

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

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

Name of Management Organisation : Selangkun Palm Oil Mill – PT. Sawit Sumbermas Sarana, Tbk

Plantation Name : PT Sawit Sumbermas Sarana, Tbk: Selangkun Estate; Rungun Estate; Kondang Estate.

PT Kalimantan Sawit Abadi: Batu Kotam Estate.

Location : Village of Rangda, Sub District of Arut Selatan, District of Kotawaringin Barat, Province of Kalimantan Tengah, INDONESIA

Certificate Code : **MUTU-RSPO/061**

Date of Certificate Issue : 12 June 2015

Date of License Issue : 12 June 2018

Date of Certificate Expiry : 11 June 2020

Date of License Expiry : 11 June 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-3	02 to 05 May 2018	Ardiansyah (Lead Auditor), Muhammad Rinaldi, Rizliani Aprianita Hasibuan, I Wayan Sudiantara, Afiffuddin	Taufik Margani	Octo H.P.N. Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-3	28 June 2018

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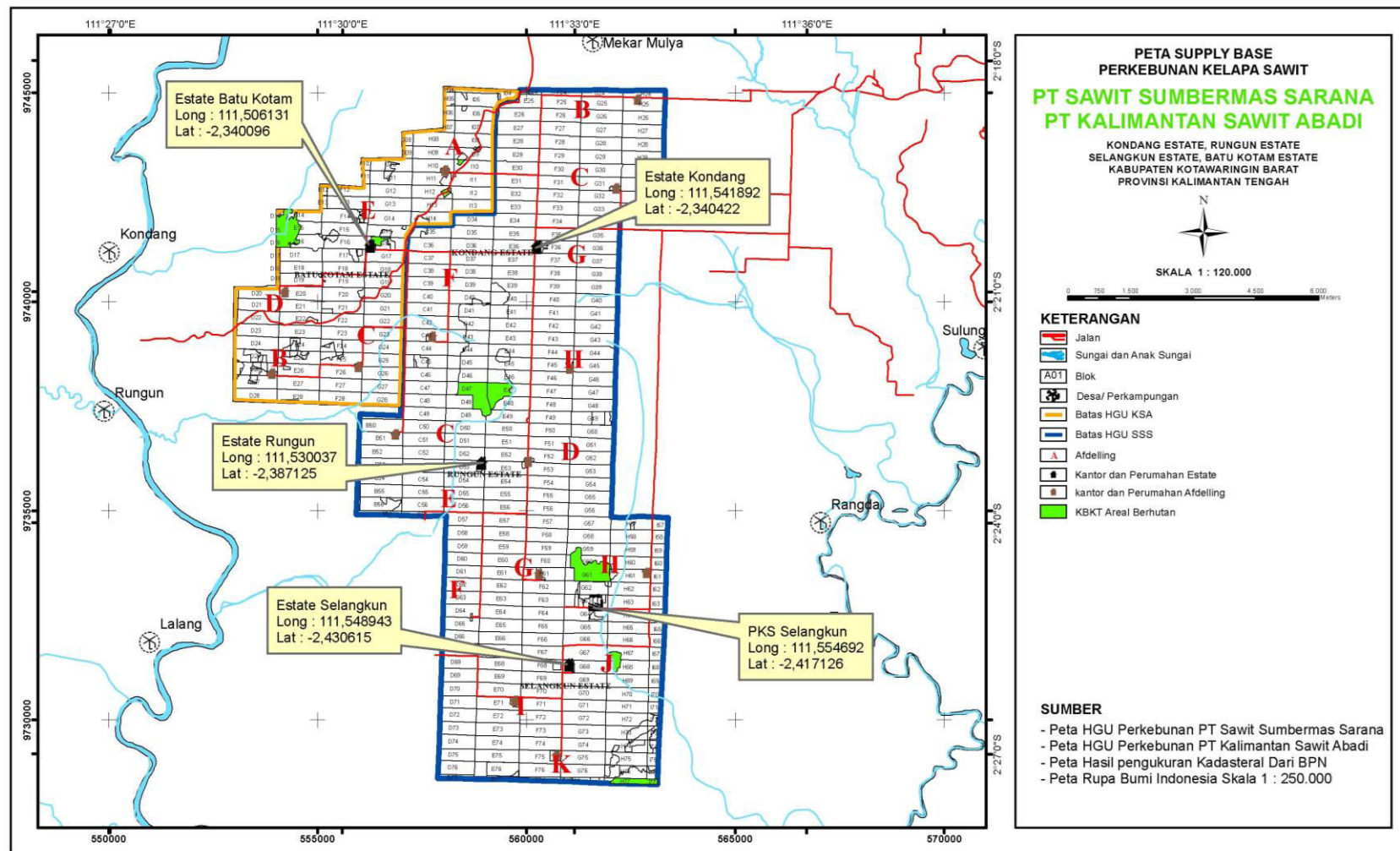
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FIGURE

Figure 1. Location Map of PT Sawit Sumbermas Sarana



Figure 2. Operational Map of PT. Sawit Sumbermas Sarana



Glossary

AMDAL	:	<i>Analisis Mengenai Dampak Lingkungan</i> (Environmental Impact Assessment)
ANDAL	:	<i>Analisis Dampak Lingkungan</i> (Environmental Impact Assessment)
ASA	:	Annual Surveillance Assessment
B3	:	<i>Bahan Beracun and Berbahaya</i> (Hazardous Material Waste)
BLH	:	<i>Badan Lingkungan Hidup</i> (Environment Bodies)
BNI	:	Bank Negara Indonesia
BOD	:	Biological Oxygen Demand
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Workers Social Security Agency)
CBI	:	Citra Borneo Indah
CEO	:	Chief Executive Officer
CH	:	Certificate Holder
CITES	:	Convention on International Trade in Endangered Species
COD	:	Chemical Oxygen Demand
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responsibility
CV	:	Curriculum Vitae
EFB	:	Empty Fruit Bunch
EHS	:	Environment Health and Safety
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunches
FGD	:	Focus Group Discussion
GHG	:	Green House Gass
HCV	:	High Conservation Value (Nilai Konservasi Tinggi)
HGU	:	<i>Hak Guna Usaha</i> (Land Use Permit)
HSE	:	Health Safety and Environment
IDR	:	Indonesian Rupiah
IPAL	:	<i>Instalasi Penyaluran Air Limbah</i> (Wastewater Treatment)
IPM	:	Integreted Pest Management
ISPA	:	<i>Infeksi Saluran Napas Atas</i> (Upper Respiratory Tract Infection)
IUCN	:	International Union for Conservation of Nature and Natural Resources
KER	:	Kernel Extraction Rate
KLHK	:	<i>Kementerian Lingkungan Hidup dan Kehutanan</i> (Ministry of Environment and Forestry)
KSA	:	Kalimantan Sawit Abadi
LA	:	Land Application
LKS	:	<i>Lembaga Kerja Sama</i> (Bipartite Cooperation Institution)
LOTO	:	Log Out Tag Out
LUC	:	Land Use Change
MSDS	:	Material Safety Data Sheet
NASA	:	National Aeronautics and Space Administration
NGA	:	National Geospatial-Intelligence Agency
NIK	:	<i>Nomor Induk Karyawan</i> (Employee number)
OER	:	Oil Extraction Rate
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health and Safey
OTP	:	Objective Target Program
PK	:	Palm Kernel
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> (Contract Worker)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent

PP	:	<i>Peraturan Perusahaan</i> (Company Regulations)
PPE	:	Personal Protective Equipment
R & D	:	Research and Development
RKL/ RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management Plan/ Environment Monitoring Plan)
RTE	:	Rare, Treated, Endangered
SIA	:	Social Impact Assessment
SOP	:	Standard Operating System
SSMS	:	Sawit Sumbermas Sarana
T & D	:	Traning and Development
UKL/ UPL	:	<i>Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan</i> (Environmental Management Efforts/ Environmental Monitoring Efforts)
UM	:	Unit Management
WI	:	Work Instruction
WTP	:	Water Treatment Plant

1.0 SCOPE of the CERTIFICATION ASSESSMENT				
1.1 Assessment Standard Used		<ul style="list-style-type: none">• Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016)• RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill), revised on 14 June 2017.• RSPO Certification System 2007 (Rev. 2011).		
1.2 Organisation Information				
1.2.1	Organisation name listed in the certificate	PT Sawit Sumbermas Sarana, Tbk		
1.2.2	Contact person	Rudy Hendrarto		
1.2.3	Organisation address and site address	<ul style="list-style-type: none">• RSPO registered company: JL. H. Udan Said No. 47, Kel. Baru, Pangkalan Bun, Kalimantan Tengah 74113		
1.2.4	Telephone	+62 532-21297		
1.2.5	Fax	+62 532-21396		
1.2.6	E-mail	rudy.hendrarto@citraborneo.co.id		
1.2.7	Web page address	www.citraborneo.co.id		
1.2.8	Management Representative who completed the application for certification	Rudy Hendrarto		
1.2.9	Registered as RSPO member	1-0111-07-000-00; 18 April 2007		
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit	Selangkun Mill, Selangkun Estate, Rungun Estate, Kondang Estate and Batu Kotam 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
	Selangkun	Village of Rangda, Sub District of Arut Selatan, District of Kotawaringin Barat, Province of Kalimantan Tengah, Indonesia	S 02° 25' 02"	E 111° 33' 17"
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Bases	Location	Coordinate	
			Latitude	Longitude
	Selangkun Estate	Village of Rangda, Sub District of Arut Selatan, District of Kotawaringin Barat, Province of Kalimantan Tengah	S 02° 25' 50"	E 111° 32' 56"
	Kondang Estate	Village of Kondang, Sub District of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah	S 02° 20' 25"	E 111° 32' 31"

	Rungun Estate	Village of Rungun, Sub District of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah	S 02° 23' 14"	E 111° 31' 48"			
	Batu Kotam Estate (PT. Kalimantan Sawit Abadi)	Village of Rungun, Sub District of Kotawaringin Lama, District of Kotawaringin Barat, Province of Kalimantan Tengah	S 02° 20' 28"	E 111° 30' 08"			
1.5 Description of Area Statement							
1.5.1	Tenure						
	• State		14,852.60	Ha			
	• Community		-	Ha			
*HGU No. 36 of 2004 PT SSMS (12,342.49 Ha) and HGU No. 49 of 2007 PT Kalimantan Sawit Abadi (2,510.11 Ha)							
1.5.2 Area Statement							
	• Total area		10,955.70	Ha			
	• Planted		10,219.38	Ha			
	- Mature area		10,219.38	Ha			
	• Mill & Infrastructure		149.62	Ha			
	• Unplantable area		106.53	Ha			
	• HCV / Conservation Area		480.17	Ha			
1.6 Planting Year and Cycles							
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Selangkun	Kondang	Rungun	Batu Kotam	Total	
	2001	-	91.87	-	-	91.87	
	2002	-	182.02	-	-	182.02	
	2003	-	1,358.70	-	-	1,358.70	
	2004	-	699.79	197.99	-	897.78	
	2005	443.51	576.44	639.11	688.99	2,348.05	
	2006	69.77	90.63	173.35	113.02	446.77	
	2007	155.92	72.72	639.25	644.01	1,511.90	
	2008	304.11	-	352.8	240.37	897.28	
	2009	1,008.75	26.83	597.5	260.56	1,893.64	
	2010	213.3	-	-	378.07	591.37	
	TOTAL	2,195.36	3,099.00	2,600.00	2,325.02	10,219.38	
1.6.2	New Planting area after January 2010		591.37 Ha				
1.6.3	Planting Cycle		1 st Cycle				
1.7 Description of Mill and Supply Base							
1.7.1 Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Selangkun	60	274,952.67	22,837.58	22.96	13,402.84	4.88
*Production data source from June 2017 to May 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/ year)	Supplied to Mill		
						FFB (tonnes/year)	%	
	Selangkun	2,424.07	2,195.36	48,363.58	22.03	38,979.01	81	
	Kondang	3,236.48	3,099.00	82,042.77	26.47	53,729.22	65	
	Rungun	2,793.19	2,600.00	49,950.52	19.21	49,950.52	100	
	Batu Kotam	2,501.96	2,325.02	30,556.19	13.14	2,858.19	9	
	TOTAL	10,955.70	10,219.38	210,913.06	20.64	145,516.94	69	
	*Production data source from June 2017 to May 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)			
	Selangkun Estate (non certified)	PT SSMS (associated outgrower)	-	749.5	15,219.90			
	Rungun Estate (non certified)	PT SSMS (associated outgrower)	-	524.35	14,867.12			
	Kondang Estate (non certified)	PT SSMS (associated outgrower)	-	92.4	867.48			
	Batu Kotam Estate (non certified)	PT KSA (independent outgrower)	-	2,563.61	57,159.77			
	Pulau Estate (certified)	PT SSMS (associated outgrower)	-	2,282.47	29,689.20			
	Pulau Estate (non certified)	PT SSMS (associated outgrower)	-	613.1	11,371.26			
	Rangda Estate (certified)	PT SSMS (associated outgrower)	-	2,562.41	261.00			
TOTAL					129,435.73			
	*Production data source from June 2017 to May 2018							
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 12 June 2017 to 11 June 2018 (tonnes/year)		Actual certified product 12 June 2017 to 2 May 2018 (tonnes/year)			
	• FFB Production		204,220		154,990.910			
	• CPO Production		49,013		35,525.114			
	• Palm Kernel (PK) Production		10,211		7,516.663			
1.8.2	Product selling							
	Tonnage of selling product			Actual selling product period 12 June 2017 until 2 May 2018				
	• CSPO			-				
	• CSPK*			1,800				
	• CSPO under other scheme trading (e.g ISCC, RFS)			-				
	• CSPO under conventional trading (if any)			34,342.959				

	<ul style="list-style-type: none">CSPK under other scheme						-	
	<ul style="list-style-type: none">CSPK under conventional trading (if any)						7,516.663	
*1,800 MT CSPK dispatch to buyer on March and April 2017, but announce on April 2018								
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)		
	Selangkun		2,424.07	2,195.36	50,493	23.00		
	Kondang		3,236.48	3,099.00	82,124	26.50		
	Rungun		2,793.19	2,600.00	52,000	20.00		
	Batu Kotam		2,501.96	2,325.02	32,550	14.00		
	TOTAL		10,955.70	10,219.38	217,167	21.20		
*Projected FFB production for 12 June 2018 to 11 June 2019								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Selangkun	60	217,167	49,948	23	10,858	5	MB
*Projected CSPO and CSPK production for 12 June 2018 to 11 June 2019								
1.9	Other Certifications							
	ISPO			ISPO certificate from Mutuagung Lestari, valid since 20 September 2013 until 19 September 2018				
	Others			-				
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						
	Sulung POM (PT Sawit Sumbermas Sarana)	2013	<ul style="list-style-type: none">Sulung EstateKenambui EstateRangda EstatePulau Estate	2013	Arut Selatan Sub-district, Kotawaringin Barat District, Kalimantan Tengah Province	certified		
	Selangkun POM (PT Sawit Sumbermas Sarana)	2013	<ul style="list-style-type: none">Selangkun EstateRungun EstateKondang EstateBatu Kotam Estate	2013	Arut Selatan Sub-district, Kotawaringin Barat District, Kalimantan Tengah Province	certified		
	Suayap POM (PT Mitra Mendawai Sejati)	2016	<ul style="list-style-type: none">Suayap EstateUmpang Estate	2016	Arut Selatan Sub-district and Arut Utara Sub-district, Kotawaringin Barat District, Kalimantan Tengah Province	certified		
	PKS Natai Baru (PT. Kalimantan Sawit Abadi)	2018	Natai Baru Estate	2018	Arut Selatan Sub-district, Kotawaringin Barat District, Kalimantan Tengah Province	-		
	PKS Malata	2018	<ul style="list-style-type: none">Malata EstateNanuah Estate	2018	Bulik Timur & Mentobi Raya Sub-district, Lamandau	-		

(PT. Tanjung Sawit Abadi)		<ul style="list-style-type: none"> Sungai Bulik Estate 		District, Kalimantan Tengah Province	
PKS Nagakui (PT. Sawit Multi Utama)	2018	<ul style="list-style-type: none"> Nanga Kiu Estate Sepondam Estate Pedongatan Estate Merambang Estate 	2018	Bulik Timur Sub-district, Lamandau District, Kalimantan Tengah Province.	-
-	-	Sumber Cahaya Estate (PT. Mirza Pratama Putra)	2019	Bulik, Belantikan Raya and Mentobi Sub-district, Lamandau District, Kalimantan Tengah Province	-
-	-	PT. Menteng Kencana Mas: <ul style="list-style-type: none"> Badirih Estate Kanamit Estate Bahaur Estate 	2019	Maliku, Pandih Batu and Kahayan Kuala Sub-district, Pulang Pisau District, Kalimantan Tengah Province	-
-	-	Uncertified Area of Selangkun Estate (62.85 Ha)	2020	Arut Selatan Sub-district, Kotawaringin Barat District, Kalimantan Tengah Province	-
-	-	PT. Citra Borneo Indah	2020	Kotawaringin Barat District, Kalimantan Tengah Province	-
<p>Source TBP: Area of Plantation Managed in Holding PT Sawit Sumbermas Sarana on 2018 TBP for PT Mirza Pratama Putra and PT Menteng Kencana Mas is postpone to 2019 because the mill not develop yet.</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard				
	PT. Sawit Sumbermas Sarana, Tbk has two Mills that been certified (Sulung POM and Selangkun POM). The entire supply bases for both Mill are sources from Own Estates. There are no smallholders scheme that associated with the company.				

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-3	<p>1. Ardiansyah (Lead Auditor). Bachelor of Forest Resources Conservation from Department of Forestry, Bogor Agricultural University. Had followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. Had followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Training Lead Auditor ISO 9001:2008, Training ISO 14001:2004, OHS based on OHSAS, RSPO Lead Auditors (endorsed by Proforest and Daemeter), Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During this audit, has verify of Legality, SCCS and Land Dispute aspect.</p> <p>2. Muhammad Rinaldi (Auditor). Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During the assessment he assigned to verify Transparency, CSR and Social aspect.</p> <p>3. Rizliani Aprianita Hasibuan (Auditor). Indonesian Citizen. Bachelor and Magister of Agribusiness, Faculty of Agriculture. She had followed training such as RSPO Lead Auditor Training, lead Auditor ISO 9001:2008, ISO 14001:2004, ISPO Auditor training and followed several IHT related to environment, BMP etc. She has been involved in several audit activities related to sustainable palm oil certification since 2015 covering social aspect, health and safety aspect, worker welfare and waste management aspect. During the assessment she assigned to verified transparency and worker welfare aspect.</p> <p>4. I Wayan Sudiantara (Auditor). He is a bachelor of agriculture technique from Bogor Agriculture University. He has experience for composing EIA since 1990 (he has EIA compilation team competence certificate). He has been involved as sustainable forest production management auditor for assessing the performance since 1997 or the scheme of forestry ministry since 2002 (he has auditor certificate from LEI). He was working as the consultant in forestry, he has experience on the ISPO assessment in several company as auditor (he passed the ISPO training). On this program, he shall assess the aspect of environment, soil and water conservation.</p> <p>5. Afiffuddin (Auditor Trainee). Indonesian citizen, Diploma III majoring Palm Oil Plantation. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely : Basic Plantation Management Program , Indonesian Sustainable Palm Oil (ISPO), OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015). He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit , He conducted an assessment on BMP and OHS.</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-3	<p>Number of auditors : 4 auditor & 1 auditor trainee</p> <p>Number of days for ASA-3 at site : 4 days</p> <p>Number of working days for ASA-3 at site : 16 Working days</p>
2.2.2	Assessment Process
ASA-3	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Sawit Sumbermas Sarana – Selangkun POM to the requirements of Indonesian National Interpretation of RSPO

	<p>Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) 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 annual surveillance assesment 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-3	<p>The number of management units of this activity consists of four estates that supply material FFB to the Selangkun Mill. In conducting the assessment, auditor team using formula $0.8 \sqrt{y}$ to determine the sample of and consider the issue of problems arising from the stakeholders as fundamentally and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill, 2 estates (Selangkun Estate and Kondang Estate).</p> <p>Selangkun POM</p> <ul style="list-style-type: none"> • Security. Interview related to transportation and product checking • Weighbridge. Interview related to SCCS and documentation of product • Workshop. Observations and interviews with workshop workers related to procedures, machine maintenance and OHS implementation (2 persons) • Chemical Warehouse. Observations and interviews with warehouse personnel related to the management of chemicals (1 person) • Hazardous Waste Storage. Observations and interviews with warehouse personnel related to hazardous waste management (1 person) • Storage of Empty Fruit Bunch and Shell. Observation on the management and utilization of solid waste • Boiler Room. Observation and interview with the worker related to implementation of OHS, understanding of safe working, overtime calculation. (2 workers) • Power House Station. Observation and interviews with power house station operator regarding employment aspect, OHS aspect and working procedures specified. (1 workers) • Hydrant test. Observation emergency response procedure. • WTP. Observations and interviews with WTP operators related to procedures, OHS implementation, recording of water usage and chemistry materials. • Land application. Observation for POME utilization <p>Kondang Estate</p> <ul style="list-style-type: none"> • Block D41/42 & E46. Observation related to conservation areas (Tanjung Biru forest area) • Block D42. Observation related to riparian of Rungun River • Block C35, Afd F. Observation boundary poles No. 99, 100 and 101. • Water Pump House. Observation related to provision of clean water to employees and management of Hazardous materials • Housing Complex of Division F. Observation related to the provision of facilities for workers • Generator House. Observations and interviews with motor generator operators related to electricity procurement in housing, employment and OHS (1 person) • Landfill. Observation related to domestic waste management • Manuring, Division B, block E25. Observation of manuring activity and interviews related to tasks and responsibilities (job description), work procedures, dosage of fertilizer application, safe working practices, use of

	<p>PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers. (7 workers)</p> <ul style="list-style-type: none"> • EFB Application, Division G, Block F40. Observations application of empty fruit bunches in mineral areas. (3 workers) • Oryctes rhinoceros Census, Division F, block D47. Observation of <i>Oryctes rhinoceros</i> census activities and interviews related to tasks and responsibilities (job description), work procedures, safe working practices, use of PPE, periodic health checks, remuneration system, Work Accident Insurance, provision of welfare facilities and infrastructure for workers. (3 workers) • Oil Warehouse. Observation and interviews related to hazardous waste management, OHS implementation, employment and complaint mechanism. • Fire Fighters Storage. Observations and interviews with fire-fighting teams related to the preparation of tools, training and fire events • Hazardous Waste Storage. Observations and interviews with warehouse personnel related to hazardous waste management. • Temporary Hazardous Waste Storage. Observations regarding the management of hazardous waste before being sent to licensed hazardous waste storage • Polyclinic. observations and interviews with paramedic related to occupational diseases and accidents to medical waste management <p>Batu Kotam Estate</p> <ul style="list-style-type: none"> • Block C28. Observation th legal boundaries related to visibly maintained and appropriate with coordinates. • HCV area. Observation the implementation of HCV management plan <p>Selangkun Estate</p> <ul style="list-style-type: none"> • Fire Fighters Storage. Observations and interviews with fire-fighting teams related to the preparation of tools, training and fire events (4 persons) • Clinic. observations and interviews with paramedic related to occupational diseases and accidents to medical waste management (2 person) • Fuel tank. Observations related to emergency response to fuel storage • Temporary Hazardous Waste Storage. Observations regarding the management of hazardous waste before being sent to licensed hazardous waste storage • House of Rinse. Observations and interviews with house of rinse officer related to the management of pesticide packaging, washing and storage of PPE and spray tools (1 person) • Chemical Storage. Observations and interview with storage clerk related to the management and storage of agrochemicals (1 person) • Erosion pole, Division H, block 8. Observation monitoring of areas with slopes • Harvesting, Division H, block I59. Observation of harvesting and interviews with harvesters and foreman associated with work such as the distribution harvesting plots, crop rotation, criteria and penalties harvest, the wage system tonnage, health insurance and labor protection, safe work practices and use of PPE. • Peat Area, Division H, block 22 Subsidence pole and piezometer. Observation of peat management • Peat Area, Division H, block H64 Waterlevel. Observation of peat management • Selangkun riparian. Observation for conservation area management <p>Stakeholder</p> <ul style="list-style-type: none"> • Public consultation with government of Kotawaringin Barat Regency (Environmental Agency, Manpower Agency and Plantation Agency) • Public consultation with Rangda Village. • Public consultation with Internal Stakeholders (Gender committee, LKS Bipartit)
2.3	Stakeholder Consultation and Stakeholders Contacted

2.3.1	Summary of stakeholder consultation process.
ASA-3	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Sawit Sumbermas Sarana was held by:</p> <ul style="list-style-type: none"> • Public Notification at web mutucertification.com on April 16, 2018. • Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages (Rangda Village) and interviews with local peoples on May 3, 2018 • Public consultation meeting with goverment agency Kotawaringin Barat Regency (Environmental Agency, Manpower Agency and Plantation Agency) on May 2, 2018 • Public consultation meeting with gender committe, Bipartite Organization and local contractor on 3 – 4 May 2018. • Public consultation by email with NGO (WWF, Walhi, AMAN, Sawit watch) by email on April 24, 2018 <p>Numbers of input from stakeholders were clarified by PT Sawit Sumbermas Sarana.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-4) will be determined 9 until 12 month after this ASA-3

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Selangkun POM – PT Sawit Sumbermas Sarana, Tbk operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were one (1) Nonconformity were assigned against Major Compliance Indicators and two (2) nonconformities were assigned against Minor Compliance Indicators and six (6) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action that had been reviewed and accepted by Auditor(s) in form of documentation evidences e.g. (*document record/photographic/etc...*). Those corrective action taken that consist of one (1) Major non-conformity had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Selangkun POM – PT Sawit Sumbermas Sarana, Tbk complied with the requirements of *Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (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.	
1.1.1 & 1.1.2	<p>There is no change to the SOP of communication and requests for information from stakeholders listed in the SOP of Communication, Participation and Environmental Consultation and Occupational Health and Safety (No. SOP-EHS.GN-006) and Procedure for Provision of Information to External Parties (No. SOP-CS.GN -001) validated on 1 December 2015.</p> <p>Based on interviews with Agency, Contractor and Village representative, it is known that stakeholders have been aware of the communication mechanism and requests for information that can be submitted to the Mill / Estate Manager or the related Department. There has been no communication problem with the company.</p> <p>For recording communication activities and information requests, the company shows the Logbook of Incoming and Outgoing Letter owned by each Department. For example, the Logbook Book of Incoming Letters at the R & D Department showing the letter entered on July 17, 2017 (received by R & D on August 17, 2017) and the company has responded to the letter by directly discussing with KLHK on November 8, 2017. The company has a chance to reassess time of responding to requests for information in accordance with procedures. OFI</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.
1.2.1

There is no change to the type of publicly accessible document contained in the Procedure for Provision of Information to External Parties (No. SOP-CS.GN-001). Based on interviews with the Labor Agency, it is explained that during this time the company has routinely reported the Manpower Report and the OHS Committee report which contains information on labor, work plan of Occupational Health and Safety.

The Company also shows the Sustainability Report of 2017 published on the CBI Group website (www.citraborneo.co.id) which describes sustainability policies, production and financial reports, total extents, environmental management efforts, number of workers, human rights policies to mechanisms complaint.

	Status: Comply	
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1.3
Growers and millers commit to ethical conduct in all business operations and transactions.
1.3.1

There is no change relating to the ethics behavior policy stated in the Director Decree (No. 002/SSS-DIR/SKD/IV/2017) dated April 1, 2017 on Human Rights Policy.

Company shows socialization related to the policy, for example:

- Socialization conducted on OC section on March 17, 2018 to 71 Workers.
- Socialization to Selangkun Mill employees on April 6, 2018

Based on a visit in the mill storage, it is known that there is a human rights policy and Code of Conduct posted on the notice board.

Based on interviews to employees at Selangkun Mill, Kondang Estate, and FFB transport contractors at Kondang Estate, it is known that the company's human rights policy / code of ethics has been socialized and understood by workers and contractor.

	Status: Comply	
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PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS
2.1
There is compliance with all applicable local, national and ratified international laws and regulations.
2.1.1, 2.1.2, 2.1.3, 2.1.4

CH already has a list and a copy of the applicable laws and regulations. Some examples of regulatory compliance include HGU, environmental document, hazardous waste storage permit etc. The legal requirements documentation system contained in the *Prosedur sistem manajemen lingkungan, keselamatan, dan kesehatan kerja* document No. SOP-EHS.GN-003 revision 02 dated 10 April 2012. The certificate holder also has a document of license certificate, inspection and boiler testing, including boiler with license number KU.375.DTT.HIPK.K3.II.2013. The certificate holder shows the document of the Steam Boiler Inspection and Testing Certification, number KU.148.DTT.HIP.K3.IX.2016, which is performed by the Labor Inspectorate of the Manpower and Transmigration Office of Kotawaringin Barat District. Recommendation among others states that the measurement results of thickness and temperature are still within the limits of fulfilling the OHS requirements.

Related to implementation of workers wages, referring to Kalimantan Tengah Governor Decree 40 year 2017 dated 21 November 2017 regarding to minimum wage in Regency of Kotawaringin Barat that is IDR 2.745.084 per month.

CH has mechanisms to ensure compliance with regulations in SOP-EHS.GN-003 revision 02 dated 10 April 2012 which describes legal affair and Dept. EHS collect and identify standards and regulations relating to EHS to relevant agencies and / or other sources. Based on the SOP, it is mentioned that collection and re-identification or identification are done twice a year. In the SOP, it is also mentioned that the EHS Dept. evaluates the relevant standards and regulations that

have been identified to ensure compliance with EHS aspects on a regular basis. Ensure local regulations are included in the list of regulations. (OFI)

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

CH able to showing legal ownership document and the actual legal use of the land. Selangkun POM is the second mill under management of PT. Sawit Sumbermas Sarana (SSMS). Selangkun POM and supply bases is located in land title No. 36 of 2004 on behalf of PT SSMS and land title No. 49 of 2007 on behalf of PT KSA. Total land title are 14,852.60 Ha, which used by CH as width as 10,955.70 Ha while for the rest area is include in certification scope of Sulung POM. Based on document review known that CH managed operation area as width as 10,955.70 Ha consist of planted area 10,219.38 Ha, facilities 149.62 Ha, unplatable area 106.53 Ha and conservation area 480.17 Ha.

2.2.2

During this surveillance, auditor observe based on sampling visit for legal boundaries in Batu Kotam Estate and Kondang Estate. All legal boundaries are demonstrated clearly, maintained and accordance with coordinate. Legal boundry is monitored and maintained every six month, the last monitoring is January 2018 for Kondang Estate and February 2018 for Batu Kotam Estate.

2.2.3; 2.2.4; 2.2.5

According to interview with community of Rungun village, since there is no land dispute has occurred on period 2017 to 2018. The Certificate Holder has had mechanism of FPIC to resolved the conflict if presence. The FPIC mechanism are available in several procedures:

- *SOP Pembebasan Lahan/Land Acquisition* (SOP-SPD.GN-002) dated 1 January 2015.
- *SOP Pembukaan Lahan/Land Clearing* (SOP-SPD.GN-001) dated 1 January 2015.
- *Prosedur Penyelesaian Konflik Tanah & Lahan* (SOP-LEGAL.GN-014) dated 18 June 2012.

2.2.6

To avoid escalation of conflict, there is no evidence that palm oil operations used violence in maintaining peace and order in their current and/or planned operations. To proof this commitment, the Certificate Holder has Management Policy for Human Rights (SK Direksi No: 002/SSS-DIR/SKD/IV/2017, dated 1 April 2017) where there is no used of violence within its policy. Interview with community stated that CH didn't used violence in maintaining peace and order in their current and/or planned operations.

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

The Certificate Holder has own maps with appropriate scale showing the recognized legal rights. This plantation obtained the land use title since 2004 (for PT. SSMS) and 2007 (PT. KSA). During the process to obtaining of land tenure, the certificate holder developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities). Several procedures are used for FPIC mechanism,

- *SOP Pembebasan Lahan/Land Acquisition* (SOP-SPD.GN-002) dated 1 January 2015.
- *SOP Pembukaan Lahan/Land Clearing* (SOP-SPD.GN-001) dated 1 January 2015.
- *Prosedur Penyelesaian Konflik Tanah & Lahan* (SOP-LEGAL.GN-014) dated 18 June 2012.

2.3.2; 2.3.3; 2.3.4

Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) are available and include: Evidence of consultation, Statement of transfer of rights and Evidence of compensation. For example: Land compensation in Batu Kotam Estate period 2005 – 2016. Total area to be compensated is 2,275.49 Ha (235 ownership).

All evidence is clear and written in Bahasa Indonesia. Also signed and acknowledge by represented through institutions or representatives of their own choosing.		
	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 There is no change in the company's long-term plan contained in the Business Plan document 2017 - 2022. Budget has been evaluated every year through budget review meetings for example; budget on 2018 meeting was held on 26 August 2017.		
3.1.2 The company does not have a long-term plan because the age of the oldest plant is 17 years with plant cycles plan about 25 years in accordance with SOP of Replanting (SOP-KBN.GN-009 dated 01 August 2009 revision 00).		
	Status: Comply	
PRINCIPLE #4 Use of appropriate best practices by growers and millers		
4.1 Operating procedures are appropriately documented and consistently implemented and monitored.		
4.1.1 The certificate holder already has a estates SOP (starting from Land Clearing to Harvest) and SOP of the mill (starting from receipt of FFB to Supply Chain procedure) that has been documented, including in the revised SOP Supply Chain document dated March 21, 2018 and authorized by the CEO Plantation and Director. The SOP includes major processes such as harvesting (SOP-KBN.GN-005), transportation (SOP-KBN.GN-013), fertilization (SOP-KBN.GN-010), IPM (SOP-KBN.GN-009) and supply chain (SOP-PKS.GN-020)). During an audit, a copy of the SOP is available at the audit site and in the Indonesian language. Based on interviews with workers at Kondang Estate on fertilization activities, EFB applications and <i>Oryctes rhinoceros</i> census, it is known that the workers have understood the established procedures. For example for fertilization already using the appropriate dosage and its application in the stack of frond, the EFB application inter row with doses of 350 kg / palm and 1 layer and for the <i>Oryctes rhinoceros</i> census saw on the fractured young fronds.		
4.1.2 The certificate holder has routinely carried out activities of inspection or monitoring of activities according to operational procedures, such as internal sustainability audit activities and HSE inspection at Selangkun POM conducted on 22 November 2017 by HSE Inspector. In addition, there are also internal audit checks related to the fulfillment of RSPO criteria and indicators conducted routinely at least once a year, for example on April 11, 2018 by the QHSE internal audit team.		
4.1.3 The certificate holder has a recording of the results of the monitoring activities conducted by the internal QHSE audit and the recording is stored in each unit. Here are some monitoring results and follow-up: <ul style="list-style-type: none"> Internal Audit in Selangkun POM dated November 22, 2017 found 11 non-conformities and all have been followed up by the company, for example related to the factory area found not all control panel given label LOTO. The findings have been closed on 4 December 2017. RSPO internal audit visit by QHSE to Selangkun POM on April 11, 2018 and found 13 major and 11 minor non-conformities. All non-conformities found have been improved. 		
4.1.4 Procedure related to FFB sourced from third parties are included in FFB Purchase Procedure (SOP-PMP.GN-002). The scope of the procedure covers the process of determining the FFB suppliers, the pricing of FFB and its payments. For		

information on the price of FFB is determined by the Marketing section in Head Office. Certificate holder already has a list of FFB suppliers contractors. Each incoming fruit has been recorded every day and recorded in monthly data. Detailed info about supplier data and input last year can be seen in basic info 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

The certificate holder has a SOP to maintain soil fertility and record its implementation in accordance with Fertilization SOP (SOP-KBN.GN-010) related to crop maintenance explaining that fertilization is based on recommendations issued on soil and leaf test results. Based on the results of document review and interviews with management, it is known that the implementation and monitoring of soil and leaf analysis is conducted by PT CBI R & D Team as the party issuing fertilizer recommendation.

Based on field observation in fertilization activity block E25 Kondang Estate, it is known that fertilizer applied is NK with dose 2,25 kg / palm, using appliance of 450 gram and applied in stack of frond 5 times measure. This is in accordance with the 2018 fertilizer recommendation for Kondang Estate which states that the fertilization dose of block E25 Division B is 2.25 kg / palm. In addition, the worker also stated that there are areas which are prohibited to be fertilized with red marks for example in Division F on river border.

4.2.2

The certificate holder has well documented the recording of fertilization, such as shown by Kondang Estate in progress report document of April 2018 which also explain about fertilizer application in 2018. Fertilization application of 2018 is planned with NK mix 15-35, NK mix 18- 32, RP, Dolomite, Kieserite, HGFB, Chelated Zincop and TSP with total requirement of 3,220,742 kg and applied up to april 1,356,344 kg (42,11%) with details of application achievement per type of fertilizer. For example NK Mix 15-35 recommendations 435,642 kg and has been realized 207,616 kg (47.66%).

4.2.3

The certificate holder has conducted soil and leaf sampling activities as the basic material for fertilizer recommendation. The company has presented a recommendation document issued by the Department of Agronomy R & D Citra Borneo Indah along with the results of soil and leaf analysis, for example:

- Analyze certificate number 127 / LAB.01 / INT / V / 2017, type of leaf sample, number of sample 37, date of receipt May 15, 2017, completion date of checking May 22, 2017 describing % on dry matter N, P, K, Mg, Ca and ppm on dry matter B, CU, Zn.
- Soil nutrient content in 2017
Data: C-org 4.5%, N 0.23%, P Bray II 95.09 ppm
Standard: C-org 2.5%, N 0.25%, P Bray II 25 ppm

The certificate holder shows the Internal Memo document from the Sulung Research Station to the Estate Department dated September 6, 2017 on the Recommendation of 2018 Productive Fertilization Recommendation which explains the fertilizing recommendation of 2018 plants for the entire estate within PT SSMS. The document also describes the results of soil and leaf analysis and comparison with the previous year (2016).

4.2.4

The certificate holder has a recording strategy for nutrient recycling which includes EFB application, land application and frond usage. Based on the results of the document review and field observation, the company regularly records the activities, including the following :

- Based on the results of interviews with the management, it is known that the use of the EFB to help add nutrients and improve the soil structure, especially in sandy areas with a dose of 60 tons / ha and in mineral areas with a dose of 40 tons / ha. Based on the results of field observations on the application of the EFB block F40 Division G, it is known that EFB applied 350 kg/ palm and applied between the palm with 1 layer.
- Land Application is applied to block D3, D6, D8, D9, D12, D15, D18, D21 and D24 Rungun Estate.
- Based on the results of field observation on harvesting block I59 Division H Selangkun Estate planting year 2007 known that the frond is arranged between the palm as mulch and fertilizer.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

The certificate holder shows a map of land explaining the existence of marginal soils and critical soils, including:

- Slope Map in Selangkun Estate scale 1: 50.000, which explains based on grade of slope ie class A (flat, wavy) 0 – 8 % area of 2,025.02 ha (92.24 %), class B (wavy) > 8 – 15 % width 147.29 ha (6.71 %), class C (slightly hilly) > 15 – 25 % area of 23.05 ha (1.05 %). Data source: Shuttle Radar for Topography Mission, NGA and NASA.
- Land Type Map in Selangkun Estate scale 1: 50.000. Distribution of area based on mineral distribution (typic dystrodepts, typic hapludults) effective depth > 100 cm of 733.66 ha (33.42 %), peat (Histis Humaquepts) effective depth > 100 cm of 22.06 ha (1.01 %), peat (typic Haplosaprists) effective depth > 100 cm of 927.36 ha (42.24 %) and sand (typic haplorthods and typic udipsamments) of 512.28 (23.33 %). Data source: Shuttle Radar for Topography Mission, NGA and NASA.

4.3.2 & 4.3.6

The certificate holder has a management strategy for slopes area, for example based on field observations on the harvesting activities block I59 Division H Selangkun Estate planting year 2007, it is known that one of the management is by arranging the frond between the palm and the tip of the frond along the way of the harvesting path so that its shape will zig-zag that serves to resist the rate of erosion and leaching of fertilizer. Based on interviews with harvest workers, it is known that it has been socialized by managers. In addition, the management is also done by making individual terrace and erosion holder using sack prepared (terrace fortress).

The certificate holder monitors the area with slopes as it does on block 8 Division H Selangkun Estate. Based on the observation result on the block, it is known that the company has installed 3 points of erosion mark on the area of slope > 8 – 15 %. Based on the results of interviews with the management, it is known that in the sand area the company applies an EFB with a dose of 60 tons / ha as an addition of nutrients and also to improve the soil structure.

4.3.3

The certificate holder shows the document of the road maintenance program and its realization, for example in Kondang Estate in the Plan & Realization Document of Road Patching January to April 2018, known to plan 8,580 meters and realization of 9,707 meters (113.13%).

Based on the results of field observations, it was found that the road conditions are in good condition and there are road repair activities due to rain conditions.

4.3.4

The certificate holder has minimized the subsidence of peat soil by adjusting the water level and conducting regular monitoring. These efforts include by installing piezometer and subsidence pole point as a monitoring point of peat land decline.

Based on the results of field observations in block 22 Division H Selangkun Estate, found piezometer used to measure the height of underground water. The measurement results show the height of underground water is 18 cm due to rain on the previous day. In the block there is also a peat subsidence pole that has decreased +/- 2 cm since installation. Based on the result of field observation in block H64 Division H Selangkun Estate, at the water level point shows +15 from the ground level (flooded) due to rain on the previous day, however the certificate holder has a water pump machine used to discharge water from the block to the river outward estate and enter the water if the water condition dries up.

4.3.5

The certificate holder has not carried out an assessment of the extent of vulnerability in the peat areas. Based on the hectare statement data of 2018. The earliest planting in 2001 and the oldest plant is currently 17 years old so the certificate holder does not have a plan to replant any time soon.

	Status: Comply	
4.4 Practices maintain the quality and availability of surface and ground water.		
<p>4.4.1. minor The Company has water management plans listed in the environmental impact assessment document (Environmental management plan and environmental monitoring plan report) for 2006 and 2011; In addition, the HCV Management Plan Document; water management procedures. Implementation of water management includes: testing Water quality testing (drinking water, clean water, surface water/rivers and waste water) periodically, spray boundary marking, and reforestation in riparian areas. In addition the company has also made Water Treatment Plant as a source of clean water and drinking water and monitor its use.</p> <p>4.4.2. Major The company has a SOP of riparian management and the area around the lake / reservoir (SOP-EHS.GN-027). Based on field visits, the protection of river water in riparian sungai Selangkun (Selangkun Estate) includes: making of agrochemical application prohibition on 50 meter radius of left bank, fish poison prohibition, river water quality testing, tree planting or woody plantation at border / embankment area</p> <p>4.4.3. minor The company has a Wastewater Treatment Installation with 10 waste ponds. The company has a record of pH monitoring and daily discharge of waste streams to land applications, but also has a monthly wastewater quality test results in IPAL ponds, monitoring wells, soil analysis. The results of liquid waste quality testing in the last pond conducted by PT Unilab Perdana (KAN LP-195-IDN Accreditation) for the period 2017-2018 are still below the Standard Quality Decree of KepmenLH No.28 of 2003</p> <p>The Company has a license for the utilization of liquid waste in the palm oil plantation of PT SSMS Selangkun Mill with no. 660/36 / BLH-IV / LA / VI / 2015 dated June 12, 2015 is valid for 5 years (until June 12, 2020). Based on field visits in division D Block 15 OD, there is no waste run-off and 4 flat bed emergency is available in case of heavy rain.</p> <p>4.4.4. minor The Company has monitoring of water use for FFB processing and domestic use (housing). Field observations show that all flow meter instruments for measuring water use (7 unit flow meters) are in good condition and functioning. The average water use in 2017 is 1.29 m³ / ton FFB below 1.50 m³ / ton FFB budget. The company need to evaluate the water capacity in permit. OFI</p>		
	Status: Comply	
4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
<p>4.5.1 The certificate holder monitors pests and controls according to the procedure. Monitoring is done by detection and census. In addition, there are also routine census activities, such as rat census done 3 months. If the census exceeds the set threshold value, control will be performed.</p> <p>The certificate holder shows the monitoring implementation document, for example Selangkun Estate shows a Monitoring of Termite Pest Control document which describes the census recording and its control. For example, the termite census results in Division I block F74 contained a 0.22% attack of 31.62 ha area and chemically controlled using Regent 0.26 liter.</p> <p>The certificate holder uses an integrated method that is biologically, manually and chemically in controlling pests. Here among the implementations that have been done in the field :</p> <ul style="list-style-type: none"> Based on field observations at Selangkun Estate and Kondang Estate, it is known that the company utilizes biological control plants such as <i>Turnera subulata</i>, <i>Antigonon leptopus</i> and <i>Casia cobaensis</i>. Mechanical control is also carried out, for example, the picking of <i>Oryctes rhinoceros</i> pupa on an area applied by a 		

EFB.

- Utilization of owls for rat pest control. Estate Selangkun has monitored the presence of owls as of April 2018 there are 102 cages of owls with good condition.

Based on the results of the document review and interview of workers, it is known that there is a reduction of chemical usage compared to the previous year, for example paraquat dichloride active substances for the period 2016 1,469.9 liters, period 2017 486.6 liter dan period 2018 no use. Based on field observation in Kondang Estate and Selangkun Estate, no invasive pests and diseases were found.

4.5.2

The certificate holder has provided training to integrated pest control officers, including:

- Refresh Activity of Integrated Pest Management by Traning and Development Department (T & D), dated 12 April 2018 at Learning Institute attended by 35 integrated pest control officers.
- Refresh Activity of Integrated Pest Management by the Ministry of Traning and Development (T & D), dated March 27, 2018 at Learning Institute, attended by 26 supervisors of integrated pest management related to pest and control.

Based on interviews with *Oryctes rhinoceros* census officer at Kondang Estate, it is known that officers have understood the working procedures of rat census, *Oryctes rhinoceros*, nettle caterpillar and disease.

Status: Comply

4.6

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

4.6.1

The certificate holder has a list of Pesticide Recommendation 2018 documents that describes the types of pests, affected parts of the plant, types of pesticides, active ingredients, trademarks, formulation classes, doses / liters of water (ml / g), dose / ha blanket (l / kg) and application interval. For example, nettle caterpillar pests attack on leaves in immature plant and mature plant, controlling with insecticide active ingredients Deltamethrin trademark such as Inovate 100 EC and Decis 25 EC with class formulation of each class II, dose 1-2 ml / g, interval application 7 day.

At the time of assessment activity, there is no activity of pesticide application. However, based on field observations in chemical warehouses, it is known that pesticides are stored according to recommendations such as Decis 25 EC.

4.6.2

The certificate holder has a record of the use of pesticides, for example for the Estate Kondang listed in the Pesticide Use Data Document Period January – April 2018. Based on the document known pesticides used include KleenUp 480 SL active ingredient Isopropylamine glyphosate 422.31 liters and Inovate 100 EC active ingredient Deltamethrin 4.21 liters. There are also documents of Pesticide Toxicity Data per month of 2018, for example for April 2018 as follows:

- Kleen Up 480 SL, active ingredient Isopropylamine glyphosate, clasification IV, liters unit, LD50 8560 mg / kg, active ingredient 480 g / liter, total consumption 113,56 liters, total active ingredient 54,508,8 gram (54,51 kg) , FFB Production 8,192.3 ton, dose 0,18 liter / ha, applied hazard 647,54 ha, LD50 application amount 0,78 kg / ton FFB.
- Inovate 100 EC, active ingredient Deltamethrin, clasification II, liters unit, LD50 135 mg / kg, active ingredient 100 g / liter, 0.39 liter use, total active ingredients 9.75 grams (0.00975 kg), FFB Production 8.192.3 tons, dose 0.07 liter / ha, applied ha 5.79 ha, application amount 0.01 kg / ton of FFB.

4.6.3

The certificate holder implements an integrated pest management system by collaborating on biological and chemical controls. The use of chemical techniques is not done in a preventive manner, however based on the results of early warning systems of detection and census. The development of useful plants such as *Turnera subulata* and *Casia cobaanensis* are used as a biological control technique as a place to live predator nettle caterpillars. Based on the results of field visits along the sampling sites in Kondang Estate and also in Selangkun Estate, found beneficial plant development *Turnera subulata*, *Antigonon leptopus* and *Casia cobaanensis* along the site of the visit.

Based on document review, interviews with management and field observations, it is known that pesticide use is based

on census results not preventive measures to prevent disease (prophylactic use).

4.6.4

Based on document of Data of Use of Pestisida Kondang Estate period of January - April 2018 was not found the use of paraquat dichloride and coumatetralyl.

Based on document Data of Selangkun Estate Pesticide Usage, it is known that the use of paraquat from 2015 until April 2018 has decreased successively 2015 1924.5 liter, 2016 1469.9 liter, 2017 486.6 liter and 2018 no use. For coumatetralyl usage from 2016 to April 2018 has decreased successively 2016 378.59, 2017 3818.51 and 2018 268.32.

4.6.5 & 4.6.9

The certificate holder has provided training to integrated pest control officers, including integrated training of pest control by the Training and Development Department (T & D) on 12 April 2018 at the Learning Institute attended by 35 Integrated Pest Control Officers. Based on field observation, it is known that there is an *Oryctes rhinoceros* census activity conducted by workers who have received training.

4.6.6. Major

The company has chemical handling procedures including pesticides include:

- Procedures for the management of hazardous and toxic materials (SOP-EHS.GN-015): containing MSDS, WI, Storage placement, use of PPE, installation of Symbols
- Procedures for the storage, handling of hazardous and toxic waste materials and packaging containers such as pesticides, among others, Hazardous Waste Management Procedures (SOP EHS.GN-016) describing responsibilities for waste identification, waste classification, storage & handling, waste management methods, hazardous waste, waste disposal, reporting of emergency response events.
- Pesticide management procedures (SOP - EHS.GN - 019) at point 6.7.1: The former pesticide packaging is controlled in a manner that is safe for the environment, human health and according to the disposal instructions contained on the packaging label.

Result of field visit at Kondang Estate, pesticide is stored in separate warehouse and locked up, equipped with MSDS, emergency response system such as Personal Protective Equipment, First Aid Medication Box, light firefighting apparatus.

4.6.7

Working instructions for pesticide applications are in the procedures of pests and diseases of palm oil (SOP-KBN.GN-007) in general and in the procedures of supervision and control system of each pest, among them the Procedure of Early Warning System Caterpillar Leaf Pest (SOP-RND.GN- 012), Procedure of *Oryctes sp* control system (SOP-RND.GN-016 revision 01) and Procedure Termite control system (SOP-RND.GN-019). Based on interviews with *Oryctes* census workers at Kondang Estate, it is known that officers have understood the working procedures of rat, *oryctes*, Caterpillar Leaf Pest and disease censuses including the risks and impacts of pesticide applications such as poisoning or eye and skin irritation if exposed.

Based on field observation that the company provided facility for chemical mixing, cleaning / washing after work (rinse house) and space for PPE keeping are provided in each estate.

4.6.8

Based on the results of document verification and field observation at Kondang Estate and Selangkun Estate, interviews with Kondang Estate and Selangkun Estate managers and census officer and herbicide applicators, it is known that the certificate holder does not carry out the application of pesticides by air.

4.6.10. minor

Field observations and interviews, managers and storage officers can demonstrate the management system of waste and pesticide products. Storage officers may explain the process of managing hazardous waste, among others, used pesticide containers first washed, then stored for storage of hazardous waste, and then recorded on hazardous waste logbook. For packing of pesticide is stored at licensed B3 waste storage place. Based on field visits to temporary hazardous waste storage sites. the company has cooperated with PT. Bank Sampah Indonesia as a collector and transporter of hazardous

waste.

4.6.11

Based on the results of Cholinesterase health examination document examination of herbicide applicator, fertilizer applicator and integrated pest management officer at Selangkun Estate (90 people) and Kondang Estate (124 people) on March 7, 2018, it is known that the result of the examination shows that the workers are in good condition. Likewise, the results of the POM Selangkun workers examination on March 13, 2018, known health conditions in good health.

Based on the results of field interviews with workers working on chemicals, workers stated that so far they have no health complaints such as itchiness or allergies.

4.6.12

The certificate holder commits not to employ female laborers who are pregnant and breast-feeding in direct contact with chemicals in accordance with the human rights policy of the certificate holder. In addition, there is also a system to identify pregnant and lactating mothers is done by routine examination once a month conducted by the foreman and the clinic as well as checking menstruation leave. Based on the results of field observations and interviews with workers, was not found and is known at this time there are no workers who are pregnant or breastfeeding both in Selangkun Estate and Kondang Estate. Women workers have learned the mechanisms for identifying pregnant and lactating mothers belonging to companies.

Status: Comply

4.7

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

4.7.1

The certificate holder represents the Quality, Occupational, Safety and Health Policy document signed by the CEO on July 1, 2017 and includes, among others, awareness raising of employees, the public and interested parties, resulting in a clean, safe, healthy and free working environment from accidents and diseases work.

The certificate holder represents the minute of understanding document of Socialization of Quality, Environment, Safety and Health at 13 April 2018 to the Selangkun POM, staff delivered by the Head Assistant attended by 50 mill workers. In addition, certificate holders also display policies in the unit office. Based on the results of interviews with workers, it is known that workers have understood related to the implementation of such policies, such as the use of personal protective equipment, safe working methods and routine health checks.

The plan related OHS has been prepared in the OHS program, eg Selangkun POM shows document Objective Target Program (OTP) EHS period 2018 which describes work program such as prevention of environmental pollution (decrease of GHG POM emission), energy efficiency, management optimization and utilization waste, energy capacity building manager training, clean water saving campaign, meeting toolbox, HSE talk and safety patrol.

4.7.2

The certificate holder has a hazard identification and risk identification document compiled by an General OHS Expert such as at Selangkun POM which was validated on September 1, 2017 and at Kondang Estate which was validated on April 10, 2018. Such procedures include explaining the area/ activity, potential hazards, risk assessment, control measures and action. If an accident occurs in the field, it will be considered in risk control to prevent future accidents.

Based on the results of field observations in chemical warehouses and toxic mixing sites there is an MSDS that is placed as a guide in the handling of chemicals. Based on interviews with manure workers it is also known that the foreman in MSDS has been applied to the employees.

4.7.3

Based on the result of the study of the Standard Personal Protective Equipment Procedure document, SOP-EHS.GN-018 number, effective August 1, 2013, approved by the Director of Person and General (top management), it is known that the procedure states that personal protective equipment that has been damaged or lost must immediately replaced or in accordance with the matrix of personal protective equipment owned by the company.

Based on the results of field observations, it is known that the company provides personal protective equipment in accordance with the specified risk analysis, for example fertilizer in Kondang Estate provided personal protective equipment in the form of helmets (for the foreman), masks, eyeglasses (foreman not provided), apron, gloves and shoes boot and have been given safe work practices training. The certificate holder also shows the documents Distribution of personal protective equipment that explains the employee's name, employee's number, occupation, type of personal protective equipment, number, date of distribution and challenge, for example in Selangkun POM, dated February 12, 2018, given leather gloves to maintenance workers and electrically a number of 15 pairs and 12 pairs of process workers. Based on the results of interviews with the management, currently the certificate holder has taken preventive measures in the provision of PPE in every station / operational activities in the field. The certificate holder has a formulation / mechanism in recording the granting, feasibility / lifetime monitoring per individual as well as recording of reimbursement. This will be further observed in subsequent assessment activities. OFI

4.7.4

The certificate holder shows the documents of the Decree of the Head of the Central Kalimantan Provincial Manpower and Transmigration Office, number KEP.10 / DISNAKERTRANS / IV / 2018 on Ratification of the guiding committee of occupational safety & health in PT Kalimantan Sawit Abadi, dated 9 April 2018 in Palangkaraya and valid 3 years. In addition, the certificate holder also presented a letter to the Head of Department of Manpower and Province of Central Kalimantan Province dated March 15, 2018 and was received by receipt by the Provincial Supervisory Office of the Manpower and Transmigration Office of Kotawaringin Barat District on 9 April 2018 regarding the application for legalization / amendment the management of guiding committee of occupational safety & health in PT SSMS. However, the agency has not issued the legalization of the structure. Secretary of guiding committee of occupational safety & health PT SSMS is General OHS Expert, certificate number 18.13548 / AK3 / U / III / 2018 dated March 5, 2018 for PT SSMS and submission of General OHS expert certification for PT KSA dated March 8, 2018.

4.7.5

The certificate holder shows the First Aid procedure (SOP-EHS.GN-010) effective 30 November 2017. SOP explains that among other things, the contents of the first aid box of 21 items are in accordance with Regulation of Labour Ministry number 15 year 2008 and routine checks are conducted to monitor box contents and condition / expired date drug. However, based on the results of field observation in Selangkun POM, it is known that the company has routinely conducted the examination of the availability of drugs / tools in the first aid box according to the table of contents provided. However, the examination has not covered the expiry date of available drugs, such as found Povidon Iodine / Betadine which has expired in box POM office (expired date September 2017), process office (expired date February 2018) and warehouse office (expired date February 2018). This is not yet in accordance with the First Aid Procedures. So it becomes **Non-conformity No.2018.1**

4.7.6

Based on interviews with contract workers at Kondang Estate and Selangkun Estate, it is known that workers have been provided health services such as Estate Clinic located in Kondang Estate and Selangkun Estate, so that workers and their families are guaranteed health. In addition, the company has also included workers in the Workers Social Security Agency Employment program which is one of the guarantees related to Work Accident Insurance and Death Insurance. Based on the results of the study of salary slip documents, such as employee salary slips contract workers status Kondang Estate NIK L11151388, NIK L11080011, NIK L11151207 and NIK L110070055 April 2018 care work is known there Workers Social Security Agency Employment program which is one of the guarantees related to Work Accident Insurance and Death Insurance.

Based on the results of the interview also explained that if an accident occurs will be handled using first aid equipment, if not contained it will be brought to estate clinic, if not handled also it will be referred to Referral Hospital in Pangkalan Bun. The certificate holder shows the document of the Phase I Accident Report to Workers Social Security Agency Employment, for example, the report dated 27 April 2018 Kondang Estate harvest workers along with their chronology (eyes exposed to dry frond) explaining the first handling brought to estate clinic and then referred to central clinic for further treatment.

Based on the results of interviews with contractor workers, it is known that for work accident insurance facilities borne by the contractor, however contractor workers are still provided services and health protection by going to the polyclinics

provided by the company.

4.7.7

The certificate holder has recorded workplace accident accidents, which are notified in the guiding committee of occupational safety & health quarterly report describing the timing of the incident, victim data, sex, accidents (death, permanent disability, compensation, minor injuries), injured limbs and chronology of events. For example, PT SSMS guiding committee of occupational safety & health Report from January – March 2018 period, it is known that there are 55 incidents that are included in the light category. For example, on March 27, 2018 there was a minor work accident on the fingers caused by a harvest failure.

4.7.5	Status: Non conformance No.2018.1 with minor category
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4.8

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

4.8.1 & 4.8.2

Certificate holder has established a training program that is based on the identification of the training needs of workers to improve competence. The training program period in 2018 consist of technical training, training concerning OHS and environmental health, simulation and socialization associated with sustainability, for example:

- Welder Certification
- Boiler certification
- Electrical Certification
- First aid certification / training
- Certification / training of firefighters
- OHS inspection
- Simulation of spill control
- First aid simulation of pesticide poisoning
- Socialization of pesticide and MSDS management
- Socialization of SOP / work instructions
- Simulation of fire prevention at offices, plantation land and housing
- Etc.

Training records for each worker are kept and recorded in the attendance list during the training. Examples of training program realizations:

- Simulation of safe working practices to harvester conducted on March 6, 2018.
- Socialization of the supply chain on April 4 2017 which was attended by 39 participants
- Socialization of safe working methods to the workers on 17 January 2017 which attended by 25 participants.

The results of interviews with workers such as harvester, grading officers and spray team known that workers has been given training by CH related their jobdescription. Based on the results of interviews with local contractors, training to contractor employees provided in the form of socialization of the use of PPE and company policies.

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. Major

The Company has 3 documents of Environmental Impact Analysis including:

- AMDAL Document (ANDAL, RKL, RPL) Plantation Development and Palm Oil Processing Plant PT SAWIT SUMBERMAS SARANA, Plantation Location in South Arut Subdistrict (Runtu Village, Rangda Village and Sulambin Kenambui Village) and Kotawaringin Lama Subdistrict (Lalang Village, Kondang Village and Rungun Village),

Kotawaringin Barat District, Central Kalimantan Province. The scope of the area is 19,842.49 Ha and the plant capacity is 90 Ton FFB / hour. The document has been approved by the Regional AMDAL Appraisal Commission (BAPELDADA) No. 660/261 / Bpdl-II-2 / IV / 2006 dated April 20, 2006 and has an Environmental Feasibility Decree based on the Decree of the Regent of Kotawaringin Barat no. 11 of 2006 on the Environmental Worthiness of Plantation Development and Palm Oil Processing Plant of PT Sawit Sumbermas Sarana, dated 3 August 2006.

- Environmental Management and Environmental Monitoring (UKL-UPL) Document of PT KALIMANTAN SAWIT ABADI with a total area of 2,510.11 ha with administrative boundaries covering Rungun Village and Kondang Village, Kotawaringin Lama Subdistrict. This document has been approved for feasibility by BAPEDALDA of Kotawaringin Barat Regency with 660/264 / BPdl-II.3 / 07/2008 dated July 2, 2008.
- Environmental Management and Environmental Monitoring Document (UKL-UPL) PT SAWIT SUMBERMAS SARANA Development of Palm Oil Processing Plant with capacity of 90 Ton FFB / hour, Rangda Village Kec. South Arut, Kab. Kobar. There is a Letter of Recommendation BLH Kab. West Kotawaringin no. 660/436 / BLH.II / VIII / 2011 dated August 15, 2011, regarding Recommendation on UKL-UPL Development of Palm Oil Factory by PT Sawit Sumbermas Sarana in Rangda Village Kec. Arut

5.1.2. minor & 5.1.3 minor

Based on the EIA documents, the company has developed an Environmental Management Plan (RKL) & Environmental Monitoring Plan (RPL) documents as outlined in the matrix of impact management plan:

Environmental impact management at the operational stage includes:

- Transportation of FFB
- Processing of CPO
- Waste management
- Solid waste management
- Land applications
- CPO transport
- Recruitment and recruitment
- Decreased soil quality
- Changes in the rate of erosion and sedimentation
- Noise management due to factory and vehicle operations
- Ground water quality

For environmental monitoring activities at the operational stage include

- Water quality test (clean water, drinking water, river water, monitor wells)
- Soil Erosion
- Noise, vibration and volition
- Air quality (ambient and emission generators and boilers)
- Physical and chemical qualities of soil due to LA
- Water biota
- Pest and disease
- Quality of road structure
- Theft
- Forest and land fires
- Poultry and disease incidence
- Environmental health and safety
- B3 waste management
- Waste management
- Employment opportunities and opportunities
- Community attitudes, perceptions and unrest (potential conflict)

The Environmental Management plan matrix (RKL-RPL) also provides information regarding management methods, location, period, responsible unit, and agencies involved in environmental management. The document has been reported to the local authorities on a regular basis

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.

PT. SSMS has conducted HCV identification activities was conducted by Sonokeling Akreditasi Nusantara in August 2012 and available final report of identification results in September 2012. The total area of HCV is 1,638, 46 Ha or about 8.26% of the total unit area management. The identified HCVFs include: HCV 1 (HCV 1, HCV 1, HCV 1, HCV 1, HCV 3, and HCV 4 (HCV 4, HCV 4.2 and HCV 5). Public Consultation was conducted on August 2nd, 2012. Assessment method based on identification guide of HCV (Consortium for Revision of HCV Toolkit Indonesia, 2008) and Proforest (2008).

PT. KSA has conducted HCV identification activities was conducted by Sonokeling Akreditasi Nusantara in August 2012 and the final identification report is available in September 2012. The total area of HCV is 49.91 ha. Public Consultation was conducted on August 2nd, 2012. Assessment method based on identification guide of HCV (Consortium for Revision of HCV Toolkit Indonesia, 2008) and Proforest (2008). The HCV areas which are the scope of PKS Selangkun certification are:

No.	Estate	Width of HCV Area (Ha)		Total (Ha)
		Forest/Hills	Riparian	
1	Kondang Estate	168.80	25.93	194.73
2	Selangkun Estate	69.39	55.99	125.39
3	Rungun Estate	57.65	35.47	93.12
4	Batu Kotam Estate	41.73	25.63	67.36
Total (Ha)		337.57	143.03	480.60

5.2.2. & 5.2.4.

There are rare and protected species according to IUCN Redlist, CITES and PP. 7 in 1999. For the flora of 8 species (7 species of family Dipterocarpaceae, and 1 type of family Lauraceae). As for the fauna consists of: Bird (10 species), Mammals (14 species), Reptiles (5 species). Types of protected animals include:

1. Aves: 3 species (*Buceros rhinoceros*, *Gracula riligiosa*, *Thereskiorasis ceihiopica*)
2. Mamalia: 12 species (*Presbytis sp.*; *Helarctos malayanus*; *Pongo pygmaeus*; *Cervus unicolor*; *Manis javanicus*; *Neofelis sp.*; *Nasalis larvatus*; *Hystrix brachyuran*; *Hylobates muelerii*; *Felis bengalensis*; *Muntiacus muntjak*; *Tragulus javanicus*)
3. Reptilia: 3 species (*Phyton sp.*; *Crocodyllus sp.*; *Varanus borneensis*).

The Company has HCV management plan including endangered, threatened or endangered (RTE) species such as:

1. HCV Area Enrichment Rehabilitation.
2. HCV boundary delineation.
3. Installation of HCV area warning boards.
4. Monitoring of controlling activities of HCV Areas.
5. Preparation of nurseries for HCV rehabilitation.
6. Mapping of HCV areas.
7. Internal & external HCV socialization.
8. Patrol in HCV Batu Kotam area located in KSA Forest.
9. Security patrol of HCV area in Tanjung Biru Forest and Rungun River.
10. Monitoring & Maintenance of HCV border is located in Batu Kotam Estate, Kondang estate and others.

The monitoring plan becomes the reference at the time of preparation of the subsequent management plan in the monthly report of PT SSMS & PT KSA (Batu Kotam) HCV.

5.2.3.

There is socialization to employees and communities around plantation on January 19th, 2017 and April 3rd, 2017 which discussed the Prohibition of hunting wildlife, killing, catching protected animals in the HCV area. Based on field visits in the Riparian Selangkun area, There were no workers who arrested, harmed and collected protected animals. There is a

hunting ban board in the HCV area. In addition, interviews with applicator pesticide & harvest workers, employees have learned about the prohibition of hunting protected animals.

5.2.5.

Based on interviews with surrounding villagers and local communities, there are no HCV areas that enter the community area.

Status: Comply

5.3

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

5.3.1.

The company identifies the source of waste for Selangkun Mill and estate such as: Empty bunch, fiber, shell, sludge, mill wash, ash boiler, used oil, used filters, rags cloth, fluorescent lamps, used batteries, dry frond, domestic waste and others. The Company shows the source of pollution for Selangkun Mill and estate such as, burning activities of fiber & shell; Burning diesel fuel; liquid waste; Use of pesticides; Use of fertilizers and organic waste. The types of emissions generated are SO₂, NO₂, NH₃, CH₄ and HF.

5.3.2.

The Company has evidence of depositing all chemical packaging contained in the Temporary Storage of Hazardous and Toxic Waste Based on the Decision of the Regent of Kotawaringin Barat No. : 660/25 / DLH / VIII / 2017 on Temporary Storage Permit for Hazardous and Toxic Waste to PT. Sawit Sumbermas Sarana, dated August 18, 2017 valid for 5 years. Providing a waste storage permit for 365 days.

The Company shows a Letter of Agreement on the Management of hazardous Waste With PT Bank Sampah Indonesia (Number 96/LGL/ QHSE/ SSMS-BSI-TJS / XI / 2016) dated on November 1st, 2016. This agreement is valid for 2 years. In addition, there is a license to transporter from the Ministry of Transportation of the Directorate General of Land Transportation SK/577/ AJ.309/DJPD/2017 / 330130921BB-0002 with vehicle number AD1834 AV is valid until February 13th, 2018.

Hazardous waste transport recommendation from the Ministry of Environmental and Forestry of the Directorate General of Waste Management, hazardous Waste dated on November 15th, 2015 with number S2885 / PSLB3-VPLB3 / 2015. This recommendation is valid for 5 years.

The Company shows hazardous waste manifest in the form of hazardous waste containers dated on April 24th, 2018 with manifest number ARB 0004195. In addition, Selangkun Mill, there is hazardous waste manifest submitted dated on April 24th, 2018 transporter to PT Bank Sampah Indonesia with vehicle number AD 1834 AV.

5.3.3.

The Company has a waste management plan that has been documented and implemented including:

- Liquid waste: Liquid waste is produced in Mill and then processed in IPAL, having managed to produce a parameter below the quality standard, especially for BOD, COD and pH then flowed into the Land Application.
- Solid waste: Solid waste generated from plantation activities. Solid wastes such as empty bunks are applied to the plantation area to be used as organic fertilizer. Fiber and shells serve as boiler fuel.
- Organic waste: Every domestic waste generated is collected in front of the house and delivered to the landfill.

Medical waste: Medical waste is transporter to PT Bank Sampah Indonesia which has a medical waste transport license.

Status: Comply

5.4

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

5.4.1.

The Company has sought to optimize the use of shells and fiber as fuel / renewable energy. The company has a record of monitoring the use of renewable energy since 2013 until 2018, based on monitoring results. The efficiency of electricity usage in 2017 is 13.51 KWH / ton FFB

	Status: Comply		
5.5			
Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.			
5.5.1 & 5.5.2.			
The Company has a land clearing policy by not burning the land (zero burning) contained in SOP for Fire Prevention in Plantation Estate No. SOP - EHS.GN - 013 so that in any preparatory activity the land will not use the burning method.			
	Status: Comply		
5.6			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1.			
The Company shows the source of pollution for Selangkun Mill and estate such as, burning activities of fiber & shell; Burning diesel fuel; liquid waste; Use of pesticides; Use of fertilizers and organic waste. The types of emissions generated are SO2, NO2. NH3, CH4 and HF.			
The Company has undertaken activities to prevent and reduce such things as air quality testing every 6 months, giving ear muffs, medical checkup such as audiometry, maintenance of machines In operational area mill and others. The Company has made efforts to prevent the hearing loss of affected mill workers such as:			
<ul style="list-style-type: none">• Conducting socialization related to the implementation of OHS (especially in high noise area).• Periodic medical examination, especially for Audiometric.• Maintenance of the machines regularly in the mill area.• Air quality testing every 6 months according to RKL / RPL direction.			
5.6.2.			
The company shows recommendations for reducing sources of pollution, among others:			
<ul style="list-style-type: none">• Program of improvement of all generators in estate and Mill by coordinating with engineering officers.• Planting of woody plants in mill area and river border.• Maintenance of machines in Mill area.• Disposal of organic waste regularly every week.• Use of fertilizers in accordance with the dose So it is not excessive.• Testing air emission quality located at Generator and Boiler station.			
5.6.3.			
The company has calculated Palm GHG Version 3.01 use option 1, with the following information:			
<ul style="list-style-type: none">• Summary of Net GHG Emissions			
Emissions per Product		tCO2e/tProduct	
		2016	2017
CPO		3.88	3.42
PK		3.88	3.42

Production	t/yr	
	2016	2017
FFB processed		249940.90
CPO Produced		55397.48

Extraction	%	
	2016	2017
OER	25.48	23

KER	5.41	5
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Land use	ha	
	2016	2017
OP Planted area	10219.38	12501.76
OP planted on peat	2400.98	3081.25
Conservation (forested and non forested)	480.17	585.11
Total	13100.53	

• **Summary of field emissions and sinks**

Emissions	Own Crop			Group		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/FFB
Land conversion	72145.43	10.31	0.045139	38635.09	0.376389	00.59
*CO ₂ Emissions fertiliser	4157.19	00.58	00.04	2668.46	0.042361	00.04
**N ₂ O Emissions	21652.19	02.08	00.18	8982.85	0.110417	00.14
Fuel Consumption	2416.88	00.35	00.02	1457.38	00.32	00.02
Peat Oxidation	116755.1	0.651389	0.065278	49372.83	0.475694	0.051389
Crop sequestration	-64723.2	-9.36	-0.59	-42072.4	-9.36	-0.64
Conservation Sequestration	-3659.41	-0.5	-0.03	-962.3	-0.21	-0.01
Total	148744.25	19.16	01.02	58081.9	0,556944	0,061111

• **Summary of Mill Emissions and Credits**

Description	2016		2017	
	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB
POME	264.78	0	6976.88	00.03
Fuel consumption	693.32	0	740.07	0
Grid electricity	2688.17	0.02	22125.83	00.09
Export of grid electricity	-199.9	0	-220.62	0
Sales of POM	0	0	0	0
Sales of EFB	0	0	0	0
Total	3446.38	0.02	29622.79	00.13

• **Palm oil Mill Effluent (POME) Treatment**

	2016	2017
Divert to compost	0%	0%
Divert to anaerobic digestion	100%	100%

• **POME Diverted to Anaerobic Digestion**

	2016	2017
Divert to anaerobic pond	100%	100%
Divert to methane capture (flaring)	0%	0
Divert to methane capture (electricity generation)	0%	0

Status: Comply

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

6.1

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

implemented and monitored, to demonstrate the continuous improvement.

6.1.1 & 6.1.2

There are no changes in the Social Impact assessment report. Social Impact Assessment Report (SIA) prepared by PT. Sonokeling Akreditasi Nusantara on 2013. Data collection and field observation of SIA conducted on 24-30 July 2012.

In the SIA report, there is evidence that the assessment has involved various parties including worker representatives conducted on July 29, 2012 at PT KSA and on July 27, 2012 to workers at PT SSMS, Bungur Village on 29 July 2012, Kondang Village and Rungun on July 26, 2012, Kenambui Village, Sulung and Umpong on July 24, 2012.

Based on interviews with representatives of Rangda Village, there were no social issues submitted by the Village. Villagers explained that the company has helped the village such as infrastructure development, scholarships and teacher assistance.

6.1.3

In Chapter 5, the Social Impact Assessment (SIA) Report of PT. SSMS & PT.KSA has explained the Positive Impact, Negative Impact and Conflict Potential of the review focus. While in Chapter 6 explained about the Impact Management Model that has clear aspects of Conflict Potentials, Alternative Activity, Involved Parties, Expected Results and Timing. In the chapter, it is known that the impacts identified, for example:

- impact on the field of plasma development
- Impact on infrastructure
- Impact on the socio-economic field
- Impact on the promotion system
- Impact on labor recruitment systems

The Potential of Conflict and Alternative Management activities based on the SIA report, for example:

Potential Conflict Prediction	Alternative Activity	Conducted Management Activity
Conditions Roads between villages in the form of soil that can trigger ISPA disease in the dry season and accidents when the road conditions slippery in the rainy season	<ul style="list-style-type: none"> • Conduct road Watering • Conduct health assistance and medical examinations • Conducting pavement 	<ul style="list-style-type: none"> • Repair of village roads • Conducting health assistance on 2017
The decision of the company to overcome labor shortages by bringing in workers from outside the village	<ul style="list-style-type: none"> • Improving corporate recruitment system • The company conducts training to improve the skills and knowledge of the community around the company 	<ul style="list-style-type: none"> • In CSR program for 2018 there are plans to conduct training of small and medium enterprises to the community • Has established Vegetable Farming Group in Rangda Village in 2017
Attitudes to retain workers' wages and weak information and lack of clarity of promotional mechanisms	<ul style="list-style-type: none"> • Improving wage system following regional wage standards • Conducting communications with the worker related to the promotion 	<ul style="list-style-type: none"> • Have implemented minimum wage in accordance with Regional Wage Standards • Based on interviews with LKS Bipartite, it is known that the worker has been aware of the promotion mechanism with the evaluation system

6.1.4

The management unit has not been able to show evidence of a review / evaluation of the social impact management plan

at least every 2 years conducted with stakeholder involvement. **Non-conformance No. 2018.02 with minor category**

6.1.5

PT SSMS owns scheme smallholders but does not supply to Selangkun POM. The development of scheme smallholders is done in 2015 after the SIA report is completed on 2013. However, based on explanation of indicator 6.1.3, it is known that the SIA has identified the impacts of the plasma plantation development.

6.1.4 Status: Non conformance NC.2018.2 with minor category

6.2

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

6.2.1 & 6.2.2

There is no change in the internal and external communication mechanisms listed in the Communication, Participation and Environmental Consultation Procedures and OHS (No. SOP-EHS.GN-006). Based on interviews with Agency, Contractor dan Village representative, it is known that stakeholders have been aware of the communication mechanism and requests for information that can be submitted to the Mill / Estate Manager or the related Department. There has been no communication problem with the company.

6.2.3

The Company has stakeholders list with number of stakeholder are 34 people, consisting of Teachers, Community Leaders, Village Heads from Kenambui Village, Kondang Village, Pulau Village, Rungun Village, Rangda Village and Sulung Village and has Local Contractor List with 8 contractors.

For gathering information from stakeholders, the company has presented several documents including:

- Logbook of Outgoing and Incoming Letter (see indicator 1.1.2)
- Group Discussion Forum activity report, for example in Rangda Village was held on 18 October 2017 attended by 39 people (Village Head, Deputy Village Head, Household chief, etc), in Natai Baru Village on 04 August 2017, at SDN I Natai Baru on 19 September 2017 was attended by 12 Teachers, Umpang Village on 28 September 2017 attended by 37 people (Village Head, Deputy Village Head, Household chief, DDB, etc). All discussions related to the implementation plan of CSR Program focused on the field of Social Culture, Education, health, environment, infrastructure and economy of the community. The Company has demonstrated the CSR program as a follow up of FGD activities.

Status: Comply

6.3

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

6.3.1

There are no changes related to the mechanisms for receiving complaints contained in the procedures of the Communication and Consultation Mechanism (SOP-LEGAL.GN.-013), the Employee Complaints Handling Procedure No. SOP-PERS.GN-017 and the Communication, Participation and Participation Procedures Environmental Consultation and OHS (No. SOP-EHS.GN-006). In the procedure of Communication Procedures, Participation and Consultation of Environment and OHS on point 5 explains that the company will keep the identity of the complainant confidential.

Based on interviews with Agency, Contractors, Village Representatives, and employees during field visits, consultations with representatives of committee gender and Labor Union, it is known that employees have been informed of the unification or transfer to the management. During this time there is no communication problem with the company.

6.3.2

The Company shows the recapitulation of Complaints and Suggestions of 2018 with the following results:

- Selangkun POM has no complaints from January-April 2018
- Kondang Estate: there was 1 complaint on March 18, 2018 from division C related to the safety of children while boarding the school bus and has made a response with the making of a bus stop for the children.

Based on internet verification results, there were no complaints about Selangkun POM and its supply base and verification result on RSPO website about complaint status (<https://www.rspo.org/members/status-of-complaints>), there were no complaints about Selangkun POM and its supply base delivered to RSPO.

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

A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation are available. Relevant procedures are:

- SOP Pembebasan Lahan/Land Acquisition (SOP-SPD.GN-002) dated 1 January 2015.
- SOP Pembukaan Lahan/Land Clearing (SOP-SPD.GN-001) dated 1 January 2015.
- Prosedur Penyelesaian Konflik Tanah & Lahan (SOP-LEGAL.GN-014) dated 18 June 2012.

6.4.2; 6.4.3

These procedures also described for calculating and distributing fair compensation in a participatory way and the corrective actions that should be taken. Including, compensation claims, process and outcome of any negotiated agreements. Evidence of compensation are available in place, for example: Land compensation in Batu Kotam Estate period 2005 – 2016. Total area to be compensated is 2,275.49 Ha (235 ownership). All evidence is clear and written in Bahasa Indonesia. Also signed and acknowledge by represented through institutions or representatives of their own choosing.

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, 6.5.2

CH has implemented the payment of wages for employees refers to the minimum wage in accordance with Decree of Kalimantan Tengah Governor No. 40 dated 21 November 2017 is explained Minimum Wage is set at IDR. 2.745.084. Based on document verification of Salary Slip March and April 2018 was known that wages payment is in accordance with the Minimum Wages 2018. Based on interviews with Labour Agency and workers, explained that the Company has paid wages according to the minimum wage set by the government.

OFI

1. Information on daily worker status to *PKWT*
2. Ensure payment mechanism overtime of maintenance workers in the estate.

Certificate holder has a Company Regulation (PP) that describes the rights and obligations of employees and employers, wage payment mechanisms, worker conditions, working hours, working days, holidays and leave and termination of employment which contained in Bahasa. The PP is valid for the period 2017 – 2019 (PT SSMS) and PP for PT KSA valid for period 2018 – 2020. Both PP have been approved by Decree of Labor Agency of Kotawaringin Barat District. Interview results with bipartite institution and management, the Company Regulation (PP) has been socialized to the workers.

Nonconformities no. 2018.3

1. Based on the result of verification of salary slip document and list of detail of absenteeism and overtime of mill worker for example worker number : L11180246 known that the worker work on holiday in March 2018 for 5 days, with details of payment as follows:
 - The first 7 hours is calculated IDR. 109.803.
 - The 8th hour multiplied by 1.5 times the hour wage
 - The 9th hour multiplied by 2 times the hour wage.

It is not in accordance with Decree of Labor Ministry no. 102 in 2004 and PP 2017-2019 stating that the calculation of overtime on holiday for the first 7 hours is paid 2 times the hour wage, the eighth hour is paid 3 times the hour wage and the ninth and tenth overtime hours are paid 4 times the hour wage.

2. The results of document and interview with management known that permanent workers are not included in the BPJS Program of Pension Guarantee. This is not in accordance with the PP 2017-2019 stating that all workers are included in the BPJS Program of Pension Guarantee.

6.5.3

Facilities and infrastructure provided by the company to support the welfare of the employees have been provided with sufficient and adequate, it was verified by the auditor both in documents and based on field observations. Facilities and infrastructure are provided such as: housing, sport facilities, places of worship, clean water, lighting, health facilities (clinics and ambulance) and means of supporting education (School Bus).

Based on the results of field visits in housing known that workers have had enough with the housing conditions, where the electricity needs come from genset and the clean water needs fulfilled by the artesian well. For health facilities, the company has registered workers in the Social Assurance of Labor program (BPJS) as evidenced by payment receipt dues every month.

In addition the company also provides daycare, school buses, and elementary school. In addition, there are also Clinic that provide health facilities level 1 which is equipped with medical personnel doctors and nurses.

6.5.4

From the results of housing observations and interviews of workers & residents of housing known company gives permission / freedom to sell basic necessities at housing complex. There are also many traders who enter the residential area to sell basic necessities.

6.5.2	Status: Non conformance NC.2018.5 with major category
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6.6

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

6.6.1, 6.6.2

Certificate holder has a policy about Human Right were approved by the Director on November 30, 2017 and written in Bahasa. The freedom of association policy contained in the Human Rights Policy point 5.

Until the activities of ASA- 3, there has not been formed Worker Unions, but the company is formed Bipartite Cooperation Institution and has been reported to the relevant agencies, as a forum for the settlement of the existing industrial relations and related to the compliance with the applicable regulations. The results of interviews with workers known that the worker has known about the policy on freedom of association and workers also have known about the function of Bipartite Cooperation Institution.

CH showed minutes of meeting of Bipartite Cooperation Institution , for example :

- Minutes of Meeting with the company on February 16, 2017 attended by 36 participants.
- Minutes of meeting Bipartite Cooperation Institution on June 6, 2017 participated by 17 participants.
- Minutes of meeting of Socialization related to company regulation on March 27 2018 attended by 11 participants.
- Etc.

	Status: Comply
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6.7

Children are not employed or exploited.

6.7.1

Certificate holder has a policy about Human Right were approved by the Director on November 30, 2017 and written in

Bahasa. Policy about Child Labor contained in the Human Rights Policy point 1.

Based on Employee List 2018 which described the worker's date of birth, it was known that age of all workers over 18 years and Observation results such as spraying and harvesting activities there was no indication of underage workers. The company has also socialized a ban on the use of child labor in plantation areas. In addition, the results of interviews workers known that workers have to know and understand not to bring / include children or families to work in the plantation area. Workers have been aware that the minimum age for employment is 18 years old and at the time of acceptance of work must be equipped with an ID card.

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

Certificate holder has a policy about Human Right were approved by the Director on November 30, 2017 and written in Bahasa. Policy about Opportunity and Equal treatment contained in the Human Rights Policy point 4.

Based on the list of workers, it was known that workers come from diverse ethnic, religious, age, sex and there was no migrant workers. The results of interviews with workers and bipartite cooperation institution known that the company has provided equal opportunity in employment and there were no discrimination in the workplace.

6.8.3

The results of interviews with workers bipartite cooperation institution known that in the recruitment process there are several requirements that must be met, such as identity cards, CV, family card, health examination results, etc. In addition, workers are also given training related to their job description to improve skills / expertise of workers. So that workers who are appointed or recruited indeed have the skills / abilities in accordance with their job description. For example: Employee acceptance letter as permanent employee with letter no. 0090/SSS-KDE/EM/XII/2017 dated Desember 30, 2017. There are file personnel such as ID cards, CV, health checks etc.

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

Certificate holder has a policy about Human Right were approved by the Director on November 30, 2017 and written in Bahasa. Policy about Sexual Harassment and Violence contained in the Human Rights Policy point 6 and 8. While the policy related to Protection of Women's Reproductive Rights contained in the Human right Policy point 3.

Company has Procedure of handling against Sexual Harassment Complaint no. SOP-PERS.GN-015 revision 00 dated August 1, 2012. In the Procedure explains point 6.3.3 states that all complaints of sexual harassment should be dealt with in confidence. All statements given by the complainant should be recorded and filed well. In the procedure, in point 6.3.1 described that workers may report to the direct supervisor or indirect supervisor.

Regarding to woman issues, company has establish gender committee. The results of interviews with female workers known that female workers are aware of the grievance mechanism if there is violence / harassment by reporting to representatives of gender committees. The results of interviews with female workers known that female workers are given rest periods such as leave for menstruation (H1) or childbirth (H2). In addition, workers in pregnant and breastfeeding conditions are also not allowed to perform chemical-related work.

The results of interviews with female workers, gender committee members and Bipartite Cooperation Institution revealed that there were no cases or complaints related to harassment or violence against women in the past year.

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

Selangkun POM does not receive any FFB from third party, all FFB comes from supply base. However there are work contracts for other work, for example:

- Agreement Letter of Palm Product Shipping with CV Ligar Letter No. 02/LGL/MKT/SSMS-LGR/I/2018 dated January 3, 2018.
- Work Instructions Letter of FFB transportation with Karmin in Kondang Estate with No. 007/SIK-TRANSPORTATION TBS/SSS-KDE/II/2018 dated 01 February 2018.

Based on interviews with contractors of transporting FFB, it is explained that there has been a collective agreement and has been mutually agreed.

6.10.4

The Company shows an example of contractor payment for the transport of FFB with Karmin in February 2018 which is supplemented with Recapitulation of Activity Result of FFB Transportation Contractor document, Recapitulation of Invoice of Charge Bill Transportation and Payment request Letter and proof of transfer through BNI on March 19, 2018.

Based on interviews with contractors of transporting FFB, it is explained that there is no problem in the payment and done in accordance with the agreement that is every month.

Status: Comply

6.11
Growers and millers contribute to local sustainable development wherever appropriate.
6.11.1

The company shows identification for the needs of the local community in the Minutes of Forum Discussion Group activity document, for example in Rangda Village conducted on 18 October 2017 attended by 39 people (Village head, Deputy village head, Household head, etc), in Natai Baru Village on 04 August 2017.

The Company shows the CSR Program 2018 based on FGD activities results. The CSR activities are planned, among others:

- For education: teacher honorarium aid, scholarship program, internship program,
- Infrastructure: repairing places of worship, repairing public facilities and sports, repairing shortcut roads
- For the environmental field: seedlings support, care of fire community
- For the field of economic empowerment: agricultural / plantation / agribusiness training, training of small and medium enterprises

In addition, the company also shows the CSR Annual Report year 2017 that explaining the realization of CSR activity on 2017 among others, the implementation of low-cost markets with the sale of packages of nine primary food as much as 6,900 packages, repairing of religious facilities in Runtu Village, Rangda Village and Rungun Village, free education with kindergarten, elementary, junior high and high school construction, teachers support, scholarships to 84 students, free medical treatment for a total of 1,144 patients, 1 unit ambulance to Pambuang Hulu Village to the establishment of vegetable and toga farmer groups in Rangda Village.

Based on interviews with Rangda Village, it is known that the company has assisted villages in the form of teacher assistance, scholarships for village officer and teachers, mosque repair, road construction to seed and fertilizer assistance for farmers.

6.11.2

PT SSMS has partnered with local communities to develop oil palm plantation, the company has shown the documentation of partnership cooperation agreement, among others:

- Agreement on Cooperation of Palm Oil Plantation Development in Kotawaringin Barat District between PT Sawit Sumbermas Sarana and Sinar Harapan Farmer's Group (No. 143/LGL/PLSM/SSMS-KTSH/II/2015, dated 03 February 2015).

- Cooperation Agreement on Development of Oil Palm Plantations of Village Area between PT Sawit Sumbermas Sarana and Kenambui Village, Arut Selatan Sub-district, Kotawaringin Barat District, on April 9, 2015.

In addition, PT KSA showed the Cooperation Agreement on Development of Oil Palm Plantation with Maju Bersama farmers group of Kondang village, Kotawaringin Lama Sub-district on February 3, 2015 known by the Regent of Kotawaringin Barat. There is Decree of the Regent No. 525/001/Ek dated January 20, 2017 related to the establishment of plasma farmer with total area of 500 Ha and 196 farmers.

However, that farmers are not the supply base of Selangkun POM.

The Company shows Plans of Socialization & Coaching of Plasma Farmers in 2018 which describes the plasma plantation socialization activities planned from January to April 2018, the establishment of cooperative activities is planned from June to July 2018 and training is planned from August to October 2018. Currently, the training has not done yet because it is still in the development stage.

The Company shows the Plasma Socialization Report in Kondang Village on 21 February 2018 which was attended by 30 people with the discussion, among others: the provision the information of government approved area, information related to land legality process to the procedure of the sharing profit.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2 & 6.12.3

Based on employment documents verification, field observation, interview with Bipartite Cooperation Institution and Manpower Agency, it was known that workers are permanent worker, and contract workers. There are no migrant workers, no substitution contracts, no labor trade or forced labor forms were found. All workers has been equipped with the Working Agreement or Appointment Letter that has been agreed together.

Based on the results of field visit in estates and mill such as harvesting activity, spraying activity were not found child labor or worker families who helped worker without any agreement.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

Certificate holder has a policy about Human Right were approved by the Director on November 30, 2017 and written in Bahasa. Interviews results with workers, Bipartite institution and contractor known that workers and contractor have known about human rights and employment rights. The results of the interviews of workers and bipartite institution known that there are no cases of human rights violations.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1, 7.1.2. & 7.1.3

There are no new land clearing activities or replanting activities since ASA-2 to ASA-3 assessment activities. For environmental and social impact assessment documents can be seen in criteria 5.1 and 6.1.

Status: Comply

7.2

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

7.2.1 & 7.2.2

The certificate holder shows a map of land explaining the existence of marginal soils and critical soils, including:

- Slope Map in Selangkun Estate scale 1: 50.000, which explains based on grade of slope ie class A (flat, wavy) 0 – 8 % area of 2,025.02 ha (92.24 %), class B (wavy) > 8 – 15 % width 147.29 ha (6.71 %), class C (slightly hilly) > 15 – 25 % area of 23.05 ha (1.05 %). Data source: Shuttle Radar for Topography Mission, NGA and NASA.
- Land Type Map in Selangkun Estate scale 1: 50.000. Distribution of area based on mineral distribution (typic dystrodepts, typic hapludults) effective depth > 100 cm of 733.66 ha (33.42 %), peat (Histic Humaquepts) effective depth > 100 cm of 22.06 ha (1.01 %), peat (typic Haplosaprists) effective depth > 100 cm of 927.36 ha (42.24 %) and sand (typic haplorthods and typic udipsamments) of 512.28 (23.33 %). Data source: Shuttle Radar for Topography Mission, NGA and NASA.

Status: Comply

7.3

New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

7.3.1, 7.3.2, 7.3.3, 7.3.4 & 7.3.5

There are no new land clearing activities or replanting activities since ASA-2 to ASA-3 assessment activities.

The company has submitted LUC analysis document on behalf PT SSMS to RSPO secretariat on 20 September 2014. Email from RSPO compensation on 16 February 2016 that the company will have to complete the compensation process. The company has been sent concept note on 23 November 2016 and has been responded on 01 March 2017 and need some revision. The company has resent the revised concept note which has been revised on 25 August 2017 and has been approved by RSPO Compensation on 10 October 2017.

The Company shows a revised Compensation Proposal (Annex 7) dated August 25, 2017 which states that there are 1,155.14 ha of areas requiring remediation with details:

- PT Sawit Sumbermas Sarana covering 652.6 Ha (HCV 4 & 5 riparian zone)
- PT Mitra Mendawai Sejati covering 466.92 Ha (riparian zone)
- PT Kalimantan Sawit Abadi covering 35.62 Ha (riparian zone) - for an area of 4,442.18 Ha
- PT KSA (1,800 Ha) zero liability

The Company has also sent Compensation Plan of PT SSMS, PT KSA and PT MMS on January 25, 2018, but until ASA-3 audit activities, there is no respond from RSPO Compensation. This will be re-observed in the next assessment. **OFI**

Status: Comply

7.4

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

7.4.1 & 7.4.2

The certificate holder shows a map of land explaining the existence of marginal soils and critical soils, including:

- Slope Map in Selangkun Estate scale 1: 50.000, which explains based on grade of slope ie class A (flat, wavy) 0 – 8 % area of 2,025.02 ha (92.24 %), class B (wavy) > 8 – 15 % width 147.29 ha (6.71 %), class C (slightly hilly) > 15 – 25 % area of 23.05 ha (1.05 %). Data source: Shuttle Radar for Topography Mission, NGA and NASA.
- Land Type Map in Selangkun Estate scale 1: 50.000. Distribution of area based on mineral distribution (typic dystrodepts, typic hapludults) effective depth > 100 cm of 733.66 ha (33.42 %), peat (Histic Humaquepts) effective depth > 100 cm of 22.06 ha (1.01 %), peat (typic Haplosaprists) effective depth > 100 cm of 927.36 ha (42.24 %) and sand (typic haplorthods and typic udipsamments) of 512.28 (23.33 %). Data source: Shuttle Radar for Topography Mission, NGA and NASA.

The certificate holder has a management strategy for slopes area, for example based on field observations on the

harvesting activities block I59 Division H Selangkun Estate planting year 2007, it is known that one of the management is by arranging the frond between the palm and the tip of the frond along the way of the harvesting path so that its shape will zig-zag that serves to resist the rate of erosion and leaching of fertilizer. Based on interviews with harvest workers, it is known that it has been socialized by managers. In addition, the management is also done by making individual terrace and erosion holder using sack prepared (terrace fortress).

Status: Comply

7.5

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

7.5.1

Evidence that affected local peoples understand they have the right to say 'yes' or 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples is available and documented prior to planting development. Please refer to Criteria 2.2, 2.3, 6.2, 6.4.

Status: Comply

7.6

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

7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6

A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation are available. Relevant procedures are:

- SOP Pembebasan Lahan/Land Acquisition (SOP-SPD.GN-002) dated 1 January 2015.
- SOP Pembukaan Lahan/Land Clearing (SOP-SPD.GN-001) dated 1 January 2015.
- Prosedur Penyelesaian Konflik Tanah & Lahan (SOP-LEGAL.GN-014) dated 18 June 2012.

These procedures also described for calculating and distributing fair compensation in a participatory way and the corrective actions that should be taken. Including, compensation claims, process and outcome of any negotiated agreements. Evidence of compensation are available in place, for example: Land compensation in Batu Kotam Estate period 2005 – 2016. Total area to be compensated is 2,275.49 Ha (235 ownership). All evidence is clear and written in Bahasa Indonesia. Also signed and acknowledge by represented through institutions or representatives of their own choosing.

Status: Comply

7.7

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

7.7.1 Major & 7.7.2. minor

The company does not open the land by burning, there is land clearing policy with not burning the land (zero burning) contained in SOP of Fire Rescue in Plantation Estate No. SOP - EHS.GN – 013 So that in every land preparation do not using burning land.

Status: Comply

7.8

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

7.8.1 Major & 7.8.2. minor

Based on areal statement and interview with the sustainability, the company does not open the land on January 1, 2015.

Status: Comply

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

8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
8.1.1		
<p>The certificate holder has a policy to reduce usage of paraquat since 2012, and based on document review there is no use of paraquat since 2016.</p> <p>In conservation aspect, the certificate holder made a partnership agreement with Borneo Orangutan Survival Foundation and several plantation companies to working in collaboration for orangutan conservation project. Where PT. SSMS has allocated 1,434 ha on Pulau Salat (Pulang Pisau Regency) for orangutan conservation to compensate for land clearing to make way for oil palm.</p> <p>The certificate holder has an action plan for continual improvement in the best practices of plantation by developing a mechanization system in transporting FFB from the block to the collection point using Mechron 2200 which has been tested since September 2017. In addition, transport from the collection point has used a mechanization system with tractors equipped with cranes and nets that have been tested since August 2017.</p>		
	Status: Comply	

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	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.
	Organization that conduct physically handled of RSPO product is CH and transporter.
	Status: Comply
5.1.2	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.
	CH sell RSPO product directly to buyer that also RSPO member.
	Status: Comply
5.1.3	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.
	RSPO IT Platform member registration number for Selangkun POM is RSPO_PO1000003120
	Status: Comply
5.1.4	Processing aids do not need to be included within an organization's scope of certification.
	There is no processing aids in Selangkun POM.
	Status: Comply
5.2	Supply chain model
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.
	CH is implementing mass balance supply chain model because mill to receive FFB from non RSPO certified and non-certified.
	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.
	CH has only apply mass balance supply chain model (Module E).
	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.
	Selangkun POM has a procedure for Supply Chain procedure SOP-PKS.GN-020 rev.07 dated on 21 March 2018. The procedure has adopted the RSPO supply chain certification standard version 2017 and RSPO rules on market communication

and claims version 2016. The procedure consist of PIC of supply chain, documentation of certified product and non-certified product, delivery product, etc.

Name of the person having fully responsible over the implementation of this procedure is based on company decree No. 001/SK/ENG-UP/SSS-IN/III/2018, dated 13 March 2018. The PIC for Selangkun POM is Fendi Mahrum, Administration head of Selangkun POM.

Based on field observation at Weighbridge station and interview with sampled person at the Mill, the operator has knowledge and able to demonstrate how to segregate an FFB's delivery notes whether Certified and non-certified sources. FFB's delivery notes is stamp by harvesting clerk in estate.

Status: Comply

5.3.2

The site shall have a written procedure to conduct annual internal audit

PT SSMS has interna audit procedure in SOP – SUST.GN – 003 dated 21 March 2018 which explain:

- Reference of audit is National Interpretation of RSPO P & C 2016, Supply Chain Certification Standard RSPO 2017, RSPO Rules on Market Communications and Claims 2016.
- Internal audit conducted minimum once a year.

The last internal audit conducted on 10 to 12 April 2018 with 7 auditor.

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

CH did not purchased RSPO certified oil palm products, but produced RSPO certified oil palm products.

Status: Comply

5.4.2

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

CH did not purchased RSPO certified oil palm products, but produced RSPO certified oil palm products.

Status: Comply

5.5

Outsourcing activities

5.5.1

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

CH used independent third parties only for transport RSPO certified products. In 2018 third parties that cooperate with CH consist of:

1. CV Dwi Perdana
2. CV Ligar
3. CV Lisanti
4. CV Mandiri Karya Bersama
5. CV Nutistar Express
6. CV Prima Nusantara Express
7. CV Rajawali Putera Mandiri

8. CV Tiga Putera Perkasa

To comply with RSPO standard, the third parties who handle RSPO product is inform by CH. The information of RSPO certified product is inform in Delivery Order which has RSPO stamp.

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

All third parties has had agreement to handling the product, such as CV Linggar has agreement which valid until 3 January 2019. CH has inform all third parties that handle RSPO product to ensure the coding of RSPO product, the information is given by email. CH also inform that third parties must give access to CB for RSPO audit.

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?

CH has record of name and contact detail (phone and email) of all contractor used for physical handling of RSPO certified oil palm product consist of:

1. CV Dwi Perdana
2. CV Ligar
3. CV Lisanti
4. CV Mandiri Karya Bersama
5. CV Nutistar Express
6. CV Prima Nusantara Express
7. CV Rajawali Putera Mandiri
8. CV Tiga Putera Perkasa

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?

Interview and document review show that there is no new contractor since the last assessment for physical handling of RSPO certified oil palm products

Status: Comply
5.6
Sales and goods out
5.6.1

The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer

Question :

All RSPO product information is provided by the organisation in accordance with :

- 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.

RSPO certified products from Selangkun POM were sold to PT Unilever Oleochemical Indonesia where located in Sumatera Utara. Information of RSPO certified product is available in sales document consist of sales contract, delivery order and weighbridge ticket. Besides that the document also explain about name and address of seller, delivery date, date of document issued, description product (quality, SCCS model), quantity, name of transporter and RSPO certificate number.

Any sales of certified product in period of 12 June 2017 – 2 May 2018 has been announce in IT Platform, i.e:

- 1,100 ton CSPK sold to PT Unilever Oleochemical Indonesia announce on 23 March 2018.
- 700 ton CSPK sold to PT Unilever Oleochemical Indonesia announce on 23 March 2018.

Based on delivery note, known that the RSPO product sent to PT Unilever Oleochemical Indonesia on March until April 2017 but the announcement is made on March 2018.

Status: Comply

5.7 Registration of transactions

5.7.1

Supply chain actors who:

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

Question :

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

RSPO IT Platform member registration number: RSPO_P01000003150.

Any sales of certified product in period of 12 June 2017 – 2 May 2018 has been announce in IT Platform, i.e:

- 1,100 ton CSPK sold to PT Unilever Oleochemical Indonesia announce on 23 March 2018.
- 700 ton CSPK sold to PT Unilever Oleochemical Indonesia announce on 23 March 2018.

Status: Comply

5.7.2

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

- Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.

- Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.
- Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.
- Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.

Question:

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

CH shows RSPO IT platform implementation consist of make announcement when RSPO certified product is sold and remove RSPO certified product when it sales under conventional.

• **Certified PK sold to each buyer in period of 12 June 2017 to 2 May 2018**

announcement Date	Confirmation date	Buyer*	Volume (mt)
23 March 2018	12 April 2018	PT Unilever Oleochemical Indonesia	1,100
23 March 2018	12 April 2018	PT Unilever Oleochemical Indonesia	700
Total			1,800

According to palm trace data dated 2 May 2018, it was informed that there was about **9,057.12 mt of CSPO** and **2,342.5 mt of CSPK** were remove from stock. The company has able to shows transaction data within those period that can see on the Table above which derived from Palm Trace website, the volume of CSPK selling was balance.

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?

Training SCCS conducted on 20 April 2018 which attend by 17 workers consist of mill administration head, security, weighbridge operator, QHSE staff, ISO administration, administration trainee. Interview with head of administration, production clerk, security and weighbridge operator showed that they has had SCCS training and they can explain how to conduct traceability.

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?

Training SCCS conducted on 20 April 2018 which attend by 17 workers consist of mill administration head, security, weighbridge operator, QHSE staff, ISO administration, administration trainee. Interview with head of administration, production clerk, security and weighbridge operator showed that they has had SCCS training and they can explain how to conduct traceability.

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?

Selangkun POM has provide an update of monthly summary of RSPO FFB certified and non-certified from its supply bases. Furthermore, Selangkun POM has record and balance of all RSPO product (CSPO and CSPK) produced, as well as its dispatch.

Status: Comply

5.9.2

Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock

Question:

All records are kept for minimum two years and comply with legal and regulatory requirements?

Based on Supply chain procedure dated 21 March 2018 known that retention time for supply chain document is 2 years. Records of transaction from the past two years were also available such as FFB delivery note for Batu Kotam Estate and Selangkun Estate on May 2016.

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?

Estimation of certified product from Selangkun POM for 2018/2019 is presented in this report. As per 12 June 2018, the estimate volume of certified product from Selangkun POM is presented as follows:

Certified Products	Estimation Tonnage of Certified Products (12 June 2018 – 11 June 2019)
CSPO	49,948 mt
CSPK	10,858 mt

Status: Comply

5.10
Conversion factors
5.10.1

Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries

Question:

Conversion rates applied accurately?

Selangkun POM has only performs FFB processing to produce CPO and PK. Based on SOP of Supply Chain, it is explained that the conversion factors of CPO and PK were based on actual rendement.

Status: Comply

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?	
Selangkun POM has only performs FFB processing to produce CPO and PK. Based on SOP of Supply Chain, it is explained that the conversion factors of CPO and PK were based on actual rendement.	
	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?	
Based on announcement and transaction record, it could be concluded that all CSPO and CSPK submitted were in accordance with the mass balance supply chain model.	
	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?	
The mechanism, open to all affected parties, resolve disputes in an effective, timely and appropriate manner was described within <i>SOP Komunikasi, Partisipasi dan Konsultasi, Lingkungan dan K3</i> (SOP-EHS.GN-006). Includes ensuring anonymity of complainants and whistleblowers (where requested) is classified. Based on complaint record, there wasn't complaint from stakeholder.	
	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?	
Management review will conduct annually through internal audit, the first management review will conducted in the last month of 2018. The result of management review will be observed in next assessment.	
	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?	

Management review will conduct annually through internal audit, the first management review will conducted in the last month of 2018. The result of management review will be observed in next assessment.	
	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?	
Management review will conduct annually through internal audit, the first management review will conducted in the last month of 2018. The result of management review will be observed in next assessment.	
	Status: Comply

Clause	(Module E) CPO Mills - Mass Balance Requirements																
E.1	Definition																
E.1.1																	
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and 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.																	
Selangkun POM is used RSPO supply chain of Mass Balance module because mill still received FFB from the estate which has not been certified with RSPO.																	
	Status: Comply																
E.2	Explanation																
E.2.1																	
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. 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.																	
Estimates of CPO and PK produced by Selangkun POM obtained from the data of 12 months before the audit activities and have been described in this report. The estimation of CSPO is 49,948 MT and CSPK s 10,858 MT.																	
	Status: Comply																
E.2.2																	
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																	
Selangkun POM has already registered for the supply chain platform. According to the RSPO Palm Trace, the registration of this Mill are: Member Name: PKS Selangkun PT. Sawit Sumbermas Sarana, Tbk Account UID: RSPO_AC1000003090 Member ID: RSPO_PO1000003120																	
Based on plam trace data period of 12 June 2017 to 2 May 2018, there are 2 activities of CSPK selling which are:																	
<table><tr><th>annoucement Date</th><th>Confirmation date</th><th>Buyer*</th><th>Volume (mt)</th></tr><tr><td>23 March 2018</td><td>12 April 2018</td><td>PT Unilever Oleochemical Indonesia</td><td>1,100</td></tr><tr><td>23 March 2018</td><td>12 April 2018</td><td>PT Unilever Oleochemical Indonesia</td><td>700</td></tr><tr><td colspan="3">Total</td><td>1,800</td></tr></table>		annoucement Date	Confirmation date	Buyer*	Volume (mt)	23 March 2018	12 April 2018	PT Unilever Oleochemical Indonesia	1,100	23 March 2018	12 April 2018	PT Unilever Oleochemical Indonesia	700	Total			1,800
annoucement Date	Confirmation date	Buyer*	Volume (mt)														
23 March 2018	12 April 2018	PT Unilever Oleochemical Indonesia	1,100														
23 March 2018	12 April 2018	PT Unilever Oleochemical Indonesia	700														
Total			1,800														
	Status: Compy																
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.																	

Selangkun POM has had SOP of Supply Chain which described the duties and responsibilities of each part; the identification of raw materials and products; and performs supply chain system. Name of the person having fully responsible over the implementation of this procedure is based on company decree No. 001/SK/ENG-UP/SSS-IN/III/2018, dated 13 March 2018. The PIC for Selangkun POM is Administration head of Selangkun POM.

Based on field observation at Weighbridge station and interview with sampled person at the Mill, the operator has knowledge and able to demonstrate how to segregate an FFB's delivery notes whether Certified and non-certified sources. FFB's delivery notes is stamp by harvesting clerk in estate.

Status: Comply

E.3.2

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

Selangkun POM has had SOP of CSPO Supply Chain, among others, described about the receiving and processing of FFB from the supply base. To separate the acceptance of certified and non-certified FFB, the management unit will identifies and registers the FFB supplier. The certification information is in form of stamp on FFB delivery note and coding in weighbridge ticket.

Status: Comply

E.4 Purchasing and goods in

E.4.1

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

Selangkun POM has documented the volume of certified and non certified FFB received, consist of:

Period	FFB Receive (Kg)		
	CERT	Non-Cert	TOTAL
12 - 30 Jun 2018	9,085,600	5,404,010	14,489,610
Jul-17	16,475,610	9,331,990	25,807,600
Aug-17	16,839,680	8,576,910	25,416,590
Sep-17	12,546,070	7,590,170	20,136,240
Oct-17	11,173,000	7,314,610	18,487,610
Nov-17	11,649,910	7,099,770	18,749,680
Dec-17	12,328,670	8,040,870	20,369,540
Jan-18	13,861,290	8,686,210	22,547,500
Feb-18	13,749,360	8,919,380	22,668,740
Mar-18	15,959,450	9,423,690	25,383,140
Apr-18	19,896,740	5,712,140	25,608,880
1 - 2 May 2018	1,425,530	228,000	1,653,530
Total	154,990,910	86,327,750	241,318,660

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

During ASA-3, auditor has verified for certified volume product on Mass Balance report and client PalmTrace. It was clearly that no overproduction of certified tonnage. Selangkun POM has a figure for producing of certified product as follow:

Product	Estimate Certified Product 12/06/2017 – 11/06/2018 (MT)	Actual Certified Product 12/06/2017 – 2/05/2018 (MT)
CPO	49,013	35,525.114
PK	10,211	7,516.663

Status: Comply
E.5
Record keeping
E.5.1

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

Selangkun POM has record and balance all RSPO certified production and deliveries of RSPO product on three-monthly basis, consist of:

Period	CPO Production (Kg)			CPO Despacth (Kg)		
	Certified	Non-certified	Total	Certified	Non-certified	Total
Jul-17	3,805,618	2,147,075	5,952,693	-	4,352,650	4,352,650
Agu-17	3,868,007	1,965,869	5,833,876	-	5,334,060	5,334,060
Sep-17	2,898,948	1,750,067	4,649,015	-	4,550,000	4,550,000
Total	10,572,573	5,863,011	16,435,584	-	14,236,710	14,236,710
Okt-17	2,552,044	1,688,212	4,240,256	-	7,250,000	7,250,000
Nov-17	2,685,231	1,625,605	4,310,836	-	5,000,000	5,000,000
Des-17	2,830,049	1,822,156	4,652,205	-	2,950,000	2,950,000
Total	8,067,324	5,135,973	13,203,297	-	15,200,000	15,200,000
Jan-18	3,093,696	1,972,677	5,066,373	-	2,891,580	2,891,580
Feb-18	3,120,926	2,056,730	5,177,656	-	5,940,080	5,940,080
Mar-18	3,740,630	2,178,258	5,918,888	-	6,418,340	6,418,340
Total	9,955,252	6,207,665	16,162,917	-	15,250,000	15,250,000

Bulan	Kernel Production (Kg)			Kernel Despacth (kg)		
	Certified	Non-certified	Total	Certified	Non-certified	Total
Jul-17	814,918.73	460,030	1,274,949	-	1,469,540	1,469,540
Agu-17	814,633.28	413,366	1,227,999	-	1,252,760	1,252,760
Sep-17	614,220.71	371,060	985,281	-	641,920	641,920
Total	2,243,773	1,244,456	3,488,229	-	3,364,220	3,364,220
Okt-17	543,065.14	359,194	902,259	-	1,297,690	1,297,690

Nov-17	573,691.78	347,953	921,645	-	878,100	878,100
Des-17	617,409.19	397,025	1,014,434	-	764,210	764,210
Total	1,734,166	1,104,172	2,838,338	-	2,940,000	2,940,000
Jan-18	639,548	407,670	1,047,218	-	1,173,860	1,173,860
Feb-18	642,259	424,472	1,066,731	-	1,189,050	1,189,050
Mar-18	766,070	447,107	1,213,177	-	1,258,840	1,258,840

Based on transaction record on palm trace there is CSPK selling on March 2018, however the CSPK delivery actually conducted on March and April 2017. This has been communicate with RSPO and PT Unilever Oleochemical Indonesia as buyer .

Status: Comply

E.5.2

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

Selangkun POM does not perform activities of palm kernel crushing to the independent palm kernel crushers.

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-3	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-3	The company does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	X or √
ASA-3	The company does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or √
ASA-3	The company does not use RSPO logo.	√

3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of PT Sawit Sumbermas Sarana, 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.

Sawit Sumbermas Sarana, Tbk Time Bound Plan is explaining in table 1.10. Sawit Sumbermas Sarana run six (6) mills and twenty one (21) estates in Indonesia and has achieved RSPO certified for three (3) mills and supply base in Indonesia. Sawit Sumbermas Sarana, Tbk has informed the Time Bound Plan progress, MUTU has considered that Sawit Sumbermas Sarana is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Sawit Sumbermas Sarana, Tbk on 2018.

MUTU has verified partial certification for un-certified unit's subsidiary of PT Sawit Sumbermas Sarana, Tbk on their Time Bound Plan. There are three (3) uncertified management unit of Sawit Sumbermas Sarana, 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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p>Auditor verification There is internal audit produced for</p> <ul style="list-style-type: none"> - PT Sawit Multi Utama (3-8 April 2017) - PT Tanjung Sawit Abadi (3-8 April 2017) - PT Menteng Kencana Mas (1-5 Maret 2016) - PT Mirza Pratama Putra (25-27 Juli 2016) <p>And positive assurance is produced for these units.</p>
2.2.2	No replacement after dates defined in this Criterion 7.3 of: <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>PT Sawit Sumbernas Sarana, Tbk has submitted liability disclosure to RSPO on 20th September 2014 for its subsidiaries. While, for PT Menteng Kencana Mas and PT Mirza Pratama Putra as new acquisition companies in 2016, Disclosure of their liability has been submitted to RSPO on 12 September 2017</p> <p>Auditor verification Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	Auditor verification

		<ul style="list-style-type: none"> - PT Sawit Multi Utama: YoP 2010 (8018.10 Ha). This company has not submitting of RSPO NPP. LUCC Analysis will be conducted in mid of this year (2017). RaCP on progress. - PT Tanjung Sawit Abadi: YoP 2010 (5197.07 Ha). This company has not submitting of RSPO NPP. LUCC Analysis will be conducted in mid of this year (2017). RaCP on progress. - PT Menteng Kencana Mas: YoP 2010 (1990.70 Ha); YoP 2011 (2210.55 Ha); YoP 2012 (2039.47 Ha); YoP 2013 (1017.12 Ha). This company is new acquisition by PT. SSMS in 2016. First time land clearance, this company is not RSPO member then did not submit of NPP. HCV, SIA, LUCC Analysis and RaCP process has been sent to RSPO. - PT Mirza Pratama Putra: new acquisition company in 2016. Land clearance started since 2016 without HCV, SIA, and NPP. RaCP process has been sent to RSPO.
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.	Auditor verification <ul style="list-style-type: none"> - PT Sawit Multi Utama: based on website information from internet browser, there is no land conflict issue regarding this company. - PT Tanjung Sawit Abadi: based on website information from internet browser, there is no land conflict issue regarding this company. - PT Menteng Kencana Mas: no issues were detected. - PT Mirza Pratama Putra: no issues were detected.
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	Auditor verification <ul style="list-style-type: none"> - PT Sawit Multi Utama: based on website information from internet browser, there is no labour dispute issue regarding this company. - PT Tanjung Sawit Abadi: based on website information from internet browser, there is no labour dispute issue regarding this company. - PT Menteng Kencana Mas: no issues were detected. - PT Mirza Pratama Putra: no issues were detected.
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.	Auditor verification <ul style="list-style-type: none"> - PT Sawit Multi Utama: based on website information from internet browser, in 2012 has an issue related land clearance activities beyond the permit/land title. In 2015, there is a report (Nomor.1/PID.SUS/2015/PT.PLK) from National Supreme Court (Mahkaman Agung) related legal non-compliance.

		<ul style="list-style-type: none">- PT Tanjung Sawit Abadi: based on website information from internet browser, in 2013 has an issue related licensing conflict with land status.- PT Menteng Kencana Mas: no issues were detected.- PT Mirza Pratama Putra: no issues were detected.
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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-2](#) Assessment

NCR No.	:	2017.01	Issued by	:	Yudwi Wisnu Rahmanto
Date Issued	:	12 May 2017	Time Limit	:	11 July 2017
NC Grade	:	MAJOR	Date of Closing	:	11 July 2017
Standard Ref. & Requirement	:	RSPO Certification System 2007, rev. 2011 4.2.3 The unit of certification shall be the mill and its supply base: <ul style="list-style-type: none">• The unit of certification must include both directly managed land (and estates) and associated smallholders and out growers, where estates have been legally established with proportions of lands allocated to each.• All the FFB from the directly managed lands (or estates) shall be produced to certifiable standards. The mill will develop and implement a plan to ensure that 100% of associated smallholders and out growers are of certifiable standard within 3 years.			
Non-Conformance Description & Evidence observed : The certification scope of supply base in Selangkun POM is Selangkun Estate, Rungun Estate, Kondang Estate and Batu Kotam Estate. The certificate holder has identified planting blocks inside and outside the certification for all supply bases. The result of identification is known to be several blocks outside the scope of certification and still fully managed by PT. SSMS, and other companies that supply FFB to Selangkun POM as non-certified. Up to ASA-2 assessment, the Certificate Holder has not indicated a plan to ensure all FFBs from directly managed areas and / or FFBs coming from other companies (outgrowers) will be certified according to the applicable time frame in appropriate with RSPO Certification System.					
Assessor Evaluation and Conclusion (filled by auditor): Verification July 07, 2017 The certificate holder may show proof of improvement in the form of Letter of Sale and Purchase Agreement of FFB No. 83 / LGL / KBN / SSMS-CBI / VI / 2017 dated June 1, 2017 between PT SSMS and PT CBI which assume that non-certified area under other companies (PT CBI) However, the certificate holder has not been able to show evidence: <ul style="list-style-type: none">- Identification of Areas that include PT CBI in accordance with the agreement made- Measures to ensure outgrowers meet RSPO requirements- FFB Sending Letter on behalf of the supplier in accordance with the agreement that has been made Verify July 11, 2017 The certificate holder may show evidence of improvement: <ul style="list-style-type: none">- Letter of Introduction of FFB from PT CBI, For example SPB No 126 / SPB / VI2017 from Rungun Estate, SPB NO 189 / SPB / B / 2017 from Kondang Estate, and SPB No. 015 / SPB / VI / 2017 from Selangkun Estate. In the SPB explained the origin of the sender (PT CBI), from estate and Afdeling. In addition, it is mentioned that the TBS originating from the area is Non-Certified RSPO- Document of RSPO Aspect Review Report for PT Citra Borneo Indah where the parameters examined are criterion 6.4; 7.3 and 7.5. In the lapar mentioned that based on the internal assessment results in the area of PT CBI concluded that in general that PT CBI has done land acquisition for all areas that are in the permit and					

until now there is no land related conflicts with the surrounding community. However, there are still some unfulfilled requirements that are legally afflicted where PT CBI has land legality in the form of Location Permit and has not conducted LUCA Assessment.

- Results of identification of areas / blocks - blocks PT CBI residing in Selangkun Estatem Rangda Estate and Kondang Estate.

Based on evidence of improvements submitted by the auditor team to assess that this non conformity is CLOSED.

Verified by : Yudwi Wisnu Rahmanto

NCR No.	: 2017.02	Issued by	: Yudwi Wisnu Rahmanto
Date Issued	: 12 May 2017	Time Limit	: 11 July 2017
NC Grade	: MAJOR	Date of Closing	: 11 July 2017
Standard Ref. & Requirement	RSPO Certification System 2007, rev. 2011 Time-bound plan and Partial Certification 4.2.4 (c) Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed (as provided for in the guidance on surveillance assessments, Annex 4) for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organization can demonstrate that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent). Requirements for uncertified management units and/or holdings 4.2.4 (i) Certification bodies will assess compliance with these rules for partial certification at each and every assessment of any of the management units (see Annex 4). Assessment of compliance with requirements (e) – (h) by the certification body based on self declarations only by the Company, with no other supporting documentation, will not be acceptable. Verification of compliance must be based on the following approach: Positive assurance statement, which is based upon self-assessment (i.e. internal audit) by the organization. This would require evidence of the self-assessment against each requirement. 4.2.4 (j) For requirements (e) – (h), the approach to defining major and minor non-compliance can be applied from the relevant national interpretation. For example, if a noncompliance against a ‘major indicator’ in a non-certified holding/management unit is identified.		
Non-Conformance Description & Evidence observed : The Certificate holder has a Time-Bound Plan for the company / subsidiary managed by PT. SSMS, Tbk period February 27, 2017. The subsidiaries are PT. Tanjung Sawit Abadi (Malata POM); PT. Multi Palm Sawit (Nangakiu POM); PT. Mirza Pratama Putra and PT. Menteng Kencana Mas. Partial Certification has also been made by Certificate Holder for management unit / subsidiary that has not been certified under holding PT. SSMS, Tbk namely PT. SMU, PT. TSA, PT MPP and PT MKM. However, the results of the boundary field visit at Rungun Estate, there is a planting area that has been excluded from the scope of certification but still under the management of PT. SSMS (Rungun Estate) and supplying FFB to PKS Selangkun. On that basis, the certificate holder has not presented supporting documents such as a positive assurance statement based on the self-assessment result (internal audit) for partial certification on the uncertified unit and the updated Time-bound plan in accordance with the relevant requirements of the RSPO Certification System .			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Verification June 21, 2017			

The certificate holder may show the evidence of corrective are: "

- Identify SSMS areas outside the scope of current certification.
- Internal audit results for the area according to the relevant criteria of the RSPO Certification System, in which the conclusions and the positive assurances are the proposed Land Rights for the area with a target to be certified by 2020.
- The latest SSMS Time Bound Plan (updated June 1, 2017) where the Non-Certified area will be planned to enter the scope of certification by 2020.
- Internal Memo No. 051 / CEO / SSMS-IM / VI / 2017 (June 1, 2017) related to the change of TBP RSPO PT. SSMS Tbk. Based on the evidence of improvement that has been submitted the auditor assesses the evidence of improvement is acceptable but the discrepancy in this indicator is NOT FULLY COMPLY because the certificate holder needs to clarify the auditor's questions on the Identification of Root Cause, corrective actions and precautions to anticipate the non-conformity of this indicator.

Verifikasi 11 July 2017

Based on evidence of improvements and clarifications that have been done by the company then the non conformity on this indicator is CLOSED

Verified by : **Moh Arif Yusni**

NCR No.	: 2017.03	Issued by	: Moh Arif Yusni
Date Issued	: 12 May 2017	Time Limit	: 11 July 2017
NC Grade	: MAJOR	Date of Closing	: 11 July 2017
Standard Ref. & Requirement	4.7.3 Records of Safety and Health (OHS) program training (see 4.8) and Personal Protective Equipment (PPE) in accordance with hazard identification and risk analysis should be available to all workers.		
Non-Conformance Description & Evidence observed : Result of field observation obtained information if the company has not been able to show sufficient evidence to provided Personal Protective Equipment in accordance with the potential hazards that identified. Based on a sample of field visits and interviews with 5 employees at Block 9 Afdeling Echo on Circle Spraying activities and 10 employees in Block 15 Afdeling Alfa on fertilization activities at Batu Kotam Estate, it was found that Personal Protective Equipment that's safety Shoes has not been provided by the company. The Company has shown proof of Purchase Request (PR) for PPE (Safety shoes) dated March 28, 2017 as the process of providing PPE for employees. However, the auditing team considered that evidence is insufficient to ensure that adequate and appropriate Personal Protective Equipment (PPE) is provided to all workers in the workplace based on risk assesetment			
Assessor Evaluation and Conclusion (filled by auditor): Verification June 21, 2017 The certificate holder may show the corrective evidence are: <ul style="list-style-type: none">List of stock Protective Equipment Protected in Batu Kotam Estate Period April - June 2017 which describes the name of goods, stock of previous month, amount of addition, reduction and total stock endthe evidence of handover of PPE for Batu Kotam Estate:<ul style="list-style-type: none">January 17th, 2017 in the form of safety googles for the estate spraying team as well as helmets and gloves for irrigation employeesMay 29, 2017 in the form of shoes for workers of Afdeling Alfa Care, Afdeling Bravo, Afdeling Charly			

- and Afdeling Delta
- April 10, 2017, an apron for chemical sprayers of Afdeling Alfa
 - April 28, 2017 in the form of rubber gloves and chemical masks for workers of Afdeling Alpha
 - April 13, 2017, an apron for chemical sprayers of Afdeling Bravo
 - May 16th in the form of chemical masks and safety googles for workers of Afdeling Charly,
 - April 13, 2017, an apron for chemical sprayers of Afdeling Charly
 - Date April 17, 2017 in the form of fertilizer Masker for fertilizing workers of Afdeling Charly
 - April 17, 2017, an apron for chemical sprayers of Afdeling Delta
 - April 17, 2017, an apron for chemical sprayers of Afdeling Echo

- the evidence of handover of PPE for Selangkun Estate:
- May 8th for Afdeling Hotel, Afdelin India, Afdeling Juliet and Afdeling Kilo employees, in the form of Rubber Glove, Chemical Mask, Dust Mask, Safety Helmet, Glasses, Fabric Gloves, Rubber Gloves, Manure apron, Chemical Mask and apron Chemical.

Based on the evidence of improvement that has been submitted the auditor assesses the evidence of improvement is acceptable but the non conformities in this indicator is NOT FULLY COMPLY because the certificate holder needs to clarify the auditor's questions on the Identification of Roots of the problem, corrective actions and precautions to anticipate the non-conformity of this indicator.

Verify July 11, 2017

Based on evidence of improvements and clarifications that have been done by the company then the non conformity on this indicator is CLOSED

Verified by : **Moh Arif yusni**

NCR No.	: 2017.04	Issued by	: Moh Arif Yusni
Date Issued	: 12 May 2017	Time Limit	: 11 July 2017
NC Grade	: MAJOR	Date of Closing	: 11 July 2017
Standard Ref. & Requirement	4.7.4 The person who responsible for safety and health programs should be identified and regular recording meetings are available to discuss safety and health issues.		
Non-Conformance Description & Evidence observed :			
The certificate holder has guiding committee for occupational health and safety organization and personnel in charge on implementing the occupational health and safety program. But based on documents verifications its known if the secretary of guiding committee for occupational health and safety organization in Batu Kotam Estate are not OHS expert and it is not in accordance with Manpower Decree No 4 year of 1987 about “Panitia Pembina Keselamatan Dan Kesehatan Kerja Serta Tata Cara Penunjukan Ahli Keselamatan Kerja”.			
Assessor Evaluation and Conclusion (filled by auditor):			
Auditor verification on 7 July 2017			
The certificate holder may show corrective evidence are			
<ul style="list-style-type: none">- Letter from the Head of Department of Manpower and Transmigration of Central Kalimantan Province No: KEP.566 / 100 / PK.10 / VI / Disnakertrans dated June 06, 2017 on Ratification of Committee for Development and Occupational Health (P2K3) of PT Kalimantan Sawit Abadi- Internal memo from the Director of PT Sawit Sumbermas Sarana (No 028 / DU-SSS / IV / 2017) dated June 20,			

2017 Peerihal The Supervision Assignment has minimized the training of General Safety Expert

1. Providing Assignment to Secretary of OHS Guiding Commite Batu Kotam Estate to follow the General OHS Training in the near future
 2. During Secretary of Guiding Commite of Batu Kotam estate participated in the training, OHS Guiding coomite secretary of PT Sawit Sumbermas Sarana becomes responsible for OHS Aspect at Batu Kotam Estate
- here is a evidence of of registration of AK3 General Certification training for secretary of Commite Batu Kotam Estate to follow the General OHS Training that to be held on July 10 - July 22, 2017.

Based on the evidence of improvement that has been submitted the auditor assesses the evidence of improvement is acceptable but the non conformities in this indicator is NOT FULLY COMPLY because the certificate holder needs to clarify the auditor's questions on the Identification of Roots of the problem, corrective actions and precautions to anticipate the non-conformity of this indicator.

Verify July 11, 2017

Based on evidence of improvements and clarifications that have been done by the company then the non conformiity on this indicator is CLOSED

Verified by : **Moh Arif Yusni**

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

NCR No.	: 2018.1	Issued by	: M Rinaldi
Date Issued	: 5 May 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on the results of field observation in Selangkun POM, it is known that the company has routinely conducted the examination of the availability of drugs / tools in the first aid box according to the table of contents provided. However, the examination has not covered the expiry date of available drugs, such as found Povidon Iodine / Betadine which has expired in box POM office (expired date September 2017), process office (expired date February 2018) and warehouse office (expired date February 2018). This is not yet in accordance with the First Aid Procedures			
Root Cause Analysis <i>(filled by organization audited):</i> 			
Correction <i>(filled by organization audited):</i> 			
Corrective Action <i>(filled by organization audited):</i> 			
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> 			
Verified by	:		

NCR No.	: 2018.2	Issued by	: M Rinaldi
Date Issued	: 5 May 2018	Time Limit	: ASA-4
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> The management unit has not been able to show evidence of a review / evaluation of the social impact management plan at least every 2 years conducted with stakeholder involvement			

Root Cause Analysis <i>(filled by organization audited):</i>	
Correction <i>(filled by organization audited):</i>	
Corrective Action <i>(filled by organization audited):</i>	
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>	
Verified by	:

NCR No.	:	2018.3	Issued by	:	Rizliani Aprianita
Date Issued	:	5 May 2018	Time Limit	:	4 July 2018
NC Grade	:	Major	Date of Closing	:	27 June 2018
Standard Ref. & Requirement	:	6.5.2 Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the all workers			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> <p>Based on the result of verification of salary slip document and list of detail of absenteeism and overtime of mill worker for example worker number : L11180246 known that the worker work on holiday in March 2018 for 5 days, with details of payment as follows:</p> <ul style="list-style-type: none"> • The first 7 hours is calculated IDR. 109.803. • The 8th hour multiplied by 1.5 times the hour wage • The 9th hour multiplied by 2 times the hour wage. <p>It is not in accordance with Decree of Labor Ministry no. 102 in 2004 and PP 2017-2019 stating that the calculation of overtime on holiday for the first 7 hours is paid 2 times the hour wage, the eighth hour is paid 3 times the hour wage and the ninth and tenth overtime hours are paid 4 times the hour wage.</p> <p>The results of document and interview with management known that permanent workers are not included in the BPJS Program of Pension Guarantee. This is not in accordance with the PP 2017-2019 stating that all workers are included in the BPJS Program of Pension Guarantee.</p>					
Root Cause Analysis <i>(filled by organization audited):</i> <ul style="list-style-type: none"> • Lack of employee understanding of the importance of the participation of pension insurance program, it is directly related to employee because there are salary deductions every month in the program. • Overtime calculations for contract workers using the terms of the employment contract 					
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none"> • Make payment of pension program for all permanent workers. • Provide more understanding to the workers about the importance of BPJS pension program participation. • Make payment overtime pay for contract workers on February, March and April 2018 					

Corrective Action *(filled by organization audited):*

- Permanent workers have been registered in the BPJS pension program.
- Ensure contract workers are not given overtime work by issuing Internal Memos related to Overtime of contract workers policy.
- Revise the Letter of Worker Agreement by omitting the clause about the overtime agreement for a Sunday or holiday.

Assessor Evaluation and Conclusion *(filled by auditor):*
Verification June 5, 2018

The Company showed evidence of improvements in the form of Internal Memo No. 0425 / SSS-HRD & GA / IM / V / 2018 dated May 29, 2018 regarding the Application of the Pension Program stating that all non-staff (permanent workers) workers are registered in BPJS Pension Program per May 2018. In addition, the company also showed an estimated recap of contributions BPJS pension program that has been stamped by BPJS employment. But the company has not been able to show:

- Evidence of payment BPJS pension program has been done.
- Evidence of improvements regarding overtime payments.

In addition, please provide additional explanation for the root cause, correction and corrective action. Based on the above explanation, the inconsistency is not fulfilled.

Verification June 7, 2018

The company showed the work contract of contract worker. However, no explanation has been made regarding the root cause, corrective action and corrective action. So the inconsistency is not fulfilled.

Verification June 20, 2018

The Company showed evidence of improvements in the form of a Payment Approval Request document for the payment of shortage overtime on holiday of Selangkun POM period from February to April 2018 which has been approved by the Director of Plantation Operations. The Company also showed recapitulation of overtime payments of contract workers with amount paid Rp. 16,534,746 along with a list of total overtime of contract workers and amounts previously paid. However the company has not shown any improvement for the BPJS pension program, so the inconsistency is not fulfilled yet.

Verification June 27, 2018

The Company showed evidence of payment of BPJS Pension program for May 2018 shown for each estate and mill paid on June 22, 2018 through Bank BNI. The company also showed Internal memo No. 010 / SSS-SGM / IM / VI / 2018 dated June 21, 2018 about the working hours of contract workers stating that workers with contract workers are not employed on Sundays / holidays or overtime hours.

Based on the above explanation, the discrepancy is closed with observation.

Verified by	:	Rizliani Aprianita / Ardiansyah
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3.5.3 Opportunity for Improvement

No	Ref. Std.	Deskripsi
1	1.1.2	The company has a chance to reassess time of responding to requests for information in accordance with procedures
2	2.1.2	Ensure local regulations are included in the list of regulations
3	4.4.4	Evaluate the water capacity in permit
4	4.7.3	Ensure the mechanism of PPE providing in accordance with plan that has been made
5	6.5	1. Information on daily worker status to <i>PKWT</i> 2. Ensure payment mechanism overtime of maintenance workers in the estate
6	7.3.1	Communicate with RSPO related to approval compensation plan

3.5.4 Noteworthy Positive Components

No	Description
1	The commitment of UM to implement the principles of sustainable palm oil management
2	Competency and teamwork in implementation of RSPO standard
3	Develop scheme smallholder
4	The mechanization experiments in FFB transport activities from inside blocks to bin.
5	Experiment of adding micro nutrients (Fe) in sandy areas with red soil.
6	Implementation of IPM

3.6 Summary of Arising Issues from Public and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
Plantation Agency <ul style="list-style-type: none"> The company has reported its business activities to the plantation agency routinely. There are no negative issues such as fires or other business interruption. The company does not have new location permits. There is no environmental issues related to company's operational. The company already has a CSR program and has been realized. There is no recent assessment of the Plantation Business Assessment. 	<ul style="list-style-type: none"> The company has had all plantation permit and has been complied all obligation reports. It refer to indicator 1.1.1. According to field observation, there are no environment pollution from estate and mill operational. The contribution of local development has been described in indicators 6.11.1 & 6.11.2
Manpower Agency <ul style="list-style-type: none"> All labor-related controls are undertaken by the Agency of Manpower in Kalimantan Tengah Province. So the district has no information related to supervision. No issues related to industrial relations during the past 1 year. No issues / reports / complaints related to employment violations such as payment of wages and overtime. The 2018 wage provisions have been issued in November 2017. All workers have been included in BPJS employment and health. The Company has a newly updated Company Regulation and is valid until 2020. The Company already has a Bipartite Institution which has been authorized by the Manpower Agency. 	<ul style="list-style-type: none"> Has been verified by the auditor, All mandatory reports by the company have been submitted to the relevant agencies Has been verified by the auditor related to employment and has been described in indicators 6.5.1, 6.5.2, 6.5.3 and 6.6.1.
Bipartite Organization (Kondang and Selangkun Estate) <ul style="list-style-type: none"> There is no negative issues such as discrimination, the use of labor under 18 years or sexual abuse issues. Providing wages and overtime in compliance with applicable regulations. Until the audit takes place, there has been no complaints from workers. There were no work accidents grade fatality in 2018. All employees have been included in the program BPJS employment and health. The Company has conducted periodic health checks to workers with high risk. The Company has also provided PPE which is provided for free. 	<ul style="list-style-type: none"> Based on field observation and interview with labour union, there was no violation of labour laws. For example, minimum age, discrimination, minimum wage, overtime etc. It refer to criterion 6.5. The company has implemented minimum wage and overtime refer to the latest regulation as written in 6.5.1 Has been described in 4.7.5. The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6.

Public Issues (Institution/ NGO/Community)	Auditor Responses
Gender Committee (Kondang and Selangkun Estate) <ul style="list-style-type: none"> • There is no negative issues such as discrimination and sexual abuse or child labor. • Management of the gender committee has the program associated with sexual harassment policies, protection of reproductive rights. Socialization also includes a ban on pregnant and lactating women to spray. Socialization is delivered through meetings like recitation etc. 	<ul style="list-style-type: none"> • According o document verification and interview with workers, there was no issues related to violation of the rights of woman. • From the results of interviews with workers, the company has implemented of Company Policies such as reproductive rights and prohibition of pregnant woman to spray. It refer to criterion 6.9
Local Contractor <ul style="list-style-type: none"> • The company has socialized policies such as company code of ethics, human rights policy, the prohibition of employment under 18 years. • Contract workers have provided PPE by contractors and company. • All execution of work and payment in accordance with the applicable agreement. 	<p>Based on document verification, show that the rights and obligation of each party has been set in the contract.</p>
Randa Village <ul style="list-style-type: none"> • No issue of land conflict and environmental pollution • PIC who often communication is CSR officer and smallholder Officer • Contribution of CH such as plasma, teacher fees, development of mosque and scholarship for village authority. • No negative issue 	<p>No negative issue. CH has show the compliance of RSPO standard in criteria 2.2; 6.2; 5.1; 5.3 and 6.11.</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 Sawit Sumbermas Sarana
Management Representative



Deuxiemi Natalia Kusumadewi

Wednesday, 27 June 2018

Mutuagung Lestari
Lead Auditor



Ardiansyah

Wednesday, 27 June 2018

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency of Kotawaringin Barat District.	Kotawaringin Barat District	-	Interview	2 May 2018		✓
2	Plantation Agency of Kotawaringin Barat District.	Kotawaringin Barat District	-	Interview	2 May 2018	✓	
3	Manpower Agency of Kotawaringin Barat District	Kotawaringin Barat District	-	Interview	2 May 2018	✓	
4	Rangda Village	Kotawaringin Barat District	-	Interview	3 May 2018	✓	
5	Local Contractor	Kotawaringin Barat District	-	Interview	3 May 2018	✓	
6	Bipartite organization	Kotawaringin Barat District	-	Interview	3 – 4 May 2018	✓	
7	Gender Committee	Kotawaringin Barat District	-	Interview	3 – 4 May 2018	✓	
9	WWF	Jakarta, Indonesia	-	Queisoner by email	24 April 2018		✓
10	Walhi	Jakarta, Indonesia	informasi@walhi.or.id	Queisoner by email	24 April 2018		✓
11	AMAN	Jakarta, Indonesia	rumahaman@cbn.net.id	Queisoner by email	24 April 2018		✓
12	Sawit Watch	Jakarta, Indonesia	-	Queisoner by email	24 April 2018		✓
13	Selangkun POM: • 3 security • 2 weighbridge operator • 1 production clerk • 1 WTP operator • 1 WWTP operator • 1 warehouse officer • 2 workshop officer • 3 sorter • 1 clarification operator • 2 boilerman • 1 paramedic	Kotawaringin Barat District	-	Interview	3 May 2018	✓	
14	Kondang Estate: • 1 foreman and 7 manuring workers • 3 EFB applicator • 3 P&D officer • 2 paramedic • 1 generator operator • 1 store keeper	Kotawaringin Barat District	-	Interview	3 May 2018	✓	
15	Selangkun Estate: • 4 fire fighter workers • 1 foreman and 1 harvester • 1 store keeper • 1 house of rinse operator • 1 hazardous waste operators	Kotawaringin Barat District	-	Interview	4 May 2018	✓	

	• 2 paramedic						
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Appendix 2. Assessment Program

DATE	2 – 5 May 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Wednesday, 02 May 2018		
06.40 – 08.00	JAKARTA → Pangkalan Bun	Team Auditor
08.30 – 12.00	Stakeholder consultation to Agency of Kotawaringin Barat District	IWS/RAN
08.30 – 10.00	Pangkalan Bun → PT SSMS	MRD/AFF
11.00 – 12.00	Opening meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	
12.00– 14.00	Break	
14.00– 17.00	<ul style="list-style-type: none"> Review of previous (Initial assessment) findings Verification of Basic Information Mill and Estate Confirmation of Time Bound Plan and Partial Certification Document verification 	All Team
Thursday, 03 May 2018		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations (Rangda and Kondang Village) .	MRD
	Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), FFB Supplier	RAN
	Field observation to Kondang Estate : <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect. 	AFF/IWS
12.00 – 14.00	Break	
14.00 – 17.00	Field observation to Selangkun POM : <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge,) FFB Sorting, Processing Activity, Despatch CPO Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond, Land Application) Verification of field visit and completing checklist 	All Team
Friday, 04 May 2018		

DATE	2 – 5 May 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 – 12.00	Field observation to Selangkun Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism) • Legal operational • High Conservation Value Area, Empty Fruit Bunch Application • Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect. Field observation to Batu Kotam Estate <ul style="list-style-type: none"> • Legal operational 	All Team
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> • Continue Field Observation and field observation clarification • Verification of field visit and completing checklist 	All Team
Saturday, 05 May 2018		
08.00 – 10.00	<ul style="list-style-type: none"> • Closing Meeting 	All Team
10.00 – 13.00	<ul style="list-style-type: none"> • PT SSMS → Pangkalan Bun 	
15.15-	<ul style="list-style-type: none"> • Pangkalan Bun→ JAKARTA 	