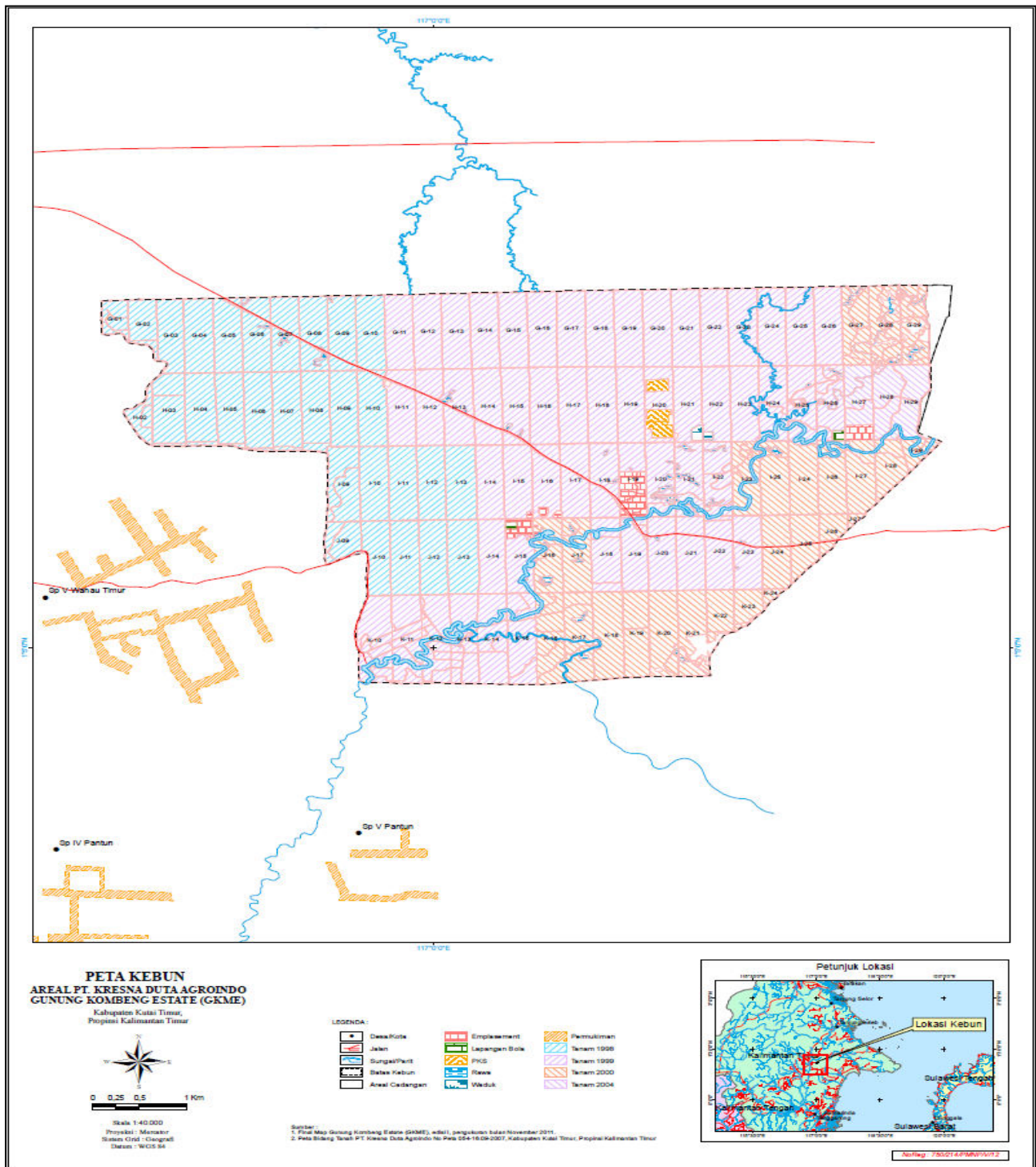


Figure 3. Operational Map of PT Kresna Duta Agroindo (Gunung Kombeng Estate)



Glossary

ASA	:	Annual Surveillance Assessment
BOD	:	Biological Oxygen Demand
BPJS	:	Worker Social Insurance Agency
BRI	:	Bank Rakyat Indonesia
CEO	:	Chief Executive Officer
CH	:	Certificate Holder
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DO	:	Dissolve Oxygen
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
EM	:	Estate Manager
FFB	:	Fresh Fruit Bunch
FM	:	Factory Manager
FPIC	:	Free Prior Informed Consent
GAR	:	Golden Agri Resources
GHG	:	Green House Gass
GKMA	:	Gunung Kombeng Plasma
GMKE	:	Gunung Kombeng Estate
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan</i> (Building Use Tittle)
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HIRAC	:	Hazard Identification Risk Assessment and Risk Control
IPM	:	Intergrated Pest Management
KDA	:	Kresna Duta Agroindo
KUD	:	<i>Koperasi Unit Desa</i> / Village Cooperative
MB	:	Mass Balance
MCAR	:	Management Committe Agronomy and Research
MCMD	:	Management Committee for Mill Development
MSDS	:	Material Safety Data Sheet
MWHE	:	Muara Wahau Estate
MWHM	:	Muara Wahau Mill
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
OIA	:	Operational Internal Audit
P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Committee)
P&D	:	Pests and Diseases
PC	:	Production Controller
PIC	:	Person in charge
PKO	:	Palm Kernel Oil
PMNP	:	Plantation Monitoring and Planning
PMSA	:	Pantun Mas Estate
PMSE	:	Pantun Mas KKPA
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protection Equipment
PT TN	:	PT Tapian Nadenggan
PSM	:	<i>Perkebunan Sinar Mas</i> / Sinar Mas Plantation
RC	:	Regional Controller
RKL	:	Rencana Pengelolaan Lingkungan (<i>Environment Management Plan</i>)

RPL	:	Rencana Pemantauan Lingkungan (<i>Environment Monitoring Plan</i>)
RSPO	:	Rountable on Sustainable Palm Oil
RTE	:	Rare, Threatened or Endangered
SAP	:	System Application Product
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SMARTRI	:	SMART Research Institute
SOP	:	Standard Operational Procedure
STDV	:	Sustainability Division
TSS	:	Total Suspended Solid
VPA	:	Vice President Agronomy
VPM	:	Vice President manufacturing
WI	:	Work instruction
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT				
1.1 Assessment Standard Used		<ul style="list-style-type: none"> <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016</i> <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised on 14 June 2017</i> 		
1.2 Organisation Information				
1.2.1	Organisation name listed in the certificate	PT Kresna Duta Agroindo, subsidiary of PT Golden Agri Resources Ltd (GAR)		
1.2.2	Contact person	Ismu Zulfikar		
1.2.3	Organisation address and site address	RSPO registered company: 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 Liaison Office: Sinar Mas Land Plaza, Tower II, 30th Floor Jl. MH Thamrin No. 51, Jakarta 10350, Indonesia		
1.2.4	Telephone	(+62-21) 5033 8899		
1.2.5	Fax	(+62-21) 5038 9999		
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com		
1.2.7	Web page address	www.smart-tbk.com		
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Departement)		
1.2.9	Registered as RSPO member	1-0096-11-000-00, 31 March 2004		
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit	One (1) Palm Oil Mill (Muara Wahau Mill) and two (2) estates supply base Muara Wahau Estate and Gunung Kombeng 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
	Muara Wahau Mill	Sukamaju Village, Sub District of Kongbeng, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 06' 34"	E117° 01'20"
1.4.2	Location of Certification Scope of Supply Base			

	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
		Muara Wahau Estate	Makmur Jaya Village, Sub District of Kongbeng, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 08' 23"
	Gunung Kombeng Estate	Sukamaju Village, Sub District of Kongbeng, District of Kutai Timur, Province of Kalimantan Timur, Indonesia	N 01° 06' 10"	E 117° 01' 13"
1.5 Description of Area Statement				
1.5.1	Tenure			
	• State		6,877.54 Ha	
	• Community		- Ha	
1.5.2	Area Statement			
	• Total area		6,877.54 Ha	
	• Mature area		6,605.08 Ha	
	• Immature area		- Ha	
	• Mill		4.10 Ha	
	• Building and Emplishment		31.75 Ha	
	• Infrastructure (road and bridge)		146.53 Ha	
	• River		43.17 Ha	
	• Others		46.91 Ha	
	*HCV identified is riparian area, has included to the mature area an 370.47 Ha			
1.6 Planting Year and Cycles				
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Gunung Kombeng Estate	Muara Wahau Estate	Total
	1998	814.16	1,390.36	2,204.52
	1999	1,595.95	703.94	2,299.89
	2003	591.16	1,304.03	1,895.19
	2004	74.16	131.32	205.48
	TOTAL	3,075.43	3,529.65	6,605.08
1.6.2	New Planting area after January 2010		- Ha	
1.6.3	Planting Cycle		1 Cycle	
1.7 Description of Mill and Supply Base				

1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Muara Wahau	60	268,206	62,404.05	23.24	13,624.05	5.07
* Source: Production Data of POM period April 2017 to March 2018							
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/ yea)	Supplied to Mill	
						FFB (tonnes/year)	%
	Muara Wahau	3,590.22	3,529.65	74,004	20.61	74,004	100
	Gunung Kombeng	3,287.32	3,075.43	81,963	24.96	81,963	100
	TOTAL	6,877.54	6,605.08	155,967	22.69	155,967	100
* Source: Production Data of Estate period April 2017 to March 2018							
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)		Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill FFB (tonnes/year)	
	Pantun Mas Estate (RSPO Certified)		PT Tapian Nadenggan	-	-	18,256	
	Gunung Kombeng Plasma (Non Certified)		PT Kresna Duta Agroindo (Associate Smallholder)	1,602	2,214	43,361	
	JLYA		PT Tapian Nadenggan	-	-	1,082	
	KKBX		Independent Smallholder	-	-	31,414	
	JMKX		Independent Smallholder	-	-	2,938	
	KPSX		Independent Smallholder	-	-	1,149	
	KCGX		Independent Smallholder	-	-	827	
	KPKX		Independent Smallholder	-	-	345	
	KBKX		Independent Smallholder	-	-	4,028	
	KSSX		Independent Smallholder	-	-	8,481	
	KTAX		Independent Smallholder	-	-	358	
	TOTAL					112,239	
	* Source: Production Data of POM period April 2017 to March 2018						
1.7.4	Product categories			FFB, CPO, PK			
1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 26 June 2017 to 25 June 2018 (tonnes/year)		Actual certified product 26 June 2017 to 31 March 2018 (tonnes/year)		
	• FFB Production		177,883		121,845.68		
	• CPO Production		42,692		25,636.03		
	• Palm Kernel (PK) Production		9,339		5,624.28		

1.8.2.	Product Selling							
	Tonnage of selling product			Period of actual selling product 26 June 2017 to 31 March 2018				
	• CSPO sold as RSPO certified product			-				
	• CSPK sold as RSPO certified product			3,869.14				
	• CSPO sold under other scheme (ISCC)			7,701.00				
	• CSPK sold under other scheme (ISCC)			-				
	• CSPO sold as conventional			17,934.00				
	• CSPK sold as conventional			1,463.28				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)		Yield (tonnes/ha/year)	
	Muara Wahau		3,590.22	3,529.65	76,382		21.64	
	Gunung Kombeng		3,287.32	3,075.43	80,607		26.21	
	TOTAL		6,877.54	6,605.08	156,989		23.77	
	<i>*Projected FFB production from 26 June 2018 to 25 June 2019</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Module
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
	Muara Wahau Mill	60	156,989	37,677	24.00	7,849	5.00	MB
	<i>*Projected CSPO and CSPK production from 26 June 2018 to 25 June 2019</i>							
1.9	Other Certifications							
	ISPO Certificate MUTU-ISPO/058 issued by Mutuagung Lestari valid 19 July 2016 to 18 July 2021 ISCC Certificate EU-ISCC-Cert-ID215-23170505 issued by Mutuagung Lestari valid 19 May 2017 to 18 May 2018							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time Bound Plan						
	Pangkalan Panji (PT Sawit Mas Sejahteras)		2013	Sawit Mas Estate	2013	South Sumatera	Certified	
	Bumi Sawit Mill (PT Bumi Sawit Permai)		2013	Bumi Sawit Estate	2013	South Sumatera	Certified	
	Muara Kandis Mill (PT Djuanda Sawit Lestari)		2013	Muara Tawas Estate	2013	South Sumatera	Certified	
				Muara Kandis Estate	2013	South Sumatera	Certified	
				Muara Kandis Estate (HGU on progress – 574.58 Ha)	2020	South Sumatera	-	

		Smallholder (KKPA Pandawa)	2019	South Sumatera	-
		Smallholder (Pandawa Plasma)	2019	South Sumatera	-
Sungai Rungau Mill (PT Sumber Indah Perkasa)	2013	Sungai Rungau Estate	2013	Central Kalimantan	Certified
		Sungai Seruyan Estate	2013	Central Kalimantan	Certified
		Terawan Estate	2013	Central Kalimantan	Certified
		Tangar Estate	2013	Central Kalimantan	Certified
		Bukit Tiga Estate	2013	Central Kalimantan	Certified
		Bukit Perak Estate	2013	Bangka Belitung	Certified
Bukit Perak EMIII (PT Bumi Permai Lestari)	2013	Bukit Perak Estate	2013	Bangka Belitung	Certified
		Bukit Permata Estate	2013	Bangka Belitung	Certified
Tanjung Kembiri Mill (PT Forestalestari Dwikarya)	2013	Tanjung Kembiri Estate	2013	Belitung	Certified
		Tanjung Rusa Estate	2013	Belitung	Certified
		Tanjung Rusa KKPA	2019	Belitung	-
Sungai Buaya Mill (PT Sumber Indah Perkasa)	2014	Sungai Buaya Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified
		Smallholder (KKPA Mesuji)	2014	Lampung	Certified
Sungai Merah Mill (PT Sumber Indah Perkasa)	2014	Sungai Merah Estate	2014	Lampung	Certified
		Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified
Kasuari Mill (PT Sinar Kencana Inti Perkasa)	2018	Cendrawasih Estate	2018	Papua	ST-1
		Nuri Estate	2018	Papua	ST-1
		Rajawali Estate	2018	Papua	ST-1
		Mambruk Estate (PT Sumber Indah Perkasa)	2018	Papua	ST-1
Pekawai Mill (PT Agrolestari Mandiri)	2018	Kayung Estate	2018	West Kalimantan	ST-1
		Pekawai Estate	2018	West Kalimantan	ST-1
		Sungai Kelik Estate	2018	West Kalimantan	ST-1
		Nanga Tayap Estate	2018	West Kalimantan	ST-1
		Smallholder (Kayung Plasma)	2019	West Kalimantan	ST-1
Kenanga Mill (PT Kencana Graha Permai)	2014	Kencana Estate	2015	West Kalimantan	Certified
		Cendana Estate	2015	West Kalimantan	Certified
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
		Delima Estate (PT Kencana Graha Permai)	2018	West Kalimantan	-
		Gaharu Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	-
		Smallholder (Gaharu Plasma)	2019	West Kalimantan	-
		Smallholder (Kencana Plasma)	2019	West Kalimantan	-
		Smallholder (Kenanga Plasma)	2019	West Kalimantan	-
Perdana Mill	2020	Perdana Estate	2020	Central Kalimantan	ST-1

(PT Binasawit Abadi Pratama)		Lenggana Estate	2020	Central Kalimantan	ST-1
		Semandau Estate	2020	Central Kalimantan	ST-1
Kuayan Mill (PT Agrokarya Prima Lestari)	2020	Muara Dua Estate	2020	Central Kalimantan	ST-1
		Mentaya Estate	2020	Central Kalimantan	ST-1
		Kuayan Estate	2020	Central Kalimantan	ST-1
		Bukit Santuhai Estate	2020	Central Kalimantan	ST-1
		Tajur Beras Estate	2020	Central Kalimantan	ST-1
		Seranau Estate	2020	Central Kalimantan	ST-1
		Sungai Sambon Estate	2020	Central Kalimantan	ST-1
		Smallholder (Sungai Sambon Plasma)	2020	Central Kalimantan	-
		Sapiri Estate (PT Buana Adhitama)	2020	Central Kalimantan	ST-1
		Bukit Dua Estate (PT Buana Adhitama)	2020	Central Kalimantan	
		Bukit Tunggal Estate (PT Buana Adhitama)	2020	Central Kalimantan	
Belian Mill (PT Paramitra Internusa Pratama)	2018	Belian Estate	2018	West Kalimantan	ST-1
		Tengkawang Estate	2018	West Kalimantan	ST-1
		Kenari Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	ST-1
		KerANJI Estate (PT Bangun Nusa Mandiri)	2019	West Kalimantan	ST-1
		Muara Tawang Estate (PT Kartika Prima Cipta)	2019	West Kalimantan	ST-1
		Kapuas Hulu Estate (PT Persada Graha Mandiri)	2018	West Kalimantan	ST-1
		Sungai Beran Estate (PT Persada Graha Mandiri)	2018	West Kalimantan	ST-1
		Smallholder (Belian KKPA)	2020	West Kalimantan	-
		Smallholder (Tengkawang KKPA)	2020	West Kalimantan	-
		Smallholder (Kenari Plasma)	2019	West Kalimantan	-
		Smallholders (Kapuas Hulu KKPA)	2020	West Kalimantan	-
		Kenanga Estate (PT Cahaya Nusa Gemilang)	2018	West Kalimantan	-
Sungai Kupang Mill (PT Sinar Kencana Inti Perkasa)	2016	Sungai Kupang Estate	2019	South Kalimantan	ST-2 May 2015
		Sungai Kupang KKPA	2019	South Kalimantan	
		Senakin Estate	2019	South Kalimantan	-
Sungai Kikim Mill (PT Sawit Mas Sejahtera)	2019	Sungai Kikim Estate	2019	South Sumatera	-
		Sungai Pangi Estate	2019	South Sumatera	-
		Sungai Musi Estate	2019	South Sumatera	-
		Sungai Saling Estate	2019	South Sumatera	-
		Sungai Enim Estate (PT Bumi Sawit Permai)	2019	South Sumatera	-
		Sungai Lematang Estate (PT Bumi Sawit Permai)	2019	South Sumatera	-
Tangar Mill	2020	Sulin Estate	2020	Central Kalimantan	-

(PT Mitra Karya Agroindo)		Nahiyang Estate	2020	Central Kalimantan	-
		Katayang Estate	2020	Central Kalimantan	-
		Sungai Nusa Estate	2020	Central Kalimantan	-
		Kajui Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Manuhing Estate (PT Agro Lestari Sentosa)	2020	Central Kalimantan	-
		Sungai Ayawan Estate (PT Aditunggal Mahajaya)	2020	Central Kalimantan	-
Sungai Magalau Mill (PT Sinar Kencana Inti Perkasa)	2019	Sungai Magalau Estate	2019	South Kalimantan	-
Jalemo Mill* PT Agro Lestari Sentosa	2020	Balasang Estate	2020	Central Kalimantan	-
		Jalemo Estate	2020	Central Kalimantan	-
Sako Mill* (PT Adi Tunggal Mahajaya)	2020	Sulin Plasma	2020	Central Kalimantan	-
		Sapiri Plasma	2020	Central Kalimantan	-
		Sako Plasma	2020	Central Kalimantan	-
Padang Halaban Mill (PT SMART Tbk)	2011	Padang Halaban Estate	2011	North Sumatera	Certified
		Penantian Estate	2011	North Sumatera	Certified
		Adipati Estate	2011	North Sumatera	Certified
		Kanopan Ulu Estate	2011	North Sumatera	Certified
Batu Ampar Mill (PT SMART Tbk)	2012	Batu Ampar Estate	2012	South Kalimantan	Certified
		Batu Mulia Estate	2012	South Kalimantan	Certified
		Sungai Panci Estate	2012	South Kalimantan	Certified
		Sungai Panci KKPA	2012	South Kalimantan	Certified
Tanah Laut Mill (PT SMART Tbk)	2012	Tanah Laut Estate	2012	South Kalimantan	Certified
		Kinta Pura Estate	2012	South Kalimantan	Certified
Langga Payung Mill (PT Tapian Nadenggan)	2012	Langga Payung Estate	2012	North Sumatera	Certified
		Paya Baung Estate	2012	North Sumatera	Certified
		Normark Estate	2012	North Sumatera	Certified
Hanau Mill (PT Tapian Nadenggan)	2012	Hanau Estate	2012	Central Kalimantan	Certified
		Tasik Mas Estate	2012	Central Kalimantan	Certified
		Tanjung Paring Estate	2012	Central Kalimantan	Certified
		Langadang Estate	2012	Central Kalimantan	Certified
		Medang Sari (PT Satya Kisma Usaha)	2018	Central Kalimantan	-
Semilar (PT Tapian Nadenggan)	2013	Semilar	2013	Central Kalimantan	Certified
		Sei Rindu	2013	Central Kalimantan	Certified
		Mandang	2013	Central Kalimantan	Certified
		Puri	2013	Central Kalimantan	Certified
Jak Luay Mill (PT Tapian Nadenggan)	2015	Pantun Mas Estate	2015	East Kalimantan	Certified
		Pantun Mas KKPA	2018	East Kalimantan	-
		Jak Luay Estate	2015	East Kalimantan	Certified
		Jak Luay KKPA	2018	East Kalimantan	-
		Long Buluh Estate	2015	East Kalimantan	Certified
		Bukit Subur Estate	2015	East Kalimantan	Certified
		Bukit Subur KKPA	2018	East Kalimantan	-

Leidong West Mill (PT MP Leidong West Indonesia)	2014	Leidong West Utara Estate	2014	Bangka Belitung	Certified
		Leidong West Selatan Estate	2014	Bangka Belitung	Certified
Muara Wahau Mill (PT Kresna Duta Agroindo)	2014	Muara Wahau Estate	2014	East Kalimantan	Certified
		Gunung Kombeng	2014	East Kalimantan	Certified
Gunung Kombeng Mill (PT Kresna Duta Agroindo)	2019	Gunung Kombeng KKPA	2019	East Kalimantan	-
Rantau Panjang (PT Kresna Duta Agroindo)	2020	Rantau Panjang Estate	2020	East Kalimantan	-
		Rantau Panjang KKPA	2020	East Kalimantan	-
Jelatang Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Tiga Serumpun KKPA	2019	Jambi	-
		Bukit Bungkul KKPA	2019	Jambi	-
		Kubang Ujo Plasma	2019	Jambi	-
Pelakar Mill (PT Kresna Duta Agroindo)	2017	Pelakar Estate	2019	Jambi	ST-1
		Tiga Serumpun KKPA	2019	Jambi	-
		Batang Merangin Estate	2019	Jambi	ST-1
		Batang Tembesi Estate	2019	Jambi	ST-1
		Kubang Ujo Plasma	2019	Jambi	-
Langling Mill (PT Kresna Duta Agroindo)	2014	Bangko Estate	2014	Jambi	Certified
		Bangko Plasma	2019	Jambi	-
		Bukit Bungkul KKPA	2019	Jambi	-
		Batang Gading Estate	2019	Jambi	-
		Batang Gading KKPA (PT Satya Kisma Usaha)	2019	Jambi	-
		Pamenang Plasma	2017	Jambi	-
Sungai Bengkal Mill (PT Satya Kisma Usaha)	2015	Sungai Bengkal Estate	2015	Jambi	Certified
		Sungai Bengkal KKPA	2015	Jambi	Certified
		Muara Kilis Estate	2015	Jambi	Certified
		Muara Kilis KKPA	2019	Jambi	-
Bukit Kapur Mill (PT SMART Tbk)	2020	Bukit Kapur Estate	2020	South Kalimantan	ST-1
		Sungai Cantung Estate	2020	South Kalimantan	ST-1
Samsam Mill (PT Ivomas Tunggal)	2009	Samsam Estate	2009	Siak-Riau	Certified
		Samsam Estate (HGU on progress – 29.09 Ha)	2020	Siak-Riau	-
		Kandista Estate	2009	Siak-Riau	Certified
		Kandista Estate (HGU on progress – 158.46 Ha)	2020	Siak-Riau	-
		Palapa Estate	2009	Siak-Riau	Certified
Libo Mill (PT Ivomas Tunggal)	2009	Libo Estate	2009	Siak-Riau	Certified
		Nenggala Estate	2009	Siak-Riau	Certified
		Nenggala Estate (HGU on progress 419.9 Ha)	2020	Siak-Riau	-
		Sei Rokan Estate	2009	Siak-Riau	Certified
		Sei Rokan Estate (HGU on	2020	Siak-Riau	-

		progress – 102.7 Ha)			
Ujung Tanjung (PT Ivomas Tunggal)	2009	Ujung Tanjung Estate	2009	Siak-Riau	Certified
		Ujung Tanjung Estate (HGU on progress – 557.3 Ha)	2020	Siak-Riau	-
Naga Sakti Mill (PT Buana Wiralestari Mas)	2010	Naga Mas Estate	2010	Kampar-Riau	Certified
		Naga Mas Estate (HGU on process – 253.39 Ha)	2020	Kampar-Riau	-
		Naga Sakti Estate	2010	Kampar-Riau	Certified
		Naga Sakti Estate (HGU on process – 59.79 Ha)	2020	Kampar-Riau	-
		Rama Bakti Estate	2010	Kampar-Riau	Certified
Kijang Mill (PT Buana Wiralestari Mas)	2010	Kijang Mas Estate	2010	Kampar-Riau	Certified
		Kijang Mas Estate (HGU on process – 56.07 Ha)	2020	Kampar-Riau	-
		Kijang Kencana Plasma	2010	Kampar-Riau	Certified
Ramarama Mill (PT Ramajaya Pramukti)	2010	Ramarama Estate	2010	Kampar-Riau	Certified
		Ramarama Estate (HGU on process – 318.76 Ha)	2020	Kampar-Riau	-
		Amartajaya Plasma	2010	Kampar-Riau	Certified
Indra Sakti Mill (PT Meganusa Inti Sawit)	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
		Indra Sakti Estate	2011	Indragiri-Riau	Certified
		Indragiri Plasma	2011	Indragiri-Riau	Certified
		Indrasakti Plasma	2011	Indragiri-Riau	Certified
Bumipalma Mill (PT Bumipalma Lestari Persada)	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified
		Bumi Palma Estate	2012	Indragiri-Riau	Certified
		Bumi Sentosa Estate	2012	Indragiri-Riau	Certified
Sawita Mill (PT Sawitakarya Manunggal)	2018	Sawita Estate	2018	South Kalimantan	ST-1

*)under construction

There are revision of time bound plan, the justification from top management is:

1. Pelakar Mill and Rantau Panjang Mill is still process on disclosure & liability by RSPO, while Bukit Kapur Mill doesn't have land use title (HGU), the HGU is still on process.
2. Several associate smallholders (plasma) which refuses to follow the RSPO certification, but the management unit is still communicating with the plasma for the implementation of RSPO certification.
3. Sawita Mill had conducted pre assessment RSPO on 2015 and Another entire Management Unit under PT Ivo Mas Tunggal has been RSPO certified.
4. Rantau Panjang Mill and Estate Unit (Rantau Panjang Estate & Rantau Panjang KKPA) are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2020.
5. Kilis KKPA as FFB Supplier to Sungai Bengkal Mill are still in the process of HCV Remediation and Compensation Plan (RaCP) related to land clearing above November 2005 without HCV Identifications. In accordance to RSPO requirements, if RaCP proposal not yet approved by RSPO Secretariat. Thus certification target will be postponed year of 2019
6. PT Kresna Duta Agro (Pelakar Estate, Batang Merangin Estate and Batang Tembesi Estate was stage -1 audit in 2017. There are problem related to zero liability report to RSPO, was no response by RSPO secretariat. The main assessment postpone to 2019.
7. When the stage -1 conducted on May 2015, there are boundary stones issues in PT Sinar Kencana Inti Perkasa (South Kalimantan). Reconstruction of boundary stones will be finished end of this year, the certification target postpone to 2019.

	<p>There is revision of time bound plan on 1 October 2017 for HGU on process in PT Ivomas Tunggal (Samsam Estate 29.09 Ha, Kandista Estate 158.46 Ha, Nenggala Estate 419.9 Ha, Sei Rokan Estate 102.7 Ha, Ujung Tanjung Estate 557.3 Ha); PT Rama Jaya Pramukti (Ramarama Estate: 318.76 Ha); PT Buana Wira Lestari (Naga Sakti Estate 59.79 Ha; Naga Mas Estate 253.39 ha and Kijang Estate 56.07 ha). For this area is planned for audit on 2020 because waiting for HGU.</p>
1.10.2	<p>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</p> <p>Muara Wahau Mill receive FFB from scheme smallholder, outgrower and sister company that has not been certified RSPO which is PT Agrotunggal Jayamandiri and PT Tapian Nadenggan. PT Agrotunggal Jayamandiri was independent outgrower and PT Tapian Nadenggan will follow the time bound plan and will be assesst on 2017.</p> <p>Based on TBP, Gunung Kombeng Plasma is planned to be certified with Gunung Kombeng Mill on 2015, but the certification process can not be conducted because smallholders unit decline to join RSPO. After that the TBP for Gunung Kombeng Mill and Gunung Kombeng Plasma is postpone to 2019.</p>

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-4	<p>1. Sandra Purba (Lead Auditor). Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG vericator and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she verified Legal, SCCS, and Land Conflict aspects.</p> <p>2. Arif Faisal Simatupang (Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Awareness Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, and training of Management High Conservation Value (HCV) and RSPO lead auditor training course. He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify Integrated Pest Management, Best Management Practices, Good Manufacture Practices, management and Long Term Budget.</p> <p>3. Naila Karima (Auditor). Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She had experience working in private oil palm plantation companies in Indonesia. She had followed training such as ISPO Lead Auditor, awareness training RSPO certification system, awareness training Occupational Health and Safety Management System (PP No. 50 tahun 2012), Integrated Management System (OHSAS 18001:2007, ISO 14001:2004, and ISO 9001:2008), and HCV Management Training. During this assessment, she assigned to verify of environment aspect, GHG and conservation.</p> <p>4. Asystasya Aishah Silalahi (Auditor). Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she assigned to verify of worker welfare aspect, social and transparency of information.</p> <p>5. Yudhi Yuniarto Tallutondok (trainee). Indonesian, Bachelor degree of fishery, Padjajaran University. Have work experience more than 3 years as operational staff in one of private oil palm plantation in Indonesia and currently working in independent certification body as auditor. Has been involves in several audit of similar scheme such as ISPO, has followed training course such as Basic Management Development Program Agronomy, in house training of mapping and conflict resolution, ISPO and RSPO awareness. During this audit he assessed on OHS aspect, transparency and social aspect.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-4	<p>Number of auditors : 4 auditor and 1 auditor trainee</p> <p>Number of days for ASA-3 at site: 3 days</p> <p>Number of working days for ASA-3 at site : 15 Working days</p>
2.2.2	Assessment Process
ASA-4	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Kresna Duta Agroindo to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification

	<p>Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) 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-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p> <p>Improvement of findings from surveillance assesment findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Location of Assessment
ASA-4	<p>Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) 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 (1) palm oil mill (Muara Wahau Mill) and two (2) estates (Muara Wahau Estate and Gunung Kombeng Estate).</p> <p>Muara Wahau Mill</p> <ol style="list-style-type: none"> Security post and weigh-bridge. Observstion and interview related to product acceptance and delivery as well as SCC implementation Grading. Observation and interview on procedure implementation, safety dan worker welfare aspect. Processing Station (Sterilizer, Thresher, Press, Kernel Station, Clarificataion, Storage Tank). Observation and interview on procedure implementation, safety dan worker welfare aspect. Boiler. Observation and interview on procedure implementation, safety dan worker welfare aspect. Engine Room. Observation and interview on procedure implementation, safety dan worker welfare aspect. Simulation of Fire Emergency Response. Observation and interview on procedure implementation, safety dan worker welfare aspect. Hazardous Waste Temporary Warehouse. Field observations and interview related to the management hazardous waste and emergency equipment (fire extinguisher, first aid kit and emergency wash).. Warehouse. Field observations and interviews related to chemical storage, availability MSDS and hazard symbol. Workshop. Observations and interviews with workers related to work procedure, OHS aspect, and complaint mechanism. Water Treatment Plant. Observation related management of water process and domestic. Mill Drainage. Observations mill effluent lines, sanitation mill and flow of leaching mill. Solid Waste. Observation of the management of solid waste consist of EFB, fibre and shell from the production process of mill. WWTP. Observation of the management of waste water from the production process of mill. <p>Muara Wahau Estate</p> <ol style="list-style-type: none"> Harvesting and FFB Transportation, Division 1 Block F8. Observation and interview on procedure implementation, safety dan worker welfare aspect. Spraying of Woody Growth, Division 1 Block E5. Observation and interview on procedure implementation, safety dan worker welfare aspect. Barn Owl Box, Division 2 Block E11. Observation of integrated pest management with barn owl boxes utilization, monitoring, and occupation rates. Aplikasi Tandan Kosong Mekanis, Divisi 1 Block F04. Observation and interview on procedure implementation, safety dan worker welfare aspect. Ex-Dispute Area, Division 4 Block B16/B17. Observation of condition of ex dispute area. Block C8/C9 Division 4. Observations related to the management of HCV area in form of Elang riparian and

	<p>observations related to the management of HCV area in form of area with natural vegetation.</p> <p>20. Block F21 and F22 Division 3. Observations land application based on permit.</p> <p>21. Creche. Observation and interview related facilities daycare, first aid kit, labour and others.</p> <p>22. Wash and storage of spray equipment. Observation and interview related management of hazardous waste (pesticide), mixing area, and OHS implementation.</p> <p>23. Landfill. Observation of domestic waste management.</p> <p>24. Schedule waste storage. Observation of schedule waste management and its monitoring. Including symbol and label of schedule waste.</p> <p>25. Fertilizer storage. Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure.</p> <p>26. Workshop. Observation and interview related to safe work, OHS license, labour, and welfare aspect.</p> <p>27. Chemical storage. Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.</p> <p>28. Legal pegs : KDA005 (B15/16, Div 4), KDA006 (B18, Div 5), Kda065 (B9, Div 4), KDA063 9C8/9, Div 4), KDA061 (C5, Div 4). All boundary pegs are well maintained and available on place as well in accordance with coordinates</p> <p>Gunung Kombeng Estate</p> <p>29. Harvesting, Division 1 Block H8. Observation and interview on procedure implementation, safety and worker welfare aspect.</p> <p>30. Manual Road Upkeep, Division 1 Block H8. Observation and interview on procedure implementation, safety and worker welfare aspect.</p> <p>31. Spraying of Circle and Path, Division 3 Block J11. Observation and interview on procedure implementation, safety and worker welfare aspect.</p> <p>32. Fire Monitoring Tower, Division 3 Block J11. Observation of fire emergency response by building fire monitoring tower.</p> <p>33. Manual Upkeep of Woody Growth, Division 2 Block G29. Observation and interview on procedure implementation, safety and worker welfare aspect.</p> <p>34. Land Occupation by internal worker, Division 2 Block G28. Observation of utilization of HGU area by employees for planting of vegetables.</p> <p>35. Block H24 Division 2. Observations related to the management of HCV area in form of Pantun riparian and observations related to the management of HCV area in form of area with natural vegetation.</p> <p>36. Block G26 Division 2. Observations erosion pole in with slope area.</p> <p>37. Block G20 Division 2. Observations land application based on permit.</p> <p>38. Block G20 Division 2. Observations LA monitoring well</p> <p>39. Block H23 Division 2. Observation Non-LA monitoring well</p> <p>40. Clinic. Observation and interview with paramedic regarding to work accident and medical service for the employee and his family, scheduled waste (infectious waste) management and workers security security agency implementation</p> <p>41. Wash and storage of spray equipment. Observation and interview related management of hazardous waste (pesticide), mixing area, and OHS implementation.</p> <p>42. Housing complex. Observation and interview with family of worker regarding to housing facility, electricity and water access, complaint mechanism, worship place etc.</p> <p>43. Creche. Observation and interview related facilities daycare, first aid kit, labour and others.</p> <p>44. Material and agrochemical storage. Observation of spare part and agrochemical management, safety guidance and interview with storage officer regarding to chemical management knowledge</p> <p>45. Fertilizer storage. Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure.</p> <p>46. Workshop. Observation and interview related to safe work, OHS license, labour, and welfare aspect.</p> <p>47. Firefighting facilities. Observation, interview and demonstration of firefighting facilities regarding to land fire handling by emergency response team</p> <p>48. Legal pegs : KDA026 (K24, Div 4), KDA027 (K23, Div 4), GPS008 (K22, Div 4), GPS007 (F30, border with MWHE). All boundary pegs well maintained and available on place and in accordance with coordinates.</p>
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	<p>49. Land dispute, block G29, Div 4. Observation related to implementation of agreement, no indication of interference to each other.</p> <p>Interview with stakeholder:</p> <p>50. Surrounding communities (Sukamaju Village, Maju Jaya Village, Miao Baru Village, Cooperation of Bina Sawit Mandiri, Cooperation of Sawit Bersama and contractor). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</p> <p>51. Government Institutions of Indragiri Hilir Districts (Environmental Agency, Manpower Agency, Land Office and Plantation Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area</p>
2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Consultation of stakeholders for PT KDA held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com on 20 March 2017. 2. Public consultation by interview with government agencies in Kutai Timur District (Plantation agency, Environmental agency, Land Office and Manpower agency) on 4 April 2017. 3. Public consultation by interview with locals of the nearby village (Sukamaju Village, Maju Jaya Village, Miao Baru Village), KUD and local contractor on 4 April 2017. 4. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative and gender committee) on 4 April 2017. 5. Consultation with NGO (Sawit Watch, Walhi, Forest People, AMAN and WWF) via email on 29 March 2017. <p>Numbers of input from stakeholders were clarified by PT KDA.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4 Determining Next Assessment	
	The next visit (RC) will be determined at least 12 months after this ASA-4 (April 2019) .

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Muara Wahau Mill– PT KDA operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there one (1) Nonconformity were assigned against Major compliance Indicator, two (2) nonconformities were assigned against Minor Compliance Indicators and seven (7) 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.

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 evidence(s) e.g. (*document record/photographic/etc...*). Those corrective action(s) taken that consist of one (1) Major non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Muara Wahau Mill – PT KDA complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised on 14 June 2017 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is 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.	
Major 1.1.1 and Major 1.1.2	<p>The certificate holder has a list of stakeholders / stakeholder lists including affected local communities. The list of stakeholders is contained in a list of stakeholder folder containing stakeholder descriptions, contact names, addresses, telephone and descriptions. The results of interviews with management known that the updating of stakeholder documents is done once every year by the social PIC.</p> <p>Interviews with management known that stakeholders can access some general company-related information such as employee data, local tax payment status, environmental documents, social documents, etc. This has been regulated in communication and consultation procedures with SOP / SMART / GENERAL / SADV / I / 2004 about the flow of information and feedback from both internal and external stakeholders. Each incoming letter should be recorded and responded by the unit head no later than 3 weeks after the letter received.</p> <p>The results of interviews with community leaders and partner companies known that each party was aware of procedures for accessing information. furthermore the company had held socialization related communication and consultation procedures to stakeholder.</p>	
	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.

Major 1.2.1

Certificate holder already has a document of list of information for stakeholders (No. F/SMART/GENERAL/SADV/ 004/003) approved by the Regional Controller. The list of information consist of number of employees and a list of basic wages of employees, personnel tax, payment of local taxes/retribution, environmental documents, deed of establishment and its amendments, the data of area and production, and fertilizer application data, evidence of land tenure, Environmental Impact Assessment (EIA), High Conservation Value (HCV) identification report, Social Impact Assessment (SIA) identification reports, community empowerment program reports, guiding committee of occupational health and safety report, the document of improvement program, RSPO audit reports, documents of human rights policy.

Certificate holder has conducted socialization related on information that can be accessed by stakeholders. In consultation with local government agencies of Kutai Timur Regency (Plantation Agency, Labour Agency, Environmental Agency, National Land Agency) and surrounding villages of PT KDA (Desa Kongbeng Indah, Sukamaju, Miao Baru, Makmur Jaya, Marga Mulya, Sri Pantun, Sidomulyo dan Rantau Panjang), known that the stakeholders already know the information that can be accessed in accordance with the authority.

Document of deduction of the smallholders payment is not a public document that can be accessed by the public so that top management consideration is required first. This is explained in the Consultation and Communications Procedure (SOP-SMART-UMUM-SADP-I-004, passed on 1 July 2014). At point 2.2.4 b

The results of interviews with the board of Cooperative Sawit Bersama known that the smallholders have understood the debt of payment of plasma plantation, further explained that the company has conducted socialization related to it at the beginning of the plasma plantation development.

Status: Comply

1.3

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

1.3.1

CH has policy related to integrity and ethical conduct in all operational activities. The policy is approved on 1st April 2014 and ratified by VPA PSM3 which stated about:

- Company will continue to socialize and implement shared values to all employees
- The Company implements ethical conduct in all operational activities, including how to behave and behave towards each other, stakeholders, the environment, and the wider community.
- Not tolerate any act or form of corruption in the Business practice
- Recognizing, practicing, and promoting transparent good corporate governance

This policy is available in Indonesian Language. This policy has been socialized to the contractor on 28th March 2018 to local contractor and attended by 3 participants. Based on interview with worker in estate and mill, it is known that they understand about the ethical conduct of the company

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 and 2.1.2

Certificate holder consistently applies legislation relating operational plantation and palm oil mill. CH has shown compliance with laws and regulations, for example:

- Compliance related to requirements of plantation and agraria regulation such as Permentan nomor 98/2013 and UU No 65/1960, the CH has been owned land tenure for the entire cultivated area and has been obtained plantation permit for both estates and mill. In addition, the company has been submit the report of land usage to BPN as required in decree of agrarian minister no. 7/2017

- Testing the quality of river water (Elang River, Pesab River and Pantun River) regularly with quality standard and test parameters (physical test, chemical test, and microbiological test) at Governor Regulation of East Kalimantan 2 Year 2011 in V, Class II (refer to criteria 4.4).
- Evidence of compliance to OHS regulation such as Act No 1/1070, the company has been provide PPE to all workers. Workers at specific station have completed with license in accordance with requirement. The company has included all workers in the Social Security Program (*BPJS Kesehatan and BPJS Ketenagakerjaan*) in accordance with applicable regulations (refer to criteria 4.7).
- Has been implements the requirement of environment aspect such as EIA management and monitoring in routinely (refer to criteria 5.1).
- Have the hazardous waste storage permit referring to Governments Regulation No. 101 year 2014 (refer to criteria 5.3)
- The company has comply with minimum wage referring the decree of East Kalimantan Governor year 2018 (refer to criteria 6.5)
- Etc.

2.1.2; 2.1.3; 2.1.4

Relevant law and regulations has been listed and evaluated by the CH, sighted a list of national regulation and others requirements and its evaluation of compliance, consist of social aspect, land tenure, employment, environmental, OHS and conservation, latest update in March 2018. The list are available in respective units and department as well as copies of regulation.

There are SOPs for regulatory compliance and other requirements number: SOP / SMART / GENERAL / SADV / I / 002 dated July 1, 2014, which describes in detail the flow in evaluating of compliance with laws and regulations and other requirements. The SOP includes explaining the periodic evaluation of compliance with the regulations / requirements referred to which done by the SPO Officer in coordination with the SPO Office Region, conducted at least once a year and when there are changes to the regulations and the mechanism for updating regulations are done through the media mass (electronics and newspapers) as well as communications with government agencies.

Status: Comply

2.2

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

2.2.1

There is no changes since the previous assessment. All areas cultivated by the company have been legally owned, land tenure documents are shown in HGU Decree: No. 34 / HGU / BPN RI / 2010, June 1, 2010, consist of certificate 112 & 113, valid until July 16, 2045, total area of 6873.44 Ha and HGB decree: No. 72-550.2-44-2004, March 31, 2004, certificate no.: 01 (14 April 2004). Valid till April 15, 2024, area of 4.09 Ha. There is no plantation outside the HGU according to the field observations and company's hectare statement document.

2.2.2

HGU pegs monitoring and maintenance is conducted every 3 months by respective units, for example for the 2018 period planned in March, June, September and December. The position of the pegs is detailed in the HGU boundary map scale of 1:20,000 issued by BPN on October 10, 2007 map number: 054-16.09-2007, totaling 66 pegs. Field checks and verification using GPS are conducted to ensure the accordancy of the HGU pegs coordinate, for example field visit to MWHE pegs no.: KDA005, KDA006, KDA065, KDA063, KDA061 and GKME pegs no.: KDA026, KDA027, KDA028, GPS008, GPS007 and KDA018, all sampled pegs available in field and maintained well.

2.2.3, 2.2.4, 2.2.5, 2.2.6

Based on the company's statement area there is no land dispute within the company's HGU. The dispute area which has been agreed by both parties located in the G29 Block has been mapped, field observations are done to the area and there are no indications of interference. The Company already has a SOP for Handling Social Conflict (SOP / SMART / SENS-CSR / SADV / I / 002, dated 1 July 2014) explaining the handling of land disputes and land conflicts. Sighted the social and environmental policy (issued Sept. 8, 2015) stating the company's commitment to resolving any GAR-related operational conflicts and does not condone violence in dispute / conflict settlement and others.

Status: Comply

2.3

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

2.3.1; 2.3.2; 2.3.3 & 2.3.4

The management unit already has a FPIC SOP (SOP / SMART / SENS-CSR / SADV / I / 003) authorized by the Head of Upstream dated July 1, 2014. This procedure is used to the new expansion / development of oil palm plantations and / or factory (neither in new location permit nor in existing location permit). The process of FPIC is done by setting the Team according to the CEO Decree, preparing work plan, preliminary study, FPIC agreement, meeting with the community/affected parties and recording.

Since ST2 to ASA-4 there is no new expansion and/or new planting. The compensation process was completed in 1997.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability
3.1

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

3.1.1

The Company has a long term plan of 5 years (2018 - 2022) in the document of Profitability PT Kresna Duta Agorindo. The document has been identified by the Kalimantan Timur Regional Controller 1. The document includes information such as CPO and PK production, CPO and PK revenues, estate and mill costs, freight costs, Profit / Loss, taxes, and Net Profit. The PIC for this long term plan is Finance Department. Based on interview with management, the company does not have a replanting plan and there are no peat areas in the company.

3.1.2

Based on the long term plan, there was no replanting plan for the next 5 year (2022). Based on interview with management, the company does not have a replanting plan and there are no peat areas in the company.

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

CH has shows oil palm agronomy and processing procedures (SOP) which issued by the Head of Upstream and arranged by the Chief of Management Committee Agronomy and Research (MCAR) team on 12 June 2012 and the Chief of Management Committee for Mill Development (MCMD) team on 6 December 2013, for estate and mill units, respectively. It was noted there were 14 procedures related to oil palm agronomy which covers from planning to FFB transportation to the mill.

Based on review of the procedures, field observation and interview with harvester in MWHE (Block F8) and GKME (Block H8) it could be concluded that the harvesters was able to explain and demonstrate the harvesting process in accordance with the procedures, such as ripeness criteria, frond stacking and the use of personal protection equipment (PPE). Furthermore, based on field observation and interview with pesticide applicators in MWHE (Block E5) and GKME (Block J11), it could be concluded that the workers were able to explain and demonstrate its job in accordance with the procedures, such as considering wind flows during spraying process, pesticides and weeds target, prohibited areas to be sprayed (for example conservation area and riparian zone, which were marked with red and yellow poles and cross red mark on the palm trunks), PPE's to be used as well as its management.

Moreover, oil palm processing procedures were presented in work instruction (WI) No. DP-05-03 which consist of technical guidelines towards all processing stations, such as. loading ramp, sterilizer, thresher, press, clarification, drain tank, oil recovery tank, oil recycling storage tank, oil purifier tank, flushing sludge centrifuge, storage tank wash, nut and kernel, boiler, gauge and glasss boiler, emergency boiler, boiler maintenance, generator set operation, steam turbine, water treatment, final effluent treatment, final effluent analysis and ripple mill. The WI has also describes the methods of stock and production measurement of CPO and PK, mill throughput and calcium carbonate analysis.

Based on review of the procedures, it could be concluded that the oil palm agronomy and processing SOP were still relevant with current situation and covers all main aspects from the field to the mill. All SOP's were available in Bahasa. Furthermore, based on observation to estate and mill office, it could be concluded that the respective SOP's were well distributed by sustainability palm oil officer.

4.1.2, 4.1.3

Ensuring consistency of procedures implementation, the CH has a procedure associated with operational internal audit in the SOP No. SOP-ISCC/IMT/OIA, entered into force on 1 September 2010. Both agronomic and processing internal audit has been conducted and documented every semester. Non-compliance records of internal audit has been corrected and verified by management unit.

4.1.4

The certificate holder already has the RSPO Supply Chain Procedure (SOP/SMART/CERS-EHSD/SADV/I/003) approved on 01 July 2014 which regulates the acceptance of the FFB of third parties, which regulate the acceptance of certified and uncertified EFB. MWHM has record the origins of all third-party sourced FFB. The result of filed visit, document review and interview with the management, known that there are FFB's sourced from third party. The detail can be seen at basic information of this report.

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

Procedure (SOP) of soil fertility management was presented in document No. SOP/SMART/MCAR/IX/TA-PPK related manuring and document No. SOP/SMART/MCAR/X/TA-PTB related field upkeep on immature areas. The SOP has covers leaf and soil sampling for annual manuring recommendation calculation, manuring implementation shall be carried out based on right applications towards time, target, dosage and techniques principles, to conduct a proper water management on peat areas and installation of piezometer for water table monitoring, to conduct land cover crops (ex. legumes and *Nephrolepisbisserata*) management which expected could retain the soil moisture and nutrient cycles, application of by products such as land application by palm oil mill effluent (POME) on permitted areas, empty fruit bunch (EFB) mulching and buch ash application, as well as conduct monitoring on erosion poles monthly.

4.2.2

The CH has monitor the used of fertilizers and well documented. Records of fertilizer application was presented in document of fertilizer recommendation and realization 2017 and Division work program. Fertilizer recommended in 2017 are Urea, Triple Super Phosphate (TSP), Muriate of Potash (MOP), Kieserite and/or Dolomite and HGF Borate. All of 2017 fertilizer program had completed in December 2017.

4.2.3

The CH has routinely monitored the changes on the nutrient status based on the regular soil (SSU) and leaf analysis (LSU). The sampling spot has been determined in each division routinely by SMART Research Institute (SMARTRI) and it is conducted by trained census officer. The result of LSU and SSU analysis has been received. SSU is conducted every 5 year for trees with age of 3, 8, 18 and 23, meanwhile LSU is conducted annually. The last SSU result was issued in 24 April 2015, and the last LSU result was issued on 13 June 2017 for MWHE and 6 June 2017 for GKME.

4.2.4

Apart from chemical fertilizers application, the CH had a strategy of nutrient cycle from oil palm processing by-products such as EFB and POME. The EFB and POME are expected to supply extra potassium (K) and Nitrogen (N), respectively. Moreover, pruned fronds during harvesting activity has indirectly considered as nutrient cycle strategy.

The recommended dose of EFB is 400 kg/tree/year or approximately 60 ton/ha/year. It has been verified based on field observation of mechanical EFB mulching application in MWHE Block F04. Documentation of EFB application in GKME in 2017 has covered 2,725 ha area. Moreover the CH has been conducted POME Land Application covered of 136 ha area

in GKME and 101.78 ha area in MWHE. Field observation of POME Land Application in GKME (Block G20) and MWHE (Block F21 and F22), it is known that the dose was 750 m³/year in 3 rotation, or 250 m³/rotation.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The CH was able to show semi detail soil maps with scale of 1:40,000 which derived from land suitability report, presented in document Reg. No. 115/202/PNMP/II/11 and No. 128/202/PNMP/II/11 for MWHE and GKME, respectively. The maps informed that there were no presence of peat soils within PT KDA operational areas. In term of topography, it was informed that there were no areas with slope more than 40 % in both estates. This is confirmed during field observation. Major limitation for oil palm cultivation in both estates were due to poor drainability properties which presence on Typic Endoaquepts soil type where covers about 77.20 ha (or about 2.20 % of total area in MWHE) and 256.70 ha (or about 7.80 % of total area in GKME). The limitation has classified as marginal (S3) for oil palm cultivation. Moreover, minor limitation were mostly due to fair soil fertility and rolling to hilly slopes (9-40 %). Hence, it could be concluded that there were no fragile soils/area within PT KDA operational areas.

4.3.2 and 4.3.6

According to the soil maps mentioned in Indicator 4.3.1, it was informed that there were about 1,443.17 ha (or about 40.20 % of MWHE total area) and 1,742.13 ha (or about 53 % of GKME total area) has slope ranged from 9-40 % which classed as rolling to hilly. To overcome limitation on hilly area, several method had implemented which refers to procedure No. SOP/SMART/MCAR/II/TA-PPA related planning of land preparation on new planting, and No. SOP/SMART/MCAR/IV/TA-PLB related new land clearing, such as by making terraced planting pattern on hilly areas for soil conservation, by making silt pit for water conservation, planting of trees on riparian of conservation area, monitoring of soil erosion on palm circle, inter-row and harvesting path and frond stacking technique. Furthermore, procedure for erosion measurement was presented in document No. PT KDA-GKME/SOP/29.

Based on field observation in GKME and MWHE it was found that land management which had implemented in 21-40 % elevation area were contour terrace, manual upkeep and fronds was stacked parallel to the contour line. Moreover, the ground was satisfactory covered by verna (*Nephrolepis* sp.) and vetiver grass. This is supported by the data of monthly erosion poles in GKME (Block G26) measurement of March 2018 which informed that erosion level on palm circle, interrows and rantice path on the upper, middle and valley were zero or consider has no erosion.

4.3.3

In general, from document review is known that the road maintenance in both Estates has been conducting well. Current road maintenance activity are road grading by road grader. Based on field observations, main roads and collection roads are in good conditions. The drainage system is well organized to ensure passable for FFB transport and oil palm upkeep in all weather conditions.

4.3.4 and 4.3.5

As mentioned in Indicator 4.3.1, it state there were no presence of peat soils within PT KDA operational areas. Hence, there is no water management on the particular areas.

Status: Comply

4.4

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

4.4.1 and 4.4.2

The Certified Holder has identified the entire water bodies within its operational area namely Pantun River which located in GKME as well as Elang River located in MWHE.

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

- Protecting riparian from chemicals contamination. The company has installed sign as prohibiting application of pesticides and fertilizers. The signs can be red painting in palm-stem or sign board. Based on interviews with spraying

workers in Block J11 Division 3 GKME and Block E5 Division 1 MWHE workers are aware of this.

- *Vertiver* grass planting in riparian area. For example, observation in block C8/C9 Division 4 MWHE riparian of Elang River and Block H23 Division 2 MWHE riparian of Pantun River, there was vertiver grass and legume cover crop planted in riparian. Therefore, the company has set riparian as conservation area. The consequence is no chemicals application, logging and hunting. The riparian monitored by conservation officer routinely.
- Surface water monitoring every semester, by accredited laboratory (KAN LP-013-IDN) test parameter referring to appendix 5, local regulation of Kalimantan Timur No. 2/2011. Based on the last tests on Semester 2 year of 2017 in upstream and downstream of Pantun River, Elang River and Pesab River, all test parameters are in accordance with the quality threshold.

4.4.3

Mill has had license for land application in accordance with Decree of Kutai Timur Regent No. 660/K.133/2018 dated 14 March 2018. The management has tested mill's effluent regularly every month. The result of the test is recorded on implementation report of environmental management and monitoring and reported to Environmental Agency. For example the test results for October- Februari 2017 :

Parameter	Unit	Threshold	Test Result period of 2017 to 2018				
			Oct	Nov	Dec	Jan	Feb
Chemical Anorganic							
BOD	mg/l	5000	2096	1733	1532	1411	1350
COD	mg/l	-	3853	3063	3174	3334	2601
Nitrogen	mg/l	-	106	445	332	843	596
Zn	mg/l	-	0,294	0,041	0,079	0,016	0,03
Cd	mg/l	-	< 0,01	0,01	0,01	0,01	0,02
Cu	mg/l	-	0,368	< 0,003	0,013	0,003	0,01
Pb	mg/l	-	0,08	0,10	0,12	0,08	< 0,01
pH	-	6 – 9	7,37	7,83	7,56	7,23	7,21
Chemical Organic							
Oil & Grease	mg/l	-	10.00	1.00	1.00	0.2	5.00

According to the test result, the quality of effluent is accordance with the quality threshold (Environment Ministry Decree No. 29 Year 2003 and land application license).

4.4.4

The use of water has been regulated under the terms of the permit of surface water utilization from the Directorate General of Water Resources of the Ministry of Public Works, determined that the water utilization can not be more than 37,500 m³/month. The CH can show the recording of water utilization for processing and domestic periode of January to March 2018, shows that the water utilization does not exceed the terms of the permit.

Status: Comply

4.5

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

4.5.1

The SOP of pest and disease describe that the pest control is carried out in an integrated pest management program. Chemical control is only performed if the infestation has exceeded the economic threshold. The routine programs are detection and census, planting and upkeep beneficial plant, barn owl box monitoring, and IPM training. The IPM budget is stated in mature upkeep budget 2017 and 2018.

The CH has a good commitment to improve the use of natural predator as part of integrated pest control. It has been verified in the field such as the instalation and monthly monitoring of barn owl boxes with ratio 1 : 60 ha to 1 : 30 ha to control rat infestation. The monitoring parameter are the existing of barn owl in the boxes, left food, and sign of reproduction such as egg or owl. The other strategy by establish beneficial plant such as *Turnera subulata* and *Antigonon leptosus* and conduct selective spraying to keep soft fern *Neprolepis bisserata* as the host of leaf eater caterpillar predators.

Based on the recapitulation of rat dan leaf eater caterpillar census on 2017 until March 2018, it is known that there is no rat and leaf eater caterpillar infestation over the economic threshold. It has been verified by field observations in harvesting

activities in GKME and MWHE, indicate neither symptom of leaf eater caterpillar infestation in the canopy, nor rat infestation on FFB's harvested.

4.5.2

The CH has conduct integrated pest management training on 13 October 2017 in GKME, and 20 March 2018 in MWHE that are held by SMARTRI. The event was attended by all employees related to census operators, supervisors, and field assistants. The training materials covered detection and census, biological control, mechanical control, chemical control, as well as beneficial plant.

Status: Comply

4.6

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

4.6.1, 4.6.4

The CH has work instruction No. IK/SMART/MCAR/VIII/TA-PGM/03 dated March 26th 2012 has describes weeds control on the palm circle, harvesting path, FFB platform, rotation, pesticides uses, type of weeds and recommendation of pesticides. The CH used 5 trade mark of pesticide, which registered in government's pesticide commission, identified active ingredient, and the specific objectives of control. In periode of 2017 to March 2018 the used pesticides are *Methyl metsulfuron*, *Glyphosate*, *Trilklopir* and *Fluroksipir*. Based on document review and observation of pesticide warehouse, CH does not use WHO 1A, 1B pesticide or paraquat since 2016.

4.6.2

The documentation of pesticide utilization records product name, active ingredients, LD50, percentage of active ingredients, total product application, total active ingredients, hectare application and active ingredients per ha application. For instance for MWHE period of February 2018, the utilization (a.i/ha) of *Metyl metsulfuron* 0,02 kg/ha, *Glyphosate* 0,35 l/ha, and *Triklopir* 0,37 l/ha.

4.6.3

Pesticide reduction was a part of plan of IPM, that detection and census activities are used to determine pest control measures. Chemical control is performed only when the infestation is over the economic threshold, and did not use pesticides in a preventive manner. CH has been conducted regularly pest and disease detection/census as an early warning system, aims to prevent outbreak of pest and disease, so it is expected to minimize the use of pesticides. Other strategies has been implemented, such as the planting of beneficial plants (*Turnera subulata* and *Antigonon leptosus*) and selective weeding to establish soft weeds to suppress leaf eater pests. In addition, the installation and

Based on data of pest and disease census period of 2017 to March 2018, known that there is no infestation exeeded the economic threshold, so there is no usage of pesticides for pest and disease control. Pesticides are used regularly for weed control in the circle and harvesting path in three round per year.

4.6.5 , 4.6.6 , 4.6.7 4.6.9

Each pesticide has been stored in a specific place. Based on field visit in chemical warehouse of GKME and MWHE, all chemicals has been separated from other materials, labels and symbols has been installed properly as well as Material Safety Data Sheet (MSDS) and others.

Based on document review and field observation on spraying activity in MWHE (Block E5) and GKME (Block J11) sighted that the workers trained well on handling pesticide and spraying technique. They can demonstrated the safe working practices in accordance with the procedures. Knapsack sprayers are in good condition, PPE has been used in according to the MSDS and HIRAC, such as boots, apron, rubber gloves, mask, and face protector. They also can explain the prohibition of spraying on river or water bodies, and understanding emergency response in the event of an accident. Pesticide solutions are mixed in pesticide warehouses and transported by special vehicles. After work, knapsack sprayer and PPE are stored in a special storehouse at the Estate.

The results of document review and interviews to Smallholder Cooperative of Sawit Bersama, known that the certificate holder provides periodic training and socialization on pesicide handling for worker in plasma smallholder.

4.6.8

Based on document review, field observation and interviews with workers and stakeholders, the CH did not perform the application of pesticides from the air.

4.6.10

Based on document review and field observation, the used pesticide container are washed first, after that kept to hazardous waste warehouse and then recorded on hazardous waste logbook. Afterward more, used pesticide container deliver to the licensed waste collector by using the licensed transportation.

4.6.11 and 4.6.12

Circulation letter No. 001/SE-ADH3/BNJO/01/2010 dated January 12th 2010 on pregnant and breastfeeding women and medical check for pesticide applicator mentioned that pregnant and breastfeeding women are prohibited to involve in work which related agrochemicals and obliged to regularly carry out a special medical checkup every 4 months with pointed paramedics. Sighthted the list of chemical applicators in both estate, as per March 2018 12 female applicator in MWHE and 16 female applicator in GKME.

Confirmed during interview with pesticide applicators in Block E5 Divisi 1 MWHE and Block J11 Divisi 3 GKME, which stated that annual medical surveillance has been done including cholinesterase test and spirometry test. There is no female workers who are pregnant and breastfeeding, as mentioned that the identified workers will be transferred into manual upkeep works. Workers identified decreased health level will be recommended to be transferred to manual work.

Status: Comply

4.7

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

4.7.1

OHS policy of PT KDA has issued by the President Director of PT SMART, Tbk on November 1st 2013. The policy indicates CH's commitment towards OHS implementation through communicate policy and OHS procedures to all employees and stakeholders which have interest, to comply with government OHS related regulations, to ensure implementation of OHS as a part of operational process, to indentify, appraising, and control of continuous improvement in order to avoid work accident and to manage and monitor OHS indicators and conducting a continuous improvement. The CH has socialize the policy which conducted on February 8th 2018, April 4th 2018 and March 5th 2018 in GKME, MWHE and MWHM/GKMM, respectively. The CH has 25 OHS procedures.

The CH has shown OHS work program for 2018, arranged by Secretary of OHS Committee (Licensed OHS). Several program in 2017 such as:

- Work program of OHS in mill for 2018 which covers OHS implementation, monthly meeting, OHS documentation, socialization and training, devices calibration, monitoring of operator licences, material handling management, medical monitoring and Hyperkes, three-monthly report, regular monitoring, monthly OHS activity, work program evaluation and target of achievement. The CH was able to shows work program realization of 2017.
- Work program of OHS in MWHE and GKME 2018 which covers OHS Committee program, checklist of fire extinguisher, monitoring of first aid kit on the working station and fields, PPE inspection, PPE distribution, evaluation of OHS regulation fullfilment, training on emergency procedures, medical checkup (includes special checkup). The CH was able to shows work program realization of 2017.

Eveidence of OHS work program implementation has recorded in training report, medical check-up report, records of purchasing of OHS related equipments (PPE, first aid kit, fire extinguisher, hydrant, etc.), OHS Committee monthly meeting notes and three-monthly OHS Committee reports.

Based on observation to MWHE, GKME and MWHM, it was found first aid box, fire extinguishers and hydrant stations were satisfactory maintained. Regular checklist monitoring were also available. Moreover, simulation of hydrant were considered satisfactory.

4.7.2

The CH has the hazard identification risk and control (HIRAC) which presented in document No. 01/GKMM-MWHM/I/2017

(Revision on January 2nd 2017), No. F/SMART/HESS-EHSD/SADV/02/02 dated March 22nd 2017 and No. F/SMART/HESS-EHSD/SADV/2/3 dated March 22nd 2017 for MWHM, MWHE and GKME, respectively. The HIRAC has covers all working activities on the mill and estates. The analysis has covers risk hazard identification, sources of hazard risk, frequency (routine, non-routine, emergency), potential risk identification (sources and impacts), control management, risk analysis of severity level and value level.

Based on field visits known that the CH has implemented control measures contained in the HIRARC documents and precaution attached to the product in all plantation operations (Mill & Estate), such as providing adequate training and adequate OHS facilities such as PPE and first aid kit.

The CH has records work accident in the form of recapitulation of work accident which informed time of accident name of employee, gender, age, accident impact (death, physical defect, etc.), accident factors, lost and root of course. Record of work accident is describes as follows:

- There was work accident which caused death in GKME on January 3rd 2018 in Warehouse station. Time of lost was 6,000 man days. Chronology and investigation reports to the respective government parties (BPJS, Police, Health Agency, Village Office), including insurance agency (BPJS) and medical report were available. Follow up regarding this matters to the employee are socialization of safet work in welding and risk identification had been conducted in January 8th 2018, attended by all operators in GKME.
- It was reported that there was no serious accident during 2018 in MWHE.
- It was reported that there was no serious accident during 2018 in MWHM.

4.7.3

OHS training program for 2018 period such as: Fire extinguisher training and maintenance, First Aid Training, Environmental Training, Training of operator boiler & Welder, PIC Social Training (Business & Human Rights), SCCS Training, RSPO training and etc.

The CH has shown document of PPE distribution to all workers in MWHE, GKME and MWHM during 2017 and 2018, which signed by Assisstant, Chief of OHS Committee and the respective workers. Based on observation and interview to Block F8 Division 1 MWHE and Block H8 Division 1 GKME for harvesting and FFB transportation activity, Block E5 Division 1 MWHE and J11 Divisi 3 GKME for field upkeep activity, as well as in all oil palm process station in MWHM, it was found that all employees has wears PPE required by the company procedures and it risk analysis assessment. The workers stated that the PPE is provided by the company and it could be replace with the new one when improper to be used. Workers with uncompleted PPE will be punished by sent them back from work (consider absent).

The CH has satisfactory distribute and monitor the use of PPE to all workers in the estates and mill. However, evaluation of respirator used for pesticide applicator is encouraged and it will be observed on next assessment.

The Company has a SOP of Personal Protective Equipment Management (SOP/SMART/HESS/EHSD/SADV/I/010 dated July 1, 2014), which describes the related standard PPE requirement form for each job (point 3.1). PPE handover documents for Division 2 MWHE fertilizer employees on February 10, 2018 (boots), March 5, 2018 (masks) and March 20, 2018 (gloves) are present, but during field observations in the Block F15/16 MHWE it is known that there are employees doing the job of fertilizer application without using PPE in accordance with standard that have been set company.

Nonconformity No. 2018.01 with Major Category

4.7.4

The CH has OHS organizations which issued by the Head of Manpower and Transmigration Agency of Kutai Timur District, presented in Decree Letter No. 566/508/P2K3/Was dated April 2nd 2015 for MWHM OHS Committee, No. 566/502/P2K3/Was dated April 1st 2015 for MWHE OHS Committee and No. 566/712/P2K3/Was dated May 8th 2015 for GKME OHS Committee. The OHS Committee Secretary of of MWHE, GKME and MWHM was a Licensed OHS Expert which valid until July 16th 2017, The CH shows the Certificate by Delta Indonesia with the number 053/DIP-Sket/I/2018 dated January 29, 2018. In the letter explained about the process of extension the OHS Expert license in the Ministry of Manpower unfinished.

The monthly meeting of OHS Committee has conducted, as required by Minister of Manpower Regulation (Permenaker) No. 155, 1984 Article 3. The evidence has presented in the minutes, for example as follows:

- Minutes of OHS Committee meeting in MWHM dated January 20th 2018, February 17th 2018 and March 24th 2018 which attended by 20 members of OHS committee, respectively. For example, issues being discussed in March 2018 were socialization of LOTO usage, socialization of fire extinguisher and hydrant usage, safety signs, and socialization of flow chart of PPE replacement.
- Minutes of OHS Committee meeting of GKME dated January 3rd 2018 and February 1st 2018 which attended by 15 members of OHS committee, respectively. For example, issues being discussed in February 2018 were controlling the use of PPE and review of work accidents.

The minutes mentioned above has also reported on the three-monthly report to the Manpower Agency of Kutai Timur District which shows towards Official Letter of document report receipt. For example, P2K3 report Period I of 2018 for MWHM has been receipt by the respective agency on March 29th 2018. Report hardcopy were available during ASA-3 assessment.

4.7.5

Procedure of emergency management is presented in document No. SOP/SMART/UMUM/SADV/II/005. Emergency situation identified were fire, explosion, contamination, natural disasters, turmoil, demonstration and work accident. The procedure has describes definition, management emergency action chartline, emergency team, planning and action, training and simulation. Moreover, work accident handling has more detail presented in document No. SOP/SMART/HESS-EHSD/SADV/II/005, which describes victims handling, reporting, investigation, claims, etc. All procedures were available in Bahasa.

The CH has records work accident in the form of recapitulation of work accident which informed time of accident name of employee, gender, age, accident impact (death, physical defect, etc.), accident factors, lost and root of course. Record of work accident is describes as follows:

- There was work accident which caused death in GKME on January 3rd 2018 in Warehouse station. Time of lost was 6,000 man days. Chronology and investigation reports to the respectives government parties (BPJS, Police, Health Agency, Village Office), including insurance agency (BPJS) and medical report were available. Follow up regarding this matters to the employee are socialization of safet work in welding and risk identification had been conducted in January 8th 2018, attended by all operators in GKME.
- It was reported that there was no serious accident during 2018 in MWHE.
- It was reported that there was no serious accident during 2018 in MWHM

The CH has provide clinic with Hyperkes Licensed paramedics, consist of doctor (Cert. No. 19.581/DH-IV/08), nurse/midwife (Cert. No. 5388/PM-XIII/97; Cert. No. 15.557/PM-XIII/12; Cert. No. 13.567/PM-XIII/12; Cert. No. 064/BK3-SMD/IX/2013). Memorandum of Regional Controller Kaltim-1 No. 001/RC-KT1/VI/2014 stated that PT KDA clinic is provide first aid service which covers medical treatment, first aid and emergency action. For further medical action, the CH has an agrrement (MoU) with Puskesmas Kongbeng dated June 15th 2014.

The company shows documents related to the provision of first aid kit in each unit as follows:

- MHWE : 9 boxes of first aid kit in the building area and 11 boxes of first aid in the field.
- GKME : 12 boxes of first aid kit in the building area and 10 boxes of first aid in the field.
- MHWM : 8 boxes of first aid kit in the building area.

4.7.6

The company has been providing accident insurance for their employees in accordance to conditions set by the government in the form of regular social Insurance Agency for labor paid every month. Based on interviews with several employees in estates and mill obtained information that the employee has been registered as a participant of Social Insurance Agency for Labor. The company also showed payment slips of Social Insurance Agency for Labor from January-March 2018 through Bank.

The company also has memorandum no. 058/CEO 3 /12/2016 dated 8 december 2016, which explained that company provides health care insurance to all daily workers.

Based on interviews with contractors are known that employment aspects including wages, insurance and occupational safety are the responsibility of the contractor. This is stated in the letter of agreement.

4.7.7

Certificate Holder shows the recapitulation of work accidents using LTA for the period of 2017, among others:

Muara Wahau Mill → Frequency Rate (FR) = 0 and Severity Rate (SR) = 0.

Muara Wahau Estate → Frequency Rate (FR) = 94 and Severity Rate (SR) = 109.

Gunung Kombeng Estate → Frequency Rate (FR) = 106 and Severity Rate (SR) = 135.

Major 4.7.3	Status: Closed
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4.8

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

4.8.1

CH has training program for period of 2018 for all workers (staff and daily workers) The aspect in the training program are such as environment, labor best management practice aspect, etc. Training program is made by SPO Officer of each unit. Some of training program, namely:

Estate:

1. ISCC, RSPO & ISPO awareness
2. Risk assessment awareness
3. Handling chemical training
4. IPM Training
5. Socialization of GSEP
6. Spraying Procedure Training
7. Etc

Mill

1. SCCS Awareness
2. Fire Fighting Simulation
3. Socialization of Sexual harassment policy
4. Etc

Based on interviews with worker union, workers in estate and mill, and board of gender committee, it is known that CH has provided training or socialization to employees. CH has also provided socialization related to reproductive rights and the board of the gender committee understand hazards of working with chemicals for pregnant and lactating women.

4.8.2

CH has showed the documentation of training or socialization in form of minutes of meeting, list of attendees, and photo activity. For example, socialization of GSEP on 16th January 2018 attended by 48 participants, socialization related to sexual harassment policy on 6th January 2018 attended by 11 participants, IPM training on 13th October 2017 and 20th March 2018, and socialization related to CH's policies to local contractor on 28th March 2018. The training is for all worker and contractor.

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 and 5.1.3

Until the surveillance-4 activity there is no change in environmental documents owned by the company. The environmental documents are in accordance with the current area of operation of the plantation area and plant capacity and are in compliance with applicable laws and regulations. CH has EIA document and its addendum related to the increasing

capacity of mill in Muara Wahau into 60 Ton FFB/Hour. Located in Kongbeng Indah village, Makmur jaya village, Kongbeng Sub district, Kutai Timur District, Kalimantan Timur Province.

Environmental management carried out in accordance with the EIA, such as : (1) Engine maintenance periodically, install a dust collector on factory chimneys channel, using a mask when working in locations that have high levels of pollution, (2) Machine maintenance periodically, use ear plugs when working in a convenient location have a high noise level, (3) Not dispose wastewater into the river, do not dispose of solid waste into the river, providing signboard prohibition of chemical application on riparian area, providing signboard of prohibition polluting the river, providing the boundary pole for riparian area, providing the boundary pole of spraying, tree planting in riparian area, etc.

Monitoring of environmental carried out in accordance with the EIA, such as: (1) Emission quality testing periodically, evaluating the test results and report the results of monitoring to the related agencies, (2) Noise quality testing, evaluating test results and report the results of the monitoring to the related agencies, (3) River water quality testing, evaluating test results and report the results of monitoring to the related agencies, etc.

CH has conducted emission quality test, noise quality test and surface quality test periodically by accredited laboratory. The result of the test shows that the parameters still comply the quality threshold. To see the results of environmental management, monitoring has been carried out each semester. The monitoring results so evaluated, improved and reported to the relevant agencies.

CH has periodically (every six months) delivered reports on EIA implementation (RKL-RPL) to local authorities. Latest report available for second half of 2017 which was submitted on March 12, 2018 to Environmental Office of East Kalimantan Province and to Environmental Office of East Kutai.

To evaluate the relevance of environmental management and monitoring plan, management unit of PT KDA has developed a regular review on UKL-UPL document every two years. The latest review was available for year 2016 which showed that the RKL-RPL document is still relevant to be implemented and there are no changes needed in the management and monitoring of the environment.

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

CH has a primary document Identification of HCV in 2013 by HCV Assessment Team Dep. Environment PT SMART Tbk with competency in ecology, biodiversity, social- and environment aspect. HCV assessment report has been reviewed by Independent Consultant on January 2013.

Identified types of HCV area are Pantun Riparian Area of 211 Ha and Elang Riparian Area of 159.47 Ha. HCV identification results also explain the presence of Rare, Threatened, or Endangered (RTE) as well as the status of its protection (IUCN, government regulation 7/1999, CITES).

5.2.2; 5.2.3

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

Based on field observation in block C8/C9 Division 4 MWHE riparian of Elang River and Block H23 Division 2 MWHE riparian of Pantun River, it is known that company has conducted river riparian management, such as:

- Around the watersources is covered with natural plant (conditions of the river border are left in a scrub condition). *Vertiver grass* planting in riparian area. For example, observation in block C8/C9 Division 4 MWHE riparian of Elang River and Block H23 Division 2 MWHE riparian of Pantun River, there was *vertiver grass* and legume cover crop

planted in riparian. Therefore, the company has set riparian as conservation area. The consequence is no chemicals application, logging and hunting. The riparian monitored by conservation officer routinely.

- There is a boundary that shows high conservation value areas
- There is signboard of forbidden to hunt.
- Protecting riparian from chemicals contamination. The company has installed sign as prohibiting application of pesticides and fertilizers. The signs can be red painting in palm-stem or sign board. Based on interviews with spraying workers in Block J11 Division 3 GKME and Block E5 Division 1 MWHE workers are aware of this.
- Surface water monitoring every semester, by accredited laboratory (KAN LP-013-IDN) test parameter referring to appendix 5, local regulation of Kalimantan Timur No. 2/2011. Based on the last tests on Semester 2 year of 2017 in upstream and downstream of Pantun River, Elang River and Pesab River, all test parameters are in accordance with the quality threshold.

For the purposes of managing the conservation area, CH has appointed some officers dedicated in management of HCV area with Decree No. 01/UHGKME-SPO/09/17 dated 07 September 2017 on the Appointment of Responsible Management of HCV Areas of PT KDA, as responsible for the management of PT KDA HCV area with the duties and responsibilities :

- Implement HCV area management properly and correctly in accordance with applicable laws and regulations.
- Making HCV area monitoring and management reports referring to the final HCV report
- Ensure the implementation of HCV area management has been implemented, including the installation of HCV signs, marking of palm in the boundary area of the river, mounting warning from its activity report
- Organizing socialization, publications and documentation related to the management of HCV areas.

Education towards HCV and its management has given through socialization which conducted in February and March 2018, socialization in GMKE and MWHE and community people in Kombeng Indah Village and Sukamaju Village. Furthermore, based on interview with pesticide applicators in Block J11 Division 3 GKME and Block E5 Division 1 MWHE known that they already know about prohibition to capture, harmed, collecting or kill any RTE species. Based on field visit at workers housing shows that no workers that capturing, harming, collecting or killing any RTE species. The figures of flora and fauna were available on housing information board and signboard.

5.2.4

CH have established HCV management plan, and implemented it well. All of records for patrols on each estate are available and verified by auditors. Management and monitoring activities of HCV contained in the Management and monitoring HCV report. According to the result of management and monitoring evaluation semester 2 known that there are protected animal in the areal of PT KDA. The result of monitoring also reported to government institution every six month.

5.2.5

As mentioned in the previous surveillance and Indicator 2.3.1 it was informed there are no traditional rights used as a plantation of PT KDA. Confirmation on the issue has also been obtained by auditor from public consultation session of RSPO ASA-04 dated April 3rd 2018, which shows that there is no overlap between the village community land concession areas including HCV area.

Status: Comply

5.3

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

5.3.1; 5.3.2

Consistently up with the activities of ASA-3, the management unit has identified waste in the Mill and the Estate including the type of waste (hazardous waste, domestic waste, industrial waste, infectious waste, and air waste), waste sources, and actions taken in efforts to reduce hazardous waste.

CH conduct an inventory of the waste described in the document evaluation aspects of 2017. The result of inventory in estate and mill as follows:

- Spray activities produce waste, such as former pesticide container placed in hazardous waste warehouse.
- Preparation and maintenance block mark, such as former paint cans, placed in hazardous waste warehouse.
- Plastic waste fertilizer, placed in hazardous waste warehouse.
- Activities in the loading ramp, used sacks lose fruit placed in landfill

- Activities in WTP, waste resulting is ex chemical container placed in hazardous waste warehouse.
- Activities in nursery waste resulting is polybag placed in landfill
- IPM controlling, waste resulting is ex pesticide container placed in hazardous waste warehouse.

Based on field visits in chemical warehouse (central warehouses) is known the resulting, former chemicals container be placed to hazardous waste warehouse.

According to the document review, used pesticide containers are washed first, after that kept to hazardous waste storage, and then recorded on hazardous waste logbook. Furthermore, used pesticide containers deliver to the licensed waste collector (PT Karunia Lumasindo Pratama) by using the licensed transportation. Then, reported to Environment Agency. The Company has reported the hazardous waste management reporting for period October to December 2017 on 12 March 2018.

5.3.3

CH shows:

- Decree of East Kutai Regent No. 660/K.151/2013 concerning the license of hazardous waste warehouse to PT KDA (including Muara Wahau Estate and Muara Wahau Transport), issued on February 27, 2013 and Recommendation Letter No. 660/692/3.1-BLH/IV/2013 dated 22 April 2013 from the Head of Environment Agency of Kutai Timur Regency, stipulated the storage period of hazardous waste to 180 days. The point four states that the standard OHS equipment, must be owned by the responsible activities, including among others alarms, fire extinguishers, shower/eye wash, and emergency response facilities.
- SOP of Waste Management (SOP/SMART/LEMS-EHSD/SADV/I/002, 02 July 2014) explaining that hazardous wastes produced in estate and mill (such as used oil, hazardous contaminated waste, used oil filters, traces, used lamps, etc.) are stored in the licensed of hazardous waste warehouse and then delivered to a licensed third party (collector).

Based on observations at warehouse of hazardous waste in Muara Wahau Transport

- a. Still found used oil drums used for trash
- b. There is a used oil spill from a bottle of mineral water in front of the fuel station
- c. Found diesel fuel on the ground from the fuel charging nozzle to the truck.

Based on document review

- a. The results of the Hazardous Waste Management Report on the quarterly period in 2017 revealed that the company has reported the balance and manifest of hazardous waste of GKMM-MWHM, MWHE and GKME units to Environment Agency of Kutai Timur Regency and Kalimantan Timur Province and Directorate General of Waste Management, Waste, and Hazardous Waste Ministry of Environment. However, there is insufficient evidence of hazardous waste management reports for Muara Wahau Transport units reported routinely in accordance with the permits held.
- b. The Company shows the hazardous waste balance of Muara Wahau Transport period from October 2017 to March 2018 for the type of hazardous waste used oil and used batteries. But it has not been shown for other types of hazardous waste such as rag waste, oil filter used, lamps used, etc.

Based on the above explanation, there is insufficient evidence that the company has ensured that hazardous waste management activities in its operational activities are in accordance with the procedures and permits held. **Nonconformity No. 2018.02 with Minor Category.**

5.3.3	Status : Nonconformity No. 2018.02 with Minor Category
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5.4

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

5.4.1

The Certification Unit was able to show records of total fuel consumption for production activities, stated in liter per ton FFB and per ton CPO. Mill management informed that installation of biogas plant were not implemented in the near future.

CH has implemented efficiency of fossil fuel efforts through renewable energy usage by using shell and fiber. It efforts has documented and monitored well.

CH already maximizing the use of renewable energy (fibre & shell) as boiler fuel. Total use of shell and fibre in 2017 was 16,686,354 kg and 36,274,683 kg the use of fiber with power potential is 57,566,635 KW. Based on monitoring, the energy used in 2017 is 52,301,711 KWH for process the FFB as 290,197.46 Ton. Total diesel fuel that needed in 2017 is 1,655,025 liters and the actual use is 343,640 so total solar savings is 1 IDR 15,077,099.16.

Status: Comply

5.5

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

5.5.1 and 5.5.2

The land clearing / land preparation are done without burning. The results of the document review, public consultation and field visits show that since ST-2 up to the ASA-4, the company did not do a new land clearing.

Based on field visit to Gunung Kombeng Estate and Muara Wahau Estate not found indication of burning activity.

Status: Comply

5.6

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

5.6.1 and 5.6.2

CH has list of activities that produce Greenhouse Gases (GHG) in mill consists of use of chemicals, the use of fossil fuels, the use of electricity and effluent. List of activities that produce GHG in estate consists of, the use of chemical fertilizers, the use of pesticides, the use of electricity, the use of fossil fuels. To minimize the GHG, management unit conduct:

1. The use of Chemicals: Chemical use sufficiently correspond to the dose required.
2. The use of of fossil fuels:
 - Subtracting the use of diesel fuel
 - Generators and heavy equipment were functioning properly be able to consume diesel fuel efficiently
 - Turn off the engine when the vehicle queue loading and weighing FFB.
 - Ensure the maintenance of transport equipment, generators and heavy equipment.
 - Monitoring of Kwh / ton production coming from renewable energy (fiber and shell).
3. The use of electricity: using an efficient lamps and socialization in saving electricity
4. Domestic waste: waste separation an organic and organic; socialization in prohibition of garbage incineration
5. Effluent is greenhouse gas emissions from liquid waste into the air / atmosphere.
6. The use of Pesticides: Optimizing control of IPM and use pesticides that have been registered and also appropriate and precise dose.

Based on field visits in the boiler station any a fiber and shell is used as fuel. Remaining fiber shell and placed so did not result in pollution and potential fire. Based on field visit in landfill, Gunung Kombeng and Muara Wahau Estate is known there are not ex pesticide containers disposed in landfills and domestic waste has been divided into organic and an organic.

Certificate holder conducted testing noise in Mill on November 2017 by by accredited laboratory (KAN LP-013-IDN) with results 79.9 dBA to 93.4 dBA.

According to the test result, noise in Mill has been over the threshold limit for example in Engine Room station, Boiler station, nut and kernel station, clarification station, and sterilizer station. CH conducted evaluation with installed warning/safety sign in high noise area and PPE (earmuff/earplug) for workers provided by the company, and medical check up with audiometri test for workers Mill.

Based on filed observation in Engine Room Station of MWHM, warning sign for high noise area has been installed and completed for PPE sign (earmuff).

5.6.3

CH has conducted GHG emission calculations period 2017 make use of Calculator Palm GHG version 3.0.1. Accurate data has been put into the RSPO PalmGHG Calculator (Palm GHG version 3.0.1) and has been verified. Summary of net GHG emissions from PalmGHG calculator of the audit report which calculation option is applied for the reporting.

Summary of net GHG emissions from PalmGHG calculator

Description	tCO ₂ e/tProduct	Land Use	Ha
CPO	1.06	OP planted area	5962.16
PK	1.06	OP Planted on peat	0
PKO	0	Conservation (forested)	370.47
PKE	0	Conservation (non-forested)	-
		Total	5962.16

Extraction	tCO ₂ e/tProduct	Production	t/yr
OER	18.14	FFB Processed	180,094.58
KER	4.00	CPO Produced	32,558.99

Summary of Plantation/field emissions and sink

Description	Own Crop			Group			3 rd Party			Total
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/FFB	
Land conversion	58665.27	9.88	0.33	0	0	0	0	0	0	58665.27
CO ₂ emissions from fertilizer	5394.24	0.91	0.03	0	0	0	0	0	0	5394.24
N ₂ O emissions	4320.7	0.73	0.02	0	0	0	0	0	0	4320.7
Fuel consumption	1633.7	0.27	0.01	0	0	0	0	0	0	1633.7
Peat Oxidation	0	0	0	0	0	0	0	0	0	0
Crop sequestration	-55606.9	-9.36	-0.31	0	0	0	0	0	0	-55606.9
Sequestration in conservation area	0	0	0	0	0	0	0	0	0	0
Total	14407.01	2.43	0.08	0	0	0	0	0	0	0

Summary of Mill Emissions and Credits

Description	tCO ₂ e	tCO ₂ e/tFFB
POME	26826.88	0.15
Fuel consumption	885.99	0
Grid Electricity Utilization	0	0
Exports of Excess Electricity to Housing & Grid	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	27712.87	0.15

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

POME Diverted to Anaerobic Digestion

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

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

6.1

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

Major 6.1.1 and Major 6.1.2

The certificate holder has conducted a survey and Social Impact Assessment (SIA) in 2014 and recorded in Report SIA - "Laporan Studi Identifikasi Dampak Sosial Perkebunan Kelapa Sawit", by Sustainability Department. During the Social Impact Assessment (2014-2015), it appears that the assessment also includes stakeholders, community leaders figure, and related government agencies etc. through a public consultation which visible on participant attendance at SIA report. Communities that participate during identification of social impacts assessment covers 8 villages, among others Desa Kongbeng Indah, Sukamaju, Miau Baru, Makmur Jaya, Marga Mulya, Sri Pantun, Sidomulyo dan Rantau Panjang.

There is 4 recommendation for managing negative effect, which was:

- participation in social activity.
- Evaluation and identification of society needs.
- Socialization of SOP of communication.
- Participation in managing public road

Based on interview with village head of Miau Baru, Sukamaju, Maju Jaya and Marga Mulya, it is known that the CH has involving village in SIA.

Major 6.1.3

In managing social impact, the CH has made plan of managing and reviewing of social impact aspect, every year. The last review of its plan is for period of 2016-2017. The document has explaining method of improving positive and decreasing negative aspect from CH operation in society. Planning to reduce negative impacts and increase positive impacts has been developed in the annual monitoring report. There is a social management monitoring time management every 1 year.

Minor 6.1.4

The results of interviews with the management known that the review of management plans and monitoring the social impacts of plantations and palm oil mill 2016-2018 is still in the drafting stage. In this case the company shows the SIA program for 2018.

Minor 6.1.5

Report of social impact assessment period of 2016-2017 has include of smallholder scheme and independent smallholder. The CH has also their own management team for managing both of the farmer. Based on the results of interviews with village heads, it is known that the main impact felt by the surrounding villagers is the significant increase in the money circulation in the village.

Status: Comply	
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6.2

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

Major 6.2.1

There is list of stakeholder which is updated every year by the CH. The list consist stakeholder from government, society, local contractor, worker union, etc. There is procedure of communication and consultation (SOP/SMART/UMUM/SADV/II/004, dated July 1 2014). Based on interview with village head of Karya Sukamaju and Kombeng Indah known that the CH has socialized the procedure.

Minor 6.2.2

PIC of the CH in communication and consultation is manager of estate and mill along with social staff. Based on interview with village head of Karya Sukamaju and Kombeng Indah, it is informed that they already knew the PIC.

Minor 6.2.3

There is procedure of communication and consultation (SOP/SMART/UMUM/SADV/II/004). PIC for communication and

consultation is the manager of estate and mill. CH could show list of request of information and communication in form of recording book. However, until the audit activities have been conducted there has been no incoming letter for requests for information or requests for assistance.

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.

Major 6.3.1

The company has the Procedure of Handling Complaints and Dis-satisfaction no. SOP/SMART/SIGS-CSR/SADV/I/003 that explain the process of delivering and handling complaints and grievances internally and externally. In the Procedure also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external. Responses to the complaint and dissatisfaction is given as soon as possible and no later than one month after the issue received. Procedure of Handling Complaints and Dissatisfaction only up to the enterprise level.

Based on information from interview with worker union, known that there is no industrial problem between both side. All of the worker complaint could be handled in comfortable way according to the procedure. It is same with information from manpower agency of Kutai Timur District.

In order to ensure stakeholder awareness regarding to complaints and dissatisfaction mechanism, SPO officer has conducted socialization of those procedure. The latest socialization has been held on August 9th 2017. According to the public consultation concluded that whole village representative and cooperative management has been well-known regarding to the complaint mechanism.

Major 6.3.2

The CH has use form F/SMART/SIGS/SADV/003/001 in recording complaint from workers. The whole recording and handling of related complaints recorded in the Monitoring Form Handling Complaints and dissatisfaction. Based on the form is known that there was several complaint from stakeholder. For example, complaint from employee regarding to insurance membership card on March 19th 2018. The management has response and fixed it on March 22th 2018. According to interviews with workers and communities there are no complaints or dissatisfaction of employees and external (community).

Status: Comply

6.4

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

6.4.1; 6.4.2 & 6.4.3

Since ST2 to ASA-4 there is no new expansion and/or new planting. The compensation process was completed in 1997. Sighted the FPIC SOP (SOP/SMART/SENS-CSR/SADV/I/003) authorized by the Head of Upstream dated July 1, 2014. This procedure is used to the new expansion / development of oil palm plantations and / or factory (neither in new location permit nor in existing location permit). The process of FPIC is done by setting the Team according to the CEO Decree, preparing work plan, preliminary study, FPIC agreement, meeting with the community/affected parties and recording.

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

CH has work agreement for contract worker which explain about the wages, work hour, duty and responsibility, and other provisions. The contract that is showed to auditor is for 6 workers. The wages is in accordance with Kalimantan Timur Governor Decree No 561/K.784/2017 about minimum wage for Kutai Timur Regency as much as Rp 2,678,731 per month. Following this decree, CH issued wages decree for daily, monthly and temporary worker. The decree is listed below.

- SK No 011/CEO3/PSM3/01/2018 about Wages for Daily Permanent Worker of PT KDA. It is stated that basic wage for daily permanent worker with working period less than 1 year is Rp 2.604.731 and allowance of rice as much as

15 KG or worth Rp 75,000.

- SK No 010/CEO3/PSM3/01/2018 about Wages for daily temporary Worker of PT KDA. It is stated that basic wage for daily temporary worker is Rp 107,150 per day
- SK No 012/CEO3/PSM3/01/2018 about Wages for Monthly Worker of PT KDA.

The wage for contract worker is set in the work agreement. Based on interview with worker in estate, they received the payslip document and the amount is in accordance with the applicable regulation. Based on document review of wage documentation for daily worker in estate and contract worker in mill, it is known that the wage is paid in accordance with the regulation. The payment overtime also in accordance with the applicable regulation based on documentation of overtime recapitulation.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.

6.5.2

Work agreement (contract) between worker and company describes about type of work and salary, duty and responsibility, work hour, health and medical, work termination, and others. Contract is written in Indonesian Language and workers are understood the substance of the contract.

CH also has collective labor agreement (PKB) and ratified on 8th December 2016 through Head of Manpower and Transmigration Agency of Kutai Timur Decree NO. KEP.560/2374/HIJ and valid until 31st December 2017. Until Surveillance 4 is conducted, this PKB is still valid because in the document stated that PKB is still valid maximum 1 year if there is no new PKB specified. The draft of PKB for next period is ready and still waiting for the registration to Manpower Agency of Kutai Timur Regency. **(OFI)** This document is regulated about company and worker responsibilities, recruitment process, promotion and demotion, work time management, payment system, social insurance, contract termination, and so on. Based on interview with the worker, it is known that they understand about worker's rights and obligation as written in Company Regulation.

CH has a program for promote the temporary and daily worker into permanent worker periodically **(OFI)**. CH showed the proposal letter of employee appointment, such as:

- Email of employee appointment proposal on 22nd March 2018. The number of worker suggested is 263 MWHE workers
- Email of employee appointment proposal on 28th March 2018. The number of worker suggested is 26t GKME workers
- Letter No 001/MDH3-INT/BNJO/03/2018 about approval of appointment of daily worker. Contract worker suggested are 6 GKMM worker.
- Letter No 001/MDH3-INT/BNJO/03/2018 about approval of appointment of daily worker. Contract worker suggested are 15 GKMM worker

6.5.3 & 6.5.4

Based on field observation in housing complex in Muara Wahau and Gunung Kombeng Estate, it is known that CH has been providing housing facilities, lighting, water, cooperatives, worship place, school buses, clinics and educational facilities. Based on interview with the residents, it is known that there is no complaint related to housing facilities. The facilities provided by the CH is adequate. Adequate food supply can be accessed by the nearest market. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price.

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 policy related to right to form and join worker union is letter No 104/CEO 3-SE/07/2010. It is stated that The Company respects the provisions and rules applicable in the Act including the freedom of association in the workers' organization which is the basic right of the workers as stipulated in law. Based on interview with representative of worker union from PT

KDA, it is true that company is giving freedom and support for worker to establish a worker union. The worker union has been registered to Labor Agency of Kutai Timur Regency.

6.6.2

The worker union conducted internal meeting where there is an issue with company or the member of union. There are meeting documentation, such as minutes of meeting on 7th November 2017 attended by 13 participants from board of Woker Union PT KDA, PT TN, and other member. The documentation in available in office unit and available for member if they were asking.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The minimum age for new worker recruitment is 18 years old, it is based on company policy. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Kutai Timur Regency and field observation in Muara Wahau and Gunung Kombeng Estate, there is no issue regarding child labor. Based on interview with board of worker union, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children.

Status: Comply

6.8

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

6.8.1 & 6.8.2

CH has policy related to equal opportunity listed on letter from CEO 3 No 102/CEO3-SE/01/2010 on 27th January 2010. The letter stated all units in the implementation of operational activities regardless of race, caste, religion, nationality, disability, gender, sexual orientation, union membership, political affiliation and age. All workers are treated equally and have equal opportunity. Based on field observation and interview with worker union, it is known that there is no issue or complain from worker regarding discrimination. The workers that has been interviewed is came from various social origin, race, and religion.

6.8.3

CH kept the personal file of each worker in each unit office. Based on interview with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment and also medical checkup. Company showed documentation of employee recruitment, such as photocopy of KTP, Family ID, application letter, medical checkup and if the result was good, will be recruited and signed the work agreement.

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

Policy related to Sexual Harassment is regulated in letter from CEO 3 No 101/CEO3-SE/01/2010 on 27th January 2010. Based on interview with female worker in child day care, it is known that they understand the policy. Also, interview with committee of Gender Committee in estate and mill, it is known that there is no issue or complaint related to sexual harassment on the workplace. CH also form gender committee for handling the harassment issue around female workers. It is also known that they understand the mechanism of complaint submission. Complaint can be submitted to board of worker union, gender committee, or their foreman. Based on interview with the board of gender committee, the company provides the female worker with menstrual leave for 2 days and pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, CH give special breast feeding time for female worker, but prohibit the worker from working with chemical material.

Status: Comply

6.10

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

6.10.1, 6.10.2, 6.10.3

FFB selling price followed the price set by Plantation Agency of Kalimantan Timur Province. Based on interview with Cooperative of Sawit Bersama, the FFB price can be seen online and can be accessed widely by stakeholders. There is no complaint related to the price.

There is work agreement 002/KOPSA-B/IX/2011 between Cooperative of Sawit Bersama and PT KDA on 30th September 2011. This agreement is signed by all parties, PT KDA, Cooperative of Sawit Bersama, and representative of smallholder farmers. Based on interview with board of cooperative, the agreement is made by negotiation process of both parties.

6.10.4

Payment are done in timely manner according to the result of document verification and interview with local contractor. For example, payment of crops for the period of March 2018. Payments are made on March 21, 2018 through BRI. Payments are made directly to smallholder farmers.

Prior to payment, the company will send a recapitulation of the crop and the amount of the payment. If accepted by the chairman of the cooperative, the company will transfer / pay the crop directly to the farmers through BRI. Farmers as many as 1168 farmers

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Minor 6.11.1

Certificate holder has contributed to local development in the CSR programmes. Observed evidences of contribution to local economic development through empowerment of local contractors, road maintenance, funding on national holidays and religious holidays activities, educational equipment, etc. Based on interview with village head of Karya Sukamaju and Kombeng Indah, known that the preparation of the CSR programmes has been carried out based on a consultation process with the village. The CSR realization has been in accordance with the needs and aspirations of the community.

Minor 6.11.2

The CH has management staff in handling smallholder scheme and independent smallholder. Based on public consultation result with surrounding villages, auditor observed that there are no significant objection arise by community against certificate holder's performance. Positive perception mostly found on contribution to local economic development through scheme smallholder partnership, infrastructure development, CSR, local contractors, and stimulant of economic activities.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker and stakeholders, it is known that there is no migrant labor, including forced labor and illegal labor. The recruitment is done according to the company's procedure. All workers have work agreement that explain about the obligation and rights of the worker, and other provision. They work based on the contract and work order. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview with board of worker union, there is no issue related to force labor. And there is no inter area workers.

Based on interview with the harvester and committee of worker union, there were no complaint about working hours. The payment is based on tonnage. If they did not get the tonnage after working hours is out, they will be paid by daily payment.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

CH has policy on human rights which explain that company respect to workers' human rights written in Social and Community Engagement Policy. The policy has been socialized to the contractor, for example on 28th March 2018. The socialization has been documented in form of minutes of meeting, list of attendees, and socialization material. Based on interview with worker in estate and mill, they know and understand about workers rights. And also, from consultation with

internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there is a complaint, the complaint can still be resolved by amicable way between employees.		
	Status: Comply	
PRINCIPLE #7 Responsible development of new plantings		
<p>CH does not open/ develops new plantation area after 1 November 2005 and the latest development was conducted in 2004.</p> <p>The document review and interview with management showed that the company is not performed land clearing after 1 November 2005. HCV identification in PT KDA was conducted on 2013. GAR, as the parent of PT KDA has conducted disclosure of liability data and zero liability disclosure on 29 August 2014 by email.</p> <p>The results of document review, field visits and interviews found that CH did not perform new expansion since ST-2 until ASA-4.</p>		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
<p>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.</p>		
<p>CH also have continuous improvement several aspects, such as:</p> <p><u>Worker welfare</u> Employee appointment program periodically from contract and temporary daily worker into permanent worker.</p> <p><u>BMP</u> CH has a commitment to eliminate use of paraquat through memorandum from the President Director on 21 November 2014. According to pesticide use records, the paraquat has not applied since 2016.</p> <p><u>HCV</u> According to documents reviews which supported by field observations, it could be concluded that the current HCV related programs, realizations and its evaluations were in accordance with RSPO BMPs manual. The implementations on the field has obviously considered satisfactory. Hence, the existing program will remain continued on the next following period.</p> <p><u>Social</u> The CH has review of its plan of managing social aspect for period of 2016-2017 in order to improving positive and decreasing negative aspect from CH operation in society. The CH has also made cooperation with independent smallholder, in form of : seed, pesticide and fertilizer softloan, other than best management practices training.</p> <p>To maintain compliance with P & C RSPO, the CH conducts internal audits once every 1 year by internal auditor from Head Office. The last internal review was conducted on 26th February – 2nd March 2018 by 5 auditors. All identified of nonconformities have been closed.</p>		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement								
5.1	Applicability of the general chain of custody requirements for the supply chain								
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?</p> <p>MWHM only convert FFB into CPO/PK, the whole process are done by the mill. Product transporting (CPO/PK) are done by the contractor which has been legally contracted by the mill, agreement sighted and verified by the auditor.</p>								
	Status: Comply								
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?</p> <p>The organization does not buying any of RSPO product from traders.</p>								
	Status: NA								
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?</p> <p>WHMM has been registered on RSPO Palm Trace, all CSPO and CSPK sales are reporting through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <table border="1"> <tr> <td>Member Name</td><td>PT. Kresna Duta Agroindo - Muara Wahau Mill</td></tr> <tr> <td>Member ID</td><td>RSPO_PO1000001765</td></tr> <tr> <td>License ID</td><td>CB53253</td></tr> <tr> <td>RSPO membership under GAR</td><td>1-0096-11-000-00 dated 31 March 2004</td></tr> </table>	Member Name	PT. Kresna Duta Agroindo - Muara Wahau Mill	Member ID	RSPO_PO1000001765	License ID	CB53253	RSPO membership under GAR	1-0096-11-000-00 dated 31 March 2004
Member Name	PT. Kresna Duta Agroindo - Muara Wahau Mill								
Member ID	RSPO_PO1000001765								
License ID	CB53253								
RSPO membership under GAR	1-0096-11-000-00 dated 31 March 2004								
	Status: Comply								
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>Question: Is the site level or its parent had a processing aids?</p> <p>There is no processing aids in MWHM. The mill only process FFB to CPO/PK.</p>								
	Status: NA								
5.2	Supply chain model								
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p>								

Question: Has the organization applied the Supply Chain Model correctly?	
MWHM implements SCC – MB model.	
	Status: Comply
5.2.2	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Question: Has the organization applied a combination of Supply Chain Model correctly?	
MWHM only implements SCC – MB model.	
	Status: Comply
5.3	Documented procedures
5.3.1	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
Questions : Documented procedures established and covering all provisions following:	
<ul style="list-style-type: none"> ○ Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. ○ Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). ○ Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard. 	
The procedure of implementing SCC is described in SOP of Supply Chain of RSPO Mass Balance Product, number: PT KDA-MWHM / SOP / 34, issued on March 23, 2018. SOP has explained the whole process of implementing SCC since the reception of FFB, processing, shipping product (CPO / PK), reporting to CB (if there is overproduction), reporting to RSPO PalmTrace for each CSPO sale (either as RSPO or other scheme) and mass-balance calculation. The duties and responsibilities of key personnel such as security guards, weigh-bridge clerks, analysts, assistants, head of adm, mill managers, production controllers, support department and sales department have been described therein. The SOP has referred to the terms and conditions of the RSPO SCC system and the latest standards.	
	Status: Comply
5.3.2	
The site shall have a written procedure to conduct annual internal audit	
Question :	
Documented annual internal audit procedures established and covering all provisions :	
i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	
ii) Effectively implements and maintains the standard requirements within its organization.	
Internal audit management system and sustainability including RSPO SCC are described in document no. : SOP / SMART / UMUM / SADV / I / 009 dated July 1, 2014. Audits are conducted once a year by auditors (teams) who have appropriate competencies. Training on auditors is done 2 times a year.	
The latest SCC internal audit was held on 26 Feb - 2 March 2018 for both general CoC and SCC module. There is no NC raised during the latest SCC audit.	
	Status: Comply
5.4	Purchasing and goods in
5.4.1	
The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Question :	
All RSPO product information is provided by suppliers in accordance with :	

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date;
 - The date on which the documents were issued;
 - A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
 - The quantity of the products delivered;
 - Any related transport documentation;
 - Supply Chain certificate number of the seller;
 - A unique identification number
- Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).
- The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.
- A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.
- The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.

MWHM not purchased any of RSPO certified product, the mill only received and processed certified FFB from its own estate. Information of FFB from its own estate listed in the FFB transport receipt and weighing ticket, such as document number, date, estate/division/block, amount (bunches and loose fruit), certificate id.

Status: Comply

5.4.2

The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents

Question :

Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?

Handling of non-conforming FFB describes in FFB grading guidance, which is stated that for all non-conforming product (unripe, over-ripe, empty bunch, abnormal) recorded in grading form and reported to the respective unit (estate and division).

Non-conforming CPO/PK handled by implemented the calculation of reate claim.

Status: Comply

5.5

Outsourcing activities

5.5.1

In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

Question : Are the outsourcers RSPO certified?

Throughout the process of product processing from FFB to CPO / PK conducted by MWHM. Transporting of CPO/PK products submitted to third parties who have been bound by contract with the mill. Can be shown:

- Agreement No. 001 / KDA / 10/2017-CPO dated October 4, 2017 with the Produksi Pemuda Adat Dayak Kayan (PADK) Cooperative, located in Miau Baru village, for CPO transportation process from mill to Labanan Bulking.
- Agreement No. 001 / KDA / 01/2016 - PK concerning the transportation of PK from mill to port in Palaran.

Status: Comply

5.5.2

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

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have

access to the outsourcing contractor or operation if an audit is deemed necessary.	
c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.	
d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance	
Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing	
Yes, all activities submitted to third parties who have been bound by contract with the mill. Can be shown:	
<ul style="list-style-type: none"> • Agreement No. 001 / KDA / 10/2017-CPO dated October 4, 2017 with the Produksi Pemuda Adat Dayak Kayan (PADK) Cooperative, located in Miau Baru village, for CPO transportation process from mill to Labanan Bulking. • Agreement No. 001 / KDA / 01/2016 - PK concerning the transportation of PK from mill to port in Palaran. 	
	Status: Comply
5.5.3	
The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
Question: Has the site maintained names and contact details of all outsourcers?	
Yes, the names and contact details of contractor are listed in the agreement.	
	Status: Comply
5.5.4	
The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
Question : Has MUTU informed about any new outsourcers?	
Information of contractor has been verified during ASA-4, there is no any new outsources/contractor	
	Status: Comply
5.6	Sales and goods out
5.6.1	
The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
Question :	
All RSPO product information is provided by the organization in accordance with :	
<ul style="list-style-type: none"> • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. • 	
All the buyer information are listed in DO document, for e.g.:	
DO no.: 1154111794 (PK), infoms: the DO date, delivery date, term of delivery, buyer name, buyer address, product type, quantity, PO number, RSPO certificate id, SCC model, tranportation type and country of origin.	
Number of CSPK transaction during the license periode is 17 transactions, which sold to PT SIP entirely. There is no CSPO	

sold under RSPO during the license period.	
	Status: Comply
5.7	Registration of transactions
5.7.1 Supply chain actors who: <ul style="list-style-type: none"> are mills, traders, crushers and refineries; and take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
Question : Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)	
WHMM has been registered on RSPO Palm Trace, all CSPO and CSPK sales are reporting through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	
Member Name	PT. Kresna Duta Agroindo - Muara Wahau Mill
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RSPO membership under GAR	1-0096-11-000-00 dated 31 March 2004
	Status: Comply
5.7.2 The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	
Question : Did the organization correctly perform the applicable actions on RSPO IT Platform?	
Yes, all CSPK sales are reported to RSPO IT Platform. There is no CSPO sold as RSPO, CSPO sold in other scheme (ISCC) has been removed from certified stock (according to the new SCC standard).	
	Status: Comply
5.8	Training
5.8.1 The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Question : Has the organization established RSPO training plan?	
Yes, RSPO and SCC training planned once a year, for periode of 2018, RSPO/SCC training planned to be done in March/April.	
	Status: Comply
5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s)	

performed	
Question : Has the organization Delivered Effective RSPO training?	
<p>Training on SCC system and standard has been delivered effectively, the latest training related on new SCC standard (SCC standard and system version 21 Nov 2014, revision 14 June 2017) held on 19 Dec 2017. The participant is PC, unit head of mill and estates, unit head of Labanan Bulking, mill adm head, SPO Officer.</p> <p>Training to the workers and operator in mill held on 10 March 2018, as much as 18 participant including all process assistant, SPO officer, grading, all administrator.</p> <p>According to observation result and interview with personnel who is involve in SCC (security and wheighing operator), sighted that the understanding of SCC standard is sufficient.</p>	
	Status: Comply
5.9	Record keeping
5.9.1	
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
Question : All records are accurate, complete, up-to-date and accessible?	
Yes, all the records are kept in mill, accurate, complete and up to date.	
	Status: Comply
5.9.2	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Question : All records are kept for minimum two years and comply with legal and regulatory requirements?	
According to the organization's SOP (SOP of document and records control – SOP/SMART/UMUM/SADV/II/001, 1 Juli 2014), all records are kept for 10 years.	
	Status: Comply
5.9.3	
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
Question : For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months?	
Yes, recorded in Mass Balance Report, all the CSPO/CSPK claimed are records over 12 months.	
	Status: Comply
5.10	Conversion factors
5.10.1	
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries	
Question : Conversion rates applied accurately?	
The mill only produce CPO/PK. Does not convert to derivates.	
	Status: NA

5.10.2	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Question :	
Conversion rates periodically updated?	
The mill only produce CPO/PK. Does not convert to derivatives.	
	Status: Comply
5.11	Claims
5.11.1	
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Question :	
Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?	
All product claim has been met with RSPO rules on Market Communications and Claims.	
	Status: Comply
5.12	Complaints
5.12.1	
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Question :	
Documented procedures for stakeholders complaints established?	
Complaints mechanism are describes in the document of "SOP Penanganan Keluhan dan Ketidakpuasan", document no.: SOP/SMART/GIMS-SCMD/USDV/I/001, revised on 11 April 2017. The procedures covering all complaint and grievance including in regard of certified product.	
	Status: Comply
5.13	Management review
5.13.1	
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
Question :	
Management reviews performed annually at planned intervals?	
Yes, management review planned once a year, according to the SCC procedure.	
	Status: Comply
5.13.2	
The input to management review shall include information on:	
<ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
Question :	
Has all input required above has been included in the management review?	
It will be verified in the next surveillance, since the standard (new SCC standard) are applicable per 1 Jan 2018.	
	Status: Comply
5.13.3	
The output from the management review shall include any decisions and actions related to:	
<ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. 	

• Resource needs.	
Question : Has all output required above has been included in the management review?	
It will be verified in the next surveillance, since the standard (new SCC standard) are applicable per 1 Jan 2018.	
	Status: Comply

3.2.2 (Module E) CPO Mills – Mass Balance 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>MWHM are received and processed the FFB from its own estate (certified) and outsources (uncertified). In this case, the mill can only claim CPO/PK as MB.</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>The estimated tonnage of certified product (FFB, CPO and PK) has been recorded by MUTU in the certificate of ASA-3: FFB : 177,883 MT CPO : 42,692 MT PK : 9,339 MT</p> <p>The actual certified product (26 June 2017 to 31 March 2018) verified and recorded in the summary report of ASA-4 : FFB : 121,845.68 MT CPO : 25,636.03 MT PK : 5,624.28 MT</p> <p>Estimated for next license (26 June 2018 to 25 June 2019): FFB : 156,989 MT CPO : 37,677 MT PK : 7,849 MT</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>MWHM has been registered on RSPO Palm Trace, all CSPO and CSPK sales are reporting through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p> <table border="1"> <tr> <td>Member Name</td><td>PT. Kresna Duta Agroindo - Muara Wahau Mill</td></tr> <tr> <td>Member ID</td><td>RSPO_PO1000001765</td></tr> <tr> <td>License ID</td><td>CB53253</td></tr> </table> <p>There is no CSPO sold as RSPO, CSPO sold as ISCC has been removed from certified stock, as much as 3,300.7 MT (according to requirement of the new SCC standard) .</p> <p>All CSPK sold to PT SIP, announcing are done per contact sales, since 26 Aug 2017 up to 31 March 2018 has been announced sold as much as 3,869.14 MT. There was PK delivery as much as 1463.28 MT not yet announced due to the shipping (according to DO) has not been completed.</p>	Member Name	PT. Kresna Duta Agroindo - Muara Wahau Mill	Member ID	RSPO_PO1000001765	License ID	CB53253
Member Name	PT. Kresna Duta Agroindo - Muara Wahau Mill						
Member ID	RSPO_PO1000001765						
License ID	CB53253						

	Status: Comply	
E.3	Documented procedures	
E.3.1		
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:		
a. Complete and up to date procedures covering the implementation of all the elements in these requirements;		
b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.		
The procedure of implementing SCC is described in SOP of Supply Chain of RSPO Mass Balance Product, number: PT KDA-MWHM / SOP / 34, issued on March 23, 2018. SOP has explained the whole process of implementing SCC since the reception of FFB, processing, shipping product (CPO / PK), reporting to CB (if there is overproduction), reporting to RSPO PalmTrace for each CSPO sale (either as RSPO or other scheme) and mass-balance calculation. The duties and responsibilities of key personnel such as security guards, weigh-bridge clerks, analysts, assistants, head of adm, mill managers, production controllers, support department and sales department have been described therein. The SOP has referred to the terms and conditions of the RSPO SCC system and the latest standards.		
	Status:	
E.3.2		
The site shall have documented procedures for receiving and processing certified and non-certified FFBs.		
In the SCC procedure mentioned above, clause 6.4 is explained in regarding to the procedure of processing certified products. The factory only does the processing of FFB into CPO/PK. There is no additional processing either materials or tools.		
	Status:	
E.4	Purchasing and goods in	
E.4.1		
The site shall verify and document the volumes of certified and non-certified FFBs received.		
MWHM has verified and records the FFB volumes both of certified and non-certified received, describes in following table:		
Month	Certified	Non Certified
Jun '17	13106.19	4690.5
Jul '17	15040.76	4804.68
Aug '17*	14767.44	3335.71
Sep '17	12291.48	2234.12
Oct '17	12374.73	2146.84
Nov '17	13594.98	1773.6
Dec '17	10549.86	1805.51
Jan '18	11382.14	3070.27
Feb '18	8610.83	4112.26
March '18	10127.27	5818.11
Total	121845.68	33791.6
Note: License periode are start from 26 Aug 2017 (due to the extension of time in the previous license)		
Security and weighing operators are PIC for verifying every FFB that goes into certified mill, through FFB delivery receipt, for example:		
• FFB transport receipt from GKME and MWHE on April 2, 2018 inform: Estate, division, block, number of bunches, number of loose fruit, police number. On weighing ticket inform: weight, certificate number, delivery order, and total certified product.		
• Uncertified sources (GKMA) receipt letter informs: division, police number, serial number, block, number of bunches and number of loose fruit. On the weighing ticket: delivery order, source, transporter, total uncertified product.		

Status: Comply										
E.4.2										
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.										
There is no over production of certified tonnage during the license period (26 June 2017 – 31 March 2018):										
Projection:										
FFB : 177,883 MT										
CPO : 42,692 MT										
PK : 9,339 MT										
Actual:										
FFB : 121,845.68 MT										
CPO : 25,636.03 MT										
PK : 5,624.28 MT										
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.)										
a. The site has recorded and balanced all receipts of RSPO certified FFB on monthly basis, which is on documented "Mass Balance Report":										
	TOTAL KDA	TOTAL	CPO Production		CPO Despatch		PK Production		PK Despatch	
	FFBCERT	FFB NON CERT	CPO CERT	NON CERT	CERT	Non CERT	CERT	NON CERT	CERT	Non Cert
Beginning stock			1775.19				212.69			
Jun '17	13,106.19	4,690.50	425.66	121.86	774.73	0.00	95.06	28.09		
Jul '17	15,040.76	4,804.68	3,567.33	1,158.72	3,146.06	622.08	751.96	248.38	979	213.24
Aug '17	14,767.44	3,335.71	3,456.31	781.06	3,232.48	1,807.13	747.52	176.96	480.91	188.11
Sep '17	12,291.48	2,234.12	2,919.57	549.40	3,543.35	1,336.70	638.23	122.91	727.70	201.73
Oct '17	12,374.73	2,146.84	2,823.91	510.86	2,850.75	411.27	648.71	122.93	850.66	121.88
Nov '17	13,594.98	1,773.60	3,130.60	428.71	3,157.93	484.01	726.62	102.95	679.04	78.19
Dec '17	10,549.86	1,805.51	2,489.61	437.93	2,434.25	354.77	538.58	99.13	394.73	98.03
Jan '18	11,382.14	3,070.27	2,556.91	723.08	2,698.72	806.15	566.17	165.47	765.01	100.62
Feb '18	8,610.83	4,112.26	1,964.87	961.31	1,872.23	962.42	448.50	226.01	233.73	195.68
March '18	10,127.27	5,818.11	2,301.27	1,350.57	2,319.79	1,316.37	462.94	275.27	421.64	232.83
Total	121,845.68	33,791.60	25,636.03	7,023.50	26,030.29	8,100.90	5,624.28	1,568.09	5,332.42	1,430.31
Note: License periode are start from 26 Aug 2017 (due to the extension of time in the previous license)										
CPO sales are done by Labanan bulking which has been separately certified, the mill only despatched CPO (CSPO and CPO conventional) to bulking. However, the CSPO sold will be announced to RSPO IT Platform under mill.										
b. There is no CSPO sold as RSPO, CSPO sold as ISCC has been removed from certified stock since 1 Jan 2018, as much as 3,300.7 MT (according to requirement of the new SCC standard) . All volumes of palm kernel delivered are deducted from the material accounting system according to conversion ratios ruled by RSPO.										
c. Verified that the CSPO and CSPK is deliver from a positive stock.										
Status: Comply										

3.3 Conformity Checklist of Certificate and Logo Use

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

3.4 Summary of RSPO Partial Certification

Partial certification for un-certified units:

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

SMART, Tbk Time Bound Plan is explained in table 1.10. SMART run sixteen (16) mills and fifty nine (59) estates (own and smallholders) in Indonesia and has achieved RSPO certified for twelve (12) mills and supply base in Indonesia. SMART, Tbk has informed the Time Bound Plan progress, MUTU has considered that SMART, Tbk is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by SMART, Tbk on January 31, 2016 approved by President Director and MD Sustainability Strategic & Stakeholders Engagement.

MUTU has verified partial certification for un-certified unit's subsidiary of SMART, Tbk based on their Time Bound Plan. There are four (4) uncertified management unit of SMART, Tbk. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Companies are already doing internal audits. There are internal audit reports for each company.</p> <p>Auditor Verification: Internal Audit report available for uncertified management unit:</p> <ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base), 24 – 28 October 2016 - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), 24 – 28 October 2016 - PT Agrolestari Mandiri (Pekawai Mill and supply base), 21 – 25 November 2016 - PT Binasawit Abadi Pratama (Perdana Mill and supply base), 19 – 23 Desember 2016 - PT Agrokarya Prima Lestari (Kuayan Mill and supply base), monitoring via SPO Scorecard online. - PT Mitra Karya Agroindo (Tangar Mill and supply base), monitoring via SPO Scorecard online. - PT Paramitra Internusa Pratama (Belian Mill and supply base), 28 Maret – 01 April 2016 - PT Sawit Mas Sejahtera (Sungai Kikim and supply base), monitoring via SPO Scorecard online. - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) 28 Maret – 01 April 2016

		<ul style="list-style-type: none"> - PT Agro Lestari Sentosa (Jalemo Mill and supply base), monitoring via SPO Scorecard online - PT Adi Tunggal Mahajaya (Sako Mill) (under construction) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) 24 – 29 October 2016 - PT SMART (Bukit Kapur Mill and supply base) 15 – 19 Februari 2016 - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) 19 – 23 Desember 2016 - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base) 06 – 10 Februari 2017 - PT Sawitakarya Manunggal (Sawita Mill and supply base)
2.2.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: GAR and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014 and the company has been sent data evidence of LUCA to RSPO by email dated April 11, 2016. Progress result of review LUCA at follow-up via email RSPO dated October 24, 2016 to answer RSPO is still in the review process.</p> <p>Auditor Verification: RaCP Process for:</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base)
2.2.3	<p>Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>Company Group/Holding Statement: There is no new planting.</p> <p>Auditor Verification: Based on auditor verification there are some new planting conducted by company, but NPP has been applied these.</p> <ul style="list-style-type: none"> - PT Binasawit Abadi Pratama (Perdana Mill and supply base) - PT Agrokarya Prima Lestari (Kuayan Mill and supply base) - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Paramitra Internusa Pratama (Belian Mill and supply base)

		<ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) any new planting since January 1st 2010 and NPP has been applied these.
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company Group/Holding Statement: There are no land conflicts. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP Social Conflict Management (SOP/SMART/SENS-CSR/SADV/I/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/I/003. The company handling complaints appropriately and quickly. GAR has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no land conflicts for</p> <ul style="list-style-type: none"> - PT Sinar Kencana Inti Perkasa (Sungai Kupang Mill and supply base) - PT Mitra Karya Agroindo (Tangar Mill and supply base) - PT Kresna Duta Agroindo (Pelakar Mill and supply base) - PT SMART (Bukit Kapur Mill and supply base) <p>There are any land conflicts but was in the process of completion for</p> <ul style="list-style-type: none"> - PT Agrolestari Mandiri (Pekawai Mill and supply base) - PT Sinar Kencana Inti Perkasa (Sungai Magalau Mill and supply base) - PT Sawit Mas Sejahtera (Sungai Kikim and supply base) - PT Agro Lestari Sentosa (Jalemo Mill and supply base) - PT Kresna Duta Agroindo (Rantau Panjang Mill and supply base) - PT Kresna Duta Agroindo (Gunung Kombeng Mill and supply base)
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with complaints workers before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/I/003.</p>

		<p>Procedures related employee issues arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media used complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p>Auditor Verification: There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/I/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Auditor Verification: Land legal process is still going on and there is a detail update progress documented by the company for each year.</p> <ul style="list-style-type: none"> - PT Paramitra Internusa Pratama (Belian Mill and supply base), still in the process of Committee B and the company has got plantation business permit (IUP) - PT Sinar Kencana Inti Perkasa (Kasuari Mill and supply base), there is a legal non-compliance. - PT Agro Lestari Sentosa (Jalemo Mill and supply base) and PT Adi Tunggal Mahajaya (Sako Mill) doesn't have Land Use Title (HGU). - PT Kresna Duta Agroindo (Pelakar Mill and supply base), there is a difference the concession area between Land Use Title (HGU) and Plantation Business Permit (IUP) and Permits Location. - PT SMART (Bukit Kapur Mill and supply base, doesn't have land use title (HGU), the HGU is still on process. - PT Sawitakarya Manunggal there is an area is still in process for HGU (Committee B meeting). - PT Djuanda Sawit Lestari is an area is still in process for HGU Muara Kandis Estate (574.58 Ha) - PT Ivomas Tunggal there is an area is still in process for HGU Samsam Estate (29.09 Ha), Kandista Estate (158.46 Ha), Nenggala Estate (419.9 Ha), Sei Rokan Estate (102.7 Ha), Ujung Tanjung Estate (557.3 Ha) - PT Buana Wiralestari Mas there is an area is still in process for HGU Naga Mas Estate (253.39 Ha),

		<p>Naga Sakti Estate (59.79 Ha), Kijang Mas Estate (56.07 Ha)</p> <ul style="list-style-type: none"> - PT Ramajaya Pramukti there is an area is still in process for HGU Rama Rama Estate (318.76 Ha)
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3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at **ASA-3** Assessment

NCRNo.	: 2017.01	Issued by	: Rudi Ramdani
Date Issued	: 7 April 2017	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 5 June 2017
Standard Ref. & Requirement	: 1.1.1 There should be a list of information relating to criterion 1.2 that can be accessed by relevant stakeholders.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <ul style="list-style-type: none">• The CH has not able to show prove in reporting of employment agreement specified time to manpower agency.• The CH has not able to show prove of contract administration to workers.			
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none">• Registration of contract workers to the Manpower agency has not been conducted. The registration of contract workers had been conducted in January 2017 but returned by the Manpower Agency because the submission form has not been in accordance with the Manpower Agency standard.• At the time of signing the workers' agreement is read out, the archive is stored in the worker's personal files but not submitted for fear of missing documents. Worker agreement is made 1 duplicate, at the time of signing by workers.			
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">• Reporting the registration of contract workers to the Manpower Agency in accordance with the standard filing format submitted by the Manpower Agency.• Reprint work agreement of contract workers in two copies and provide a copy of the contract to the workers with the receipts.			
Preventive Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">• Reporting the registration of contract workers to the Manpower Agency in accordance with statutory provisions and use the standard format from Manpower Agency..• Contracts will be made in duplicate and made the delivery receipts of contract copies to workers in a future.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor verification, June 5 2017 Company showed letter of receipt of Contract workers agreement from Manpower Agency of Kutai Timur Regency, among others: <ul style="list-style-type: none">- Letter from MWHE unit dated May 8, 2017 no. 001 / MWHE-Disnakertrans / 05/2017 and has been received by the manpower Agency on May 24, 2017.- Receipt letter of contract workers agreement in GKME unit by the Manpower Agency dated May 23, 2017.- Receipt letter from PT KDA MWHE unit regarding contract workers dated May 22, 2017.- Receipt letter from PT KDA GKMM unit regarding contract workers dated May 22, 2017. In addition, the company has also showed the minutes of the handover of the workers agreement on 24 March 2017 and 29 May 2017 along with the agreement handover list. Based on the explanation, the non-conformity no. 2017.03 is stated fulfilled.			

Verified by	: Rizliani Aprianita Hsb
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NCRNo.	: 2017.02	Issued by	: Rudi Ramdani
Date Issued	: 7 April 2017	Time Limit	: 6 June 2017
NC Grade	: Major	Date of Closing	: 5 June 2017
Standard Ref. & Requirement	: 2.1.1 There should be evidence of compliance with relevant legal requirements		
Non-Conformance Description& Evidence observed <i>(filled by auditor):</i> Based on the results of field visits in the division 1 block H9 GKME, interviewed with workers and verification of worker agreement documents are known that the cotract worker has been extended more than once and the renewal is not over a 30 day period. This is not in accordance with Regulation no. 13 year 2003 article 59.			
Root Cause Analysis <i>(filled by organization audited):</i> Work agreement of contract worker is extended more than once because of administration head has not understood the procedure of appointment of contract worker in accordance with Manpower Minister Decison no. 100/2004.			
Corrective Action <i>(filled by organization audited):</i> Management follows the rules in Manpower Minister Decison no. 100/2004, appointthe division's employee become permanent employees who met during interview in Block H9.			
Preventive Action <i>(filled by organization audited):</i> HR Dept. disseminates to administration head and employees regarding the rules in contract agreement with workers to better understand the rules in accordance with Manpower Minister Decison 100/2004 so that the implementation of industrial relations can be implemented in accordance with the legislation			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor verification, June 5 2017 The company has showed a letter of appointment to 2 picker workers as permanent workers that indicated by letter of appointment no. 001 / PHT-GKME / V / 2017 and no. 002 / PHT-GKME / V / 2017. In addition, the company also shows the development program for contract workers in PT KDA. The development program includes a development program that will be conducted for contract workers, implementation process, implementation time, there with a list of contract workers, which will be done gradually in 2017 and evaluation will be done every 3 months. Based on the explanation, nonconformity no. 2017.02 is stated fulfilled by observation.			
Verified by	: Rizliani Aprianita Hasibuan		

NCRNo.	: 2017.03	Issued by	: Radytio Puspanjana
Date Issued	: 7 April 2017	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	: 5 June 2017
Standard Ref. & Requirement	: 5.3.3 A waste management plan should be available that is documented and implemented to avoid and reduce pollution.		

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

- Based on field visit at Muara Wahau Mill, EFB station is found EFB that exceeds the capacity of the EFB storage provided (bund wall), so not all leachate water can be accommodated in the leach pond and found EFB water leachate flows to the trench.
- The Company has reported of hazardous waste management report in quarterly LB3 management reports and has been provided to the environmental agency. Based on the report of the first quarter I - IV of 2016 is known to have log book and balance of hazardous waste to the environmental agency, but this has not been explained about medical waste.

Root Cause Analysis (filled by organization audited):

- When production's high, transportation is constrained by bad weather (rain). Truck and heavy equipment can't enter the block of empty bunch fertilization. Monitoring the amount of empty bunch according to EBA capacity then add the unit of truck to spend empty bunch on EBA, as well as scheduled compacting road so the road can be passed on all weather.
- Manifest of waste hazard transportation reported separately to related agencies.
- Because on 2016 period (I – IV Quarterly), No licensed medical waste collector has been found on East Kalimantan region. So the medical waste is stored in the clinic to be monitored. On 2017, company has already cooperated with KLP which already has a medical waste transport permit. Medical waste is sent via KLP and will be reported in quarterly report (January - March 2017).

Corrective Action (filled by organization audited):

- Accelerate the process of empty bunch transportation from station to application block by adding a transport unit so the empty bunch on station can be reduced. Furthermore, Management unit must ensure the Compacting road so the transportation unit of empty bunch can be operated on all weather.
- Report the manifest of waste hazard and incorporate medical waste in the quarterly waste hazard report for the first quarter (January - March 2017).

Preventive Action (filled by organization audited):

- Monitor the daily transport empty bunch, if the amount of empty bunch on EBA overloaded adding the transport unit. The amount of empty bunch overloaded if the capacity over 1400 tons, Which is equivalent to 4 days of production from factory capacity without transport.
- Ensure the road and empty bunch areal maintained. And improve the carrier maintenance plans (Crane Grapple, Truck, EBA).
- Report the manifest of waste hazard to related agencies periodically.
- Incorporate medical waste management documentation into quarterly waste hazard reports periodically.

Assessor Evaluation and Conclusion (filled by auditor):
Auditor verification, June 5 2017

- The management unit shows the stock report of the empty bunch in POM MuaraWahau for May 2017. Based on the report, the total amount of empty bunch on POM of 31 May 2017 is 307 kg. The company also shows the documentation of actual condition on EBA. Accordingly, the non-conformity no. 2017.02 is declared fulfilled with observations related to leaching water produced from EBA.
- The company has sent a waste hazard management report for the period January - March 2017 in accordance with the receipt of the handover report No. 023 / EL-LB3 / KDA-MWHM / V / 2017, the report submitted to Head of Environment Agency of Kutai Timur Regency on 24 May 2017. In the waste hazard management report of Q1 2017 include logbook, balance waste hazard and hazardous waste delivery manifest by PT Karunia Lumasindo Pratama, such as manifest ex oil filter and rag (No. Manifest 00002751) January 22, 2017, used oil (No. Manifest 00002533) January 22, 2017 and medical waste (No. Manifest 00002859) March 1, 2017. Based on the explanation, nonconformity no. 2017.03 is comply.

Verified by : **Radytio Puspanjana**

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

NCR No.	: 2018.01	Issued by	: Yudhi Yuniarto Tallutondok
Date Issued	: 5 April 2018	Time Limit	: 4 June 2018
NC Grade	: Major	Date of Closing	: May 15, 2018
Standard Ref. & Requirement	4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
Non-Conformance Description& Evidence observed <i>(filled by auditor):</i> The Company has a SOP of Personal Protective Equipment Management (SOP/SMART/HESS/EHSD/SADV/I/010 dated July 1, 2014), which describes the related standard PPE requirement form for each job (point 3.1). PPE handover documents for Division 2 MWHE fertilizer employees on February 10, 2018 (boots), March 5, 2018 (masks) and March 20, 2018 (gloves) are present, but during field observations in the Block F15/16 MHWE it is known that there are employees doing the job of fertilizer application without using PPE in accordance with standard that have been set company.			
Root Cause Analysis <i>(filled by organization audited):</i> The PPE has been distributed to the workers in Division 2 MWHE on 10 Feb 2018, however at the time of field observation there is no PPE inspection, its caused by the PIC for PPE inspection not yet appointed. As well, the socialization related to PPE use has been done on 5 March 2018 and 4 April 2018, however it seen that the understanding of workers is yet sufficient			
Corrective Action <i>(filled by organization audited):</i> The field assistant has been distribute the appropriate PPE to workers and for worker who not use PPE will be unable to continue their work.			
Preventive Action <i>(filled by organization audited):</i> 1. The manager added in the job description of supervisor regarding to inspection of completeness of workers PPE in daily before starting the work. The foreman responsibility to ensure the completeness of PPE will be KPI (Key Performance Indicator) consideration. 2. The Division Assistant of MWHE conducts periodic PPE inspection according to SOP Management System of Personal Protective Equipment (SOP / SMART / HESS / EHSD / SADV / I / 010) on 12 and 25 April 2018. 3. SPO Officer of MWHE has socialized the use of PPE to all employees on 20 and 21 April 2018 at Pondok 1 and 2 MWHE.			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Conclusion of Auditors May 8, 2018 The Company submit the explanation regarding the root cause analysis, correction and corrective action, however no yet submitted the evidende of correction, as well the company need to respond to the auditor's comments in each column. Conclusion of Auditors May 15, 2018 The Company submit the evidence of correction such as: 1. Revision of foreman's job desc. 2. PPE inspection report on 12 April 2018 and 25 April 2018 3. Minute of socialization regarding to the use of PPE by SPO to the workers in div 1 and 2 MWHE. 4. Official report of the PPE distribution to fertilizer operator on February 10, 2018.			

5. Socialization of the PPE use and PPE replacement on 5 March 2018, 4 April 2018, 20 April 2018 and 21 April 2018

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

Verified by : Yudhi Tallutondok

NCR No.	2018.02	Issued by	Naila Karima
Date Issued	5 April 2018	Time Limit	Recertification
NC Grade	Minor	Date of Closing	
Standard Ref. & Requirement	5.3.3 A waste management plan should be available that is documented and implemented to avoid and reduce pollution.		
Non-Conformance Description& Evidence observed <i>(filled by auditor):</i> CH shows: <ul style="list-style-type: none"> Decree of East Kutai Regent No. 660/K.151/2013 concerning the license of hazardous waste warehouse to PT KDA (including Muara Wahau Estate and Muara Wahau Transport), issued on February 27, 2013 and Recommendation Letter No. 660/692/3.1-BLH/IV/2013 dated 22 April 2013 from the Head of Environment Agency of Kutai Timur Regency, stipulated the storage period of hazardous waste to 180 days. The point four states that the standard OHS equipment, must be owned by the responsible activities, including among others alarms, fire extinguishers, shower/eye wash, and emergency response facilities. SOP of Waste Management (SOP/SMART/LEMS-EHSD/SADV/II/002, 02 July 2014) explaining that hazardous wastes produced in estate and mill (such as used oil, hazardous contaminated waste, used oil filters, traces, used lamps, etc.) are stored in the licensed of hazardous waste warehouse and then delivered to a licensed third party (collector). <p>Based on observations at warehouse of hazardous waste in Muara Wahau Transport</p> <ul style="list-style-type: none"> d. Still found used oil drums used for trash e. There is a used oil spill from a bottle of mineral water in front of the fuel station f. Found diesel fuel on the ground from the fuel charging nozzle to the truck. <p>Based on document review</p> <ul style="list-style-type: none"> c. The results of the Hazardous Waste Management Report on the quarterly period in 2017 revealed that the company has reported the balance and manifest of hazardous waste of GKMM-MWHM, MWHE and GKME units to Environment Agency of Kutai Timur Regency and Kalimantan Timur Province and Directorate General of Waste Management, Waste, and Hazardous Waste Ministry of Environment. However, there is insufficient evidence of hazardous waste management reports for Muara Wahau Transport units reported routinely in accordance with the permits held. d. The Company shows the hazardous waste balance of Muara Wahau Transport period from October 2017 to March 2018 for the type of hazardous waste used oil and used batteries. But it has not been shown for other types of hazardous waste such as rag waste, oil filter used, lamps used, etc. <p>Based on the above explanation, there is insufficient evidence that the company has ensured that hazardous waste management activities in its operational activities are in accordance with the procedures and permits held.</p>			
Root Cause Analysis <i>(filled by organization audited):</i>			
Corrective Action <i>(filled by organization audited):</i>			

Preventive Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	Major 4.7.2	Evaluation of HIRAC after work accident and socialization to all employees.
2	Major 4.7.4	Ensure that welding activities are performed by authorized employees.
3	Major 4.7.6	Progress of completion of death insurance and old-age insurance for employees who have fatality accidents.
4	Major 5.2.2	Supervision on the utilization of empty, low and wet areas by employees.
5	Major 6.5.2	Progress of appointment of contract workers for each unit. Prosess settlement registration of Collective Labor Agreement.
6	Cert. System 4.2.3	Certification plan for smallholder scheme under PT KDA (GKMA)

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1	-	The company's commitment to implement sustainable palm oil management principles
2	-	Corporate commitment in the implementation of partnership with the community through farmer cooperatives related to the provision of superior seeds and processing of FFB

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
Plantation Agency of Kutai Timur Regency <ul style="list-style-type: none"> - The Company has conducted regular reporting of LKUP every semester. - Assessment of Plantation Class done in 2017. - No changes to IUP or additional of mill capacity. - The company has a CSR program for the surrounding villages and has reported the realization of CSR activities to the agency. - The villagers are trans community from Java, NTT and local trans such as Dayak, Banjar, and Kutai - There were no cases of land fires during the year 2017. Fire fighting facilities and infrastructure have been in accordance with the needs of the company. - Officials know the documents that are accessible to the public. 	<p>The company has implemented the principles & criteria of RSPO on indicator 2.2.1</p>
Manpower Agency of Kutai Timur Agency <ul style="list-style-type: none"> - There are no employment issues in the company, for example related to the use of child labor, employee harassment issues, or discrimination. - There are worker union and bipartite in the company. Worker Union and Bipartite have been registered in the manpower agency. - All data related to employment have been recorded in the compulsory report of employment - Company has implemented the basic wage in accordance with minimum wage of Kutai Timur Regency. 	<p>The company has implemented the principles & criteria of RSPO on indicator 2.1.1, 6.5.1, 6.5.2, 6.6.1, 6.7.1, 6.8.1, and 6.9.1</p>
Environmental Agency of Kutai Timur Agency <ul style="list-style-type: none"> - Companies routinely perform mandatory reporting, such as reporting of RKL-RPL per semester, quarterly reports of liquid waste and hazardous waste. - The Company renewed LA permits in 2017. - There is no issue from the surrounding village related to environmental pollution. - The results of the environmental monitoring in the RKL RPL report are still below the standard. 	<p>The company has implemented the principles & criteria of RSPO on indicator 2.1.1, 5.1.2, and 5.3.3,</p>
Cooperative of Sawit Bersama <ul style="list-style-type: none"> - Perkebunan dengan luas 2.214 Ha. Cooperative was established on 2008 with full managed scheme. - FFB selling price follows the price set by Plantation Agency of Kalimantan Timur Province. - Work agreement apply to one cycle of palm oil. - Crop payment is done after production report is approved by board of cooperative. - Cooperative plantation land is a transmigration area, so there is no overlap with customary forests. - Company give training related to best practice to the farmers. 	<p>The company has implemented the principles & criteria of RSPO on indicator 4.8.3, 6.10.1, and 6.10.3</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> - The villagers are trans community from Java, NTT and local trans such as Dayak and Kutai. 	
Sukamaju Village <ul style="list-style-type: none"> - There is a village area with an area of about 1,022 Ha which goes into the HGU area of the company - There is no land conflict between company and villager - The villagers are trans community from Java, NTT and local trans such as Dayak and Kutai. - About 10 - 15% of villagers work in the estates and mills of PT KDA - CSR is in several aspects, such as health, education, and socio-cultural. - There were no complaints from villagers related to environmental pollution or social conflict. 	<p>The company has implemented the principles & criteria of RSPO on criteria 1.1; 6.1; 6.2; 6.3; 6.10 and 6.11</p>
Kombeng Indah Village <ul style="list-style-type: none"> - Communication with the company went well. The communication done with assistant or public relation. - CSR is in infrastructure and religious aspects. - The villagers are trans community from Java, NTT and local trans such as Dayak and Kutai. - The company provides scholarships to villagers - There are no land fires in the village during 2017 - There were no complaints from villagers related to environmental pollution or social conflict. - The Company has conducted socialization related to the ban on land burning and protection of wild animals 	<p>The company has implemented the principles & criteria of RSPO on criteria 1.1; 6.1; 6.2; 6.3; 6.10 and 6.11</p>
Local Contractor of CV Berkat Mulia Abadi <ul style="list-style-type: none"> - Contractor activities is FFB loading. - Cooperation with the company was conducted from 2003. Cooperation relationship with the company went well. - Work agreement is revised every 3 months. - Contractor payment is done on time. Payment is conducted twice a month. - PPE is provided by contractor. - Contractor recommend its members to join Health Insurance (BPJS Kesehatan) personally. - Company has socialized the OHS policy and technique procedure to contractor and will be forwarded to the member. 	<p>The company has implemented the principles & criteria of RSPO on indicator 4.7.6, 4.7.3, and 6.10.4</p>
Serikat Pekerja Mandiri of MWHM, GKMM, MWHE, and GKME <ul style="list-style-type: none"> - Worker union was established on 2010 named Serikat Pekerja Mandiri. - Company has implemented the Kalimantan Timur Governor Decree about Minimum Wage of Kutai Timur Regency of 2018 since January 2018. - There are contract and daily worker in PT KDA. Company has a program to promote contract and temporary daily worker into permanent worker. The assessment will consider loyalty, productivity, and output. 	<p>The company has implemented the principles & criteria of RSPO on indicator 4.7.3, 6.5.1, 6.5.2, 6.6.1, 6.7.1, 6.8.1, 6.9.1.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> - Company provides PPE for all worker. The quota of safety shoes for mill worker is given once a year. If the PPE is broken before its time, worker will use their personal PPE. - Adjustment of harvester payment system has been socialized to all harvesters. - There is no issue related to child worker, discrimination, human rights violence, or sexual harassment. 	
Gender Committee <ul style="list-style-type: none"> - There is no issue related to child worker, discrimination, human rights violence, or sexual harassment. - Company give special time for female worker to breastfeeding. - Company give menstrual leave (2 days) and giving birth leave (3 months) for all female worker. 	<p>The company has implemented the principles & criteria of RSPO on indicator criteria 6.9.</p>
Cooperative of Employee <ul style="list-style-type: none"> - Cooperative is named "Koperasi Konsumen Usaha Bersama Mandiri". Cooperative is engaged in consumption and saving and loan. - The member of cooperative is as many as 60 members. - RAT for period of 2017 will be conducted on April 2018 and RAT for period of 2016 has been conducted on 16th April 2017. - Company lend a building for cooperative activities. 	<p>According to workers the company provides the freedom to form cooperatives</p>

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

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

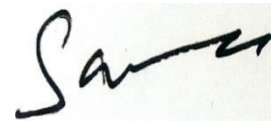
Signed on behalf of:

PT Kresna Duta Agroindo
Management Representative

A handwritten signature in black ink, appearing to read "Ismu Zulfikar".

Ismu Zulfikar
Tuesday, 15 May 2018

Mutuagung Lestari
Lead Auditor

A handwritten signature in black ink, appearing to read "Sandra Purba".

Sandra Purba
Tuesday, 15 May 2018

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date	Response	
						Yes	No
1	Plantation Agency of Kutai Timur Regency	Kutai Timur Regency	-	Interview by phone	3 April 2018	✓	
2	Environmental Agency of Kutai Timur Agency	Kutai Timur Regency	-	Interview by phone	3 April 2018	✓	
3	Manpower Agency of Kutai Timur Agency	Kutai Timur Regency	-	Interview by phone	3 April 2018	✓	
4	Sukamaju Village	Sukamaju Village	-	Interview	3 April 2018	✓	
5	Kombeng Indah Village	Kombeng Indah Village	-	Interview	3 April 2018	✓	
6	Cooperative of Sawit Bersama	Marga Mulya Village	-	Interview	3 April 2018	✓	
7	FFB Loading Contractor of CV Berkas Mulia Abadi	Makmur Jaya Village	-	Interview	3 April 2018	✓	
8	Serikat Pekerja Mandiri of GKMM/MWHM, GKME, and MWHE	PT KDA, Sukamaju Village, Subdistrict of Kombeng	-	Interview	3 & 4 April 2018	✓	
9	Gender Committee of GKMM/MWHM, GKME, and MWHE	PT KDA, Sukamaju Village, Subdistrict of Kombeng	-	Interview	3 April 2018	✓	
10	Employee Cooperative "Koperasi Konsumen Usaha Mandiri"	PT KDA, Sukamaju Village, Subdistrict of Kombeng	-	Interview	4 April 2018	✓	
11	Muara Wahau Mill : Grading – 4 worker Process – 10 worker Boiler – 4 worker Engine Room – 2 worker	PT KDA		Interview	3 April 2018	✓	
12	Gunung Kombeng Mill : Grading – 2 worker Process – 3 worker Boiler – 1 worker Engine Room – 1 worker	PT KDA		Interview	3 April 2018	✓	
13	Muara Wahau Estate : Harvesting – 4 worker Spraying – 6 worker EFB application – 6 worker Landfill – 1 pekerja Wash and Storage of Spray Equipment – 1 worker Daycare – 3 worker	PT KDA		Interview	3 April 2018	✓	

	Schedule Waste – 1 worker Fertilizer Storage – 1 worker Workshop – 3 worker Chemical Storage – 1 worker						
14	Gunung Kombeng Estate : Harvesting – 3 worker Upkeep Road – 4 worker Spraying – 8 worker Woody Growth Manual Control – 6 worker Clinic – 1 doctor Wash and Storage of Spray Equipment – 1 worker Housing Complex – 4 people Daycare – 2 worker Chemical Storage – 1 worker Fertilizer Storage – 1 worker Workshop – 3 worker	PT KDA		Interview	4 April 2018	✓	

Appendix 2. Assessment Program

DATE		02 to 06 April 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 02 April 2018			
06.00 -	06.00 – 17.00	JAKARTA – BALIKPAPAN → BERAU → KDA	All Auditor
Tuesday, 03 April 2018			
07.30 - 08.30	07.30 - 08.30	Opening Meeting	All Auditor
08.30 - 12.00	08.30 - 12.00	Stakeholders consultation to Nearest village, community leader, smallholder's farmers, KUD Internal Stakeholders consultation (gender committee, labour union, local contractor) Field Observation Muara Wahau Estate <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Land Application) & Implementation of Occupational Health & Safety Aspect Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). Implementation of Environmental and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities) Observation to legal boundaries and land dispute Observation to HCV Area and Riparian 	<ul style="list-style-type: none"> Tasya Tasya Faisal Yudhi Sandra Naila
12.00 - 14.00	12.00 - 14.00	BREAK	All Auditor
14.00 - 17.00	14.00 - 17.00	<ul style="list-style-type: none"> Continued Consultation with Local Contractor, Trade Union, Employee Cooperative, Gender Committee, etc. Consultation by phone with Agency Kutai Timur Regency Field Observation MWHM <ul style="list-style-type: none"> SCCS Verification Production/Processing and Health & Safety Emergency Equipment Check & Emergency Team Interview Hazardous Waste Storage, WWTP, WTP Management of Environment (Environment monitoring station & GHG, etc) Worker Rights (Status, Payment Condition, Gender Aspect, etc) 	<ul style="list-style-type: none"> Tasya Tasya Sandra Faisal & Yudhi Faisal & Yudhi Naila Naila Faisal & Yudhi

DATE		02 to 06 April 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Wednesday, 04 April 2018			
08.00 - 12.00	08.00 - 12.00	Field Observation to Gunung Kombeng Estate <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, Land Application) & Implementation of Occupational Health & Safety Aspect and HCV Area • Observation of Workers Facilities (Housing, School, Worship Place, Clinic, etc). Implementation of Environmental and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities). • Observation to legal boundaries and land dispute • Observation to HCV Area and Riparian 	<ul style="list-style-type: none"> • Faisal • Yudhi • Sandra • Naila
12.00 - 14.00	12.00 - 14.00	BREAK	All Auditor
14.00 - 17.00	14.00 - 17.00	Document Review, Review of Previous Visit Non-conformance (ASA-3) and Field Observation response	All Auditor
Thursday, 05 April 2018			
08.00 - 12.00	08.00 - 12.00	Document Review, Review of Previous Visit Non-conformance (ASA-3) and Field Observation response	All Auditor
12.00 - 14.00	12.00 - 14.00	BREAK &	All Auditor
14.00 - 16.00	14.00 - 16.00	Discussion audit finding preparation and conclusion	All Auditor
16.00 - 17.00	16.00 - 17.00	Closing Meeting	All Auditor
18.00 - 23.00	18.00 - 23.00	Travelling from PT KDA to Berau	All Auditor
Friday, 06 April 2018			
11.0 - 14.00	11.00 - 14.30	Travelling BERAU → BALIKPAPAN → JAKARTA	All Auditor