

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

### [✓] Surveillance

Name of Management : **Suayap Mill, PT Mitra Mendawai Sejati Subsidiary of PT Sawit**  
 Organisation : **Sumbermas Sarana**  
 Plantation Name : **PT Mitra Mendawai Sejati, Suayap Estate and Umpang Estate**  
 Location : **Runtu and Umpang Village, Sub District of Arut Selatan and Nangamua Village, Sub District Arut Utara, District of Kotawaringin Barat, Kalimantan Tengah Province, Indonesia**  
 Certificate Code : **MUTU-RSPO/101**  
 Date of Certificate Issue : 27 October 2016      Date of License Issue : 27 October 2018  
 Date of Certificate Expiry : 26 October 2021      Date of License Expiry : 26 October 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
<b>ASA-2</b>	12 – 15 September 2018	Ardiansyah (Lead Auditor), M. Rinaldi, Mahmud Firdaus, Satria Adi Putra	Sandra Purba	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
<b>ASA-2</b>	<b>12 October 2018</b>

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 on March 12<sup>th</sup>, 2014 with registration number **ASI-ACC-055**

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### FIGURE

Figure 1. Location Map of PT Mitra Mendawai Sejati

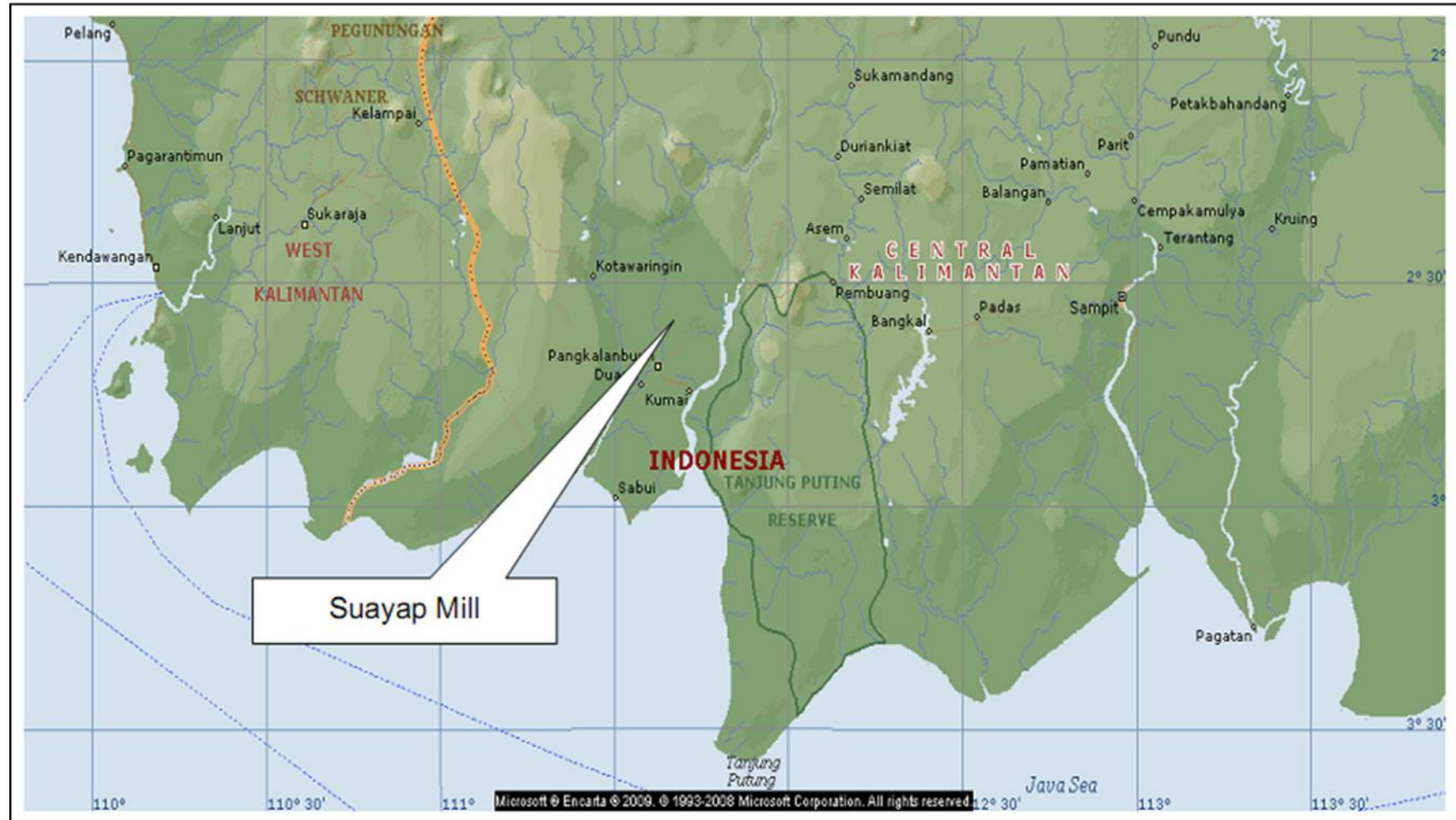
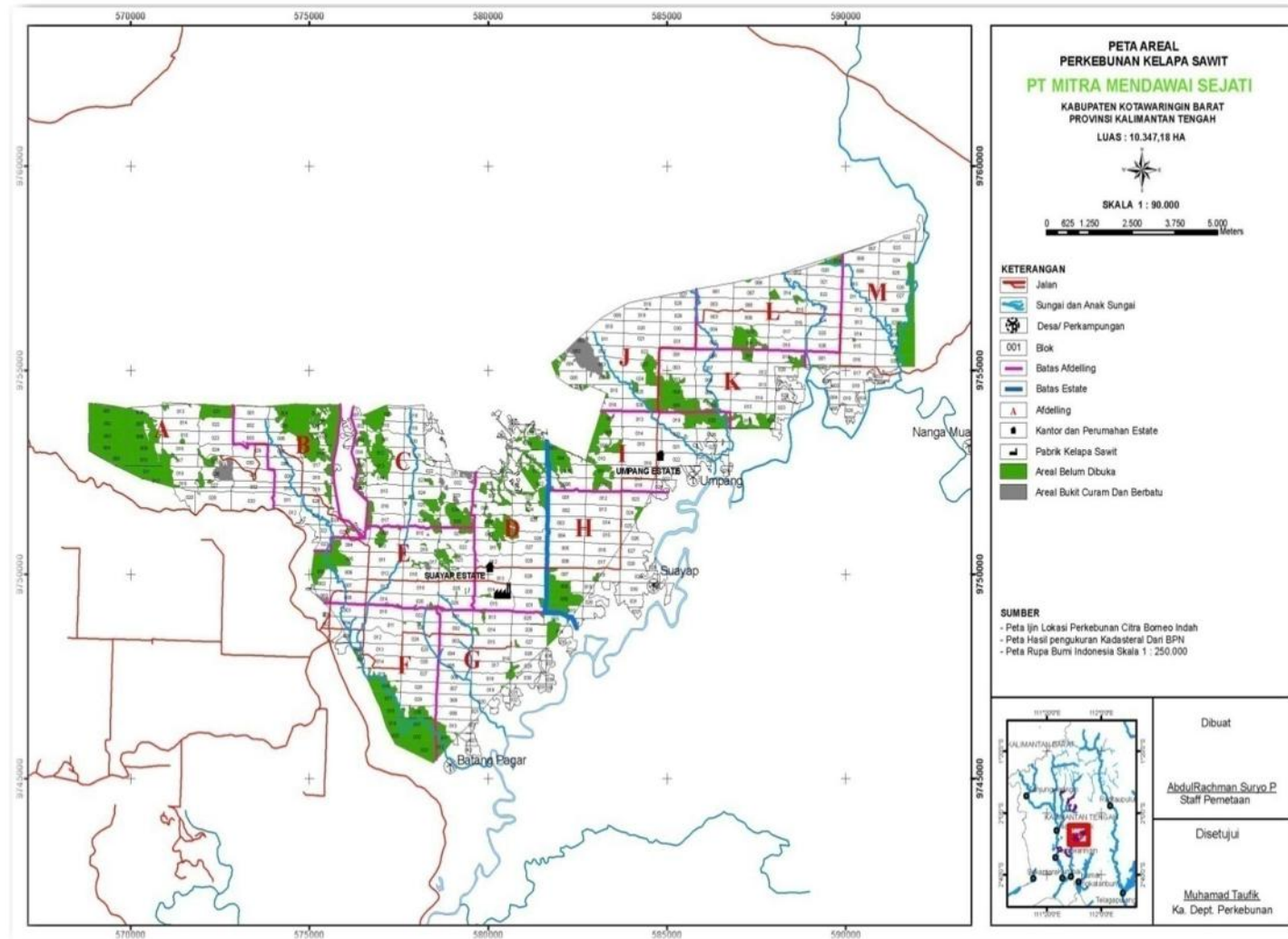


Figure 2. Operational Map of PT PT Mitra Mendawai Sejati – Suayap Mill



**Glossary**

ASA	: Annual Surveillance Assessment	LSU	: Leaf Sampling Unit
BMP	: Best Management Practices	MMS	: Mitra Mendawai Sejati
BOD	: Biological Oxygen Demand	MSDS	: Material Safety Data Sheet
BPJS	: Workers Social Security Agency	MUTU	: Mutuagung Lestari
BSI	: <i>Bank Sampah Indonesia</i>	NGO	: Non-Government Organisation
CB	: Certification Body	OER	: Oil Extration Rate
CH	: Certificate Holder	OHS	: Occupational Health and Safety
CITES	: Convention, International, Threatened, Endangered Species	OHSAS	: Occupational Health and Safety Assessment Series
CPO	: Crude Palm Oil	P&C	: Principle and Criteria
CSPO	: Certified Sustainable Palm Oil	PIC	: Personel In Charge
CSR	: Corporate Social Responsibility	PK	: Palm Kernel
EFB	: Empty Fruit Bunches	POM	: Palm Oil Mill
EHS	: Environmental, Health and Safety	POME	: Palm Oil Mill Effluent
EIA	: Environmental Impact Assessment	PPE	: Personel Protective Equipment
EMS	: Environmental Management System	P2K3	: <i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> OHS Committee
FFB	: Fresh Fruit Bunches	QHSE	: Quality, Health, Safety and Environmental
FPIC	: Free, Prior and Informed Consent	RKL- RPL	: Enviromental Management and Monitoring Report
GHG	: Green House Gases	RSPO	: Roundtable on Sustainable Palm Oil
HCV	: High Conservation Value	RTE	: Rare, threatened or endangered
HGU	: Hak Guna Usaha (Land Use Title/Right)	SCCS	: Supply Chain Certification System
HIRAC	: Hazard Identification Risk Assessment and Control	SIA	: Social Impact Assessment
HSE	: Health Safety and Environment	SSS	: Sawit Sumbermas Sarana
IPM	: Integrated Pest Management	SPO	: Suistanability Palm Oil
ISCC	: International Susainability and Carbon Certification	SOP	: Standard Operating Procedure
ISO	: International Standard Organisation	SSU	: Soil Sampling Unit
ISPO	: Indonesia Sustainable Palm Oil	WHO	: World Health Organization
IUCN	: International Union for Conservation of Nature	WTP	: Water Treatment Plant
KER	: Kernel Extration Rate	WWTP	: Waste Water Treatment Plant
LUC	: Land Use Change		



<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>				
<b>1.1 Assessment Standard Used</b>				
	<ul style="list-style-type: none"> <li>• <i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016).</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill)</i></li> <li>• <i>RSPO Certification System for Principles and Criteria, 14 June 2017</i></li> </ul>			
<b>1.2 Organisation Information</b>				
1.2.1	Organisation name listed in the certificate	PT Mitra Mendawai Sejahtera subsidiary of PT Sawit Sumbermas Sarana Tbk		
1.2.2	Contact person	Rudy Hendarto		
1.2.3	Organisation address and site address	RSPO Registered Company: Jln. H. Udan Said No. 47 Pangkalanbun Kalimantan Tengah, Indonesia.		
1.2.4	Telephone	+62 532 21 297		
1.2.5	Fax	+62 532 21 297		
1.2.6	E-mail	<a href="mailto:rudy.hendarto@citraborneo.co.id">rudy.hendarto@citraborneo.co.id</a>		
1.2.7	Web page address	<a href="http://www.ssms.co.id">www.ssms.co.id</a>		
1.2.8	Management Representative who completed the application for certification	Rudy Hendarto		
1.2.9	Registered as RSPO member	1-0111-07-000-00, 18 April 2007		
<b>1.3 Type of Assessment</b>				
1.3.1	Scope of Assessment and Number of Management Unit	Suayap Palm Oil Mill, Suayap Estate and Umpang Estate		
1.3.2	Type of certificate	<b>Single</b>		
<b>1.4 Locations of Mill and Plantation</b>				
1.4.1	Location of Mill			
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>	
			<b>Latitude</b>	<b>Longitude</b>
	Suayap	Umpang Village, Arut Selatan Sub-district, Kotawaringin Barat District, Kalimantan Tengah Province, Indonesia	S 2° 15' 55"	E 111° 43' 23"
1.4.2	Location of Certification Scope of Supply Base			
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>	
			<b>Latitude</b>	<b>Longitude</b>
	Suayap	Umpang Village and Runtu Village, Arut Selatan Sub-district, Kotawaringin Barat District, Kalimantan Tengah Province, Indonesia	S 2° 15' 36"	E 111° 43' 12"

	Umpang	Umpang Village, Arut Selatan Sub-ditric and Nangamua Village, Arut Utara Sub-ditric, Kotawaringin Barat District, Kalimantan Tengah Province, Indonesia	S 2° 14' 07"	E 111° 45' 46"			
1.5 Description of Area Statement							
1.5.1	Tenure						
	• State		8921.38 Ha				
	• Community		- Ha				
1.5.2	Area Statement						
	• Total area		8921.38 Ha				
	• Mature area		7177.95 Ha				
	• Immature area		- Ha				
	• Emplasmment		30.82 Ha				
	• Forest and Rocky Area (HCV)		883.04 Ha				
	• Mill		20.22 Ha				
	• Unreleased area		2.91 Ha				
	• reserve area		806.44 Ha				
1.6 Planting Year and Cycles							
1.6.1	Age profile of planting year						
	Planting Year	Hectarage (Ha)					
		Suayap Estate	Umpang Estate	Total			
	2005	497.51	-	497.51			
	2006	1159.07	-	1159.07			
	2007	1359.46	1158.47	2517.93			
	2008	762.54	1678.61	2441.15			
	2009	51.21	491.19	542.39			
	2010	-	19.90	19.90			
	TOTAL	3829.79	3348.17	7177.95			
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		1 <sup>st</sup> 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 (%)
	Suayap	60	264070.31	61718.933	23.38	12850.595	4.87
	* Source: Production data from September 2017 – August 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)	%
	Suayap	5081.26	3829.78	87856.79	22.94	83410.19	95
	Umpang	3840.12	3348.17	77891.11	23.64	75342.46	97
	TOTAL	8921.38	7177.95	165747.90	23.09	158752.65	96
* Source: Production data from September 2017 – August 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)		
	Suayap Estate (non- certified)	PT MMS	-	1541.36	46128.73		
	Umpang Estate (non- certified)	PT MMS	-	1282.44	34663.83		
	Sulung (RSPO certified)	PT SSMS	-	3268.30	2518.68		
	Kenambui (RSPO certified)	PT SSMS	-	2690.49	1778.16		
	Sulung (non-certified)	PT SSMS	-	364.39	2168.97		
	Kenambui (non-certified)	PT SSMS	-	26.25	587.18		
	MUA (FFB Trader)	Independent Trader	-	-	12135.26		
	Kelompok Tani Citra Mua Sejati	Scheme Smallholder	96	90.74	640.41		
	Plasma KSJ Desa Rangda	Scheme Smallholder	251	4.11	26.26		
	PT Menthobi Mitra Lestari	Outgrower	-	-	50.26		
	PT Menthobi Sawit Jaya	Outgrower	-	-	4011.39		
	PT Menthobi Mitra Sentosa	Outgrower	-	-	507.23		
	CV Queen Niaga	Outgrower	-	-	40.56		
	CV Arsyila Mandiri	Outgrower	-	-	15.52		
	CV Sejati Putra Mandiri	Outgrower	-	-	45.22		
		TOTAL					105317.66
* Source: Production data from September 2017 – August 2018							
1.7.4	Product categories			FFB, CPO, PK			
1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Actual production period September 2017 to August 2018 (MT)	
	• FFB Production			172752		163049.490	
	• CPO Production			41460		40009.948	
	• Palm Kernel (PK) Production			7774		7501.286	
1.8.2	Product selling						
	Tonnage of selling product			Actual selling product period September 2017 to August 2017 (MT)			
	• CSPO			-			
	• CSPK			-			



	<ul style="list-style-type: none"><li>CPO under other scheme trading (e.g ISCC, RFS)</li><li>CPO under conventional trading (if any)</li><li>PK under other scheme</li><li>PK under conventional trading (if any)</li></ul>	- 35791.15 - 7325.60																																															
1.8.3	Estimate of Certified FFB Claim																																																
	<table><tr><th>Name of Estates</th><th>Total Area (Ha)</th><th>Planted Area (Ha)</th><th>FFB (tonnes/ year)</th><th>Yield (tonnes/ha/year)</th></tr><tr><td>Suayap</td><td>5081.26</td><td>3829.78</td><td>88085</td><td>23.00</td></tr><tr><td>Umpang</td><td>3840.12</td><td>3348.17</td><td>80356</td><td>24.00</td></tr><tr><td>TOTAL</td><td>8921.38</td><td>7177.95</td><td>168441</td><td>23.50</td></tr></table>	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ha/year)	Suayap	5081.26	3829.78	88085	23.00	Umpang	3840.12	3348.17	80356	24.00	TOTAL	8921.38	7177.95	168441	23.50																												
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1.9 Other Certifications																																																	
	ISO 9001:2015 which valid 31 December 2017 until 25 October 2020																																																
	ISO 14001:2004 which valid 10 December 2017 until 19 October 2020																																																
	ISO 18001:2004 which valid 17 April 2018 until 19 October 2020																																																
1.10 Time Bound Plan																																																	
1.10.1	Time Bound Plan for Other Management Units																																																
	<table><tr><th colspan="2">Management Unit</th><th rowspan="2">Estate (Supply Base)</th><th rowspan="2">Time Bound Plan</th><th rowspan="2">Location</th><th rowspan="2">Status</th></tr><tr><th>Mill</th><th>Time bound</th></tr><tr><td rowspan="7">Sulung (PT SSS)</td><td rowspan="7">2013</td><td>Sulung</td><td>2013</td><td rowspan="7">Kotawaringin Barat District, Kalimantan Tengah Province</td><td>Certified</td></tr><tr><td>Sulung (HGU on process)</td><td>2020</td><td>-</td></tr><tr><td>Kenambui</td><td>2013</td><td>Certified</td></tr><tr><td>Pulau (HGU on process)</td><td>2020</td><td>-</td></tr><tr><td>Rangda</td><td>2013</td><td>Certified</td></tr><tr><td>Rangda (HGU on process)</td><td>2020</td><td>-</td></tr><tr><td>Pulau</td><td>2013</td><td>Certified</td></tr><tr><td rowspan="4">Selangkun (PT SSS)</td><td rowspan="4">2015</td><td>Selangkun</td><td>2015</td><td rowspan="4">Kotawaringin Barat District, Kalimantan Tengah Province</td><td>Certified</td></tr><tr><td>Selangkun (HGU on process)</td><td>2020</td><td>-</td></tr><tr><td>Rungun</td><td>2015</td><td>Certified</td></tr><tr><td>Kondang</td><td>2015</td><td>Certified</td></tr></table>	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	Mill	Time bound	Sulung (PT SSS)	2013	Sulung	2013	Kotawaringin Barat District, Kalimantan Tengah Province	Certified	Sulung (HGU on process)	2020	-	Kenambui	2013	Certified	Pulau (HGU on process)	2020	-	Rangda	2013	Certified	Rangda (HGU on process)	2020	-	Pulau	2013	Certified	Selangkun (PT SSS)	2015	Selangkun	2015	Kotawaringin Barat District, Kalimantan Tengah Province	Certified	Selangkun (HGU on process)	2020	-	Rungun	2015	Certified	Kondang	2015	Certified	
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		Pulau (HGU on process)	2020		-																																												
		Rangda	2013		Certified																																												
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		Selangkun (HGU on process)	2020		-																																												
		Rungun	2015		Certified																																												
		Kondang	2015		Certified																																												

	Suayap (PT MMS)	2016	Suayap	2016	Kotawaringin Barat District, Kalimantan Tengah Province	Certified
			Suayap (HGU on process)	2020		-
			Umpang	2016		Certified
			Umpang (HGU on process)	2020		-
	Natai Baru (PT KSA)	2018	Natai Baru	2018	Kotawaringin Barat District, Kalimantan Tengah Province	ST-2
	Malata (PT TSA)	2018	Malata	2018	Lamandau District, Kalimantan Tengah Province	-
			Malata (HGU on process)	2020		-
			Nanuah	2018		-
			Nanuah (HGU on process)	2020		-
			Sungai Bulik	2018		-
			Sungai Bulik (HGU on process)	2020		-
	Nagakiu (PT SMU)	2018	Nanga Kiu	2018	Lamandau District, Kalimantan Tengah Province	-
			Nanga Kiu (HGU on process)	2020		-
			Sepondam	2018		-
			Sepondam (HGU on process)	2020		-
			Pedongatan	2018		-
			Merambang	2018		-
			Merambang (HGU on process)	2020		-
			Batu Tunggai	2018		-
			Batu Tunggai (HGU on process)	2020		-
	-	-	Sumber Cahaya (PT. Mirza Pratama Putra)	2019	Lamandau District, Kalimantan Tengah Province	-
	-	-	PT. Menteng Kencana Mas: • Badirih Estate • Kanamit Estate • Bahaur Estate	2019	Pulang Pisau District, Kalimantan Tengah Province	-
	Source TBP: Area of Plantation Managed in Holding PT Sawit Sumbermas Sarana Tbk 2018					
	• PT MKM and PT MPP postpone to 2019 due to HGU process					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	Suayap Mill receive FFB from own estate, sister company, scheme smallholder and independent outgrower. Scheme smallholder is not include in certification scope. The progress for certification in scheme smallholder will be observe in next assessment (OFI).					

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-2</b>	<p>1. <b>Ardiansyah (Lead Auditor)</b>. Indonesian citizen, Bachelor of Forest Resources Conservation, Department of Forestry. Had work experience in Environmental NGO for 6 month (2007) and consultant for making EIA Document and KLHS for 3 years (2009 – 2012). Had attend training such as RSPO Lead Auditor course, Lead Auditor ISPO, OHSAS (SIO 18001 – 2007), land cover crop mapping and Management System Certification (ISO 9001-2008), Environmental Management System Certification (ISO 14001-2004), Social Auditing and Conflict Resolution. Had many times following audit activities related to sustainable palm oil certification system which is ISPO as an auditor since 2012 for legal, environmental aspect, conservation and social. Fluent in bahasa and malay. At the time of audit, has verify aspect of Legality, SCCS and Land Dispute.</p> <p>2. <b>Muhammad Rinaldi (Auditor)</b>. 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, SCCS training, 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 SCCS, HCV and Environment.</p> <p>3. <b>Mahmud Firdaus (Auditor Trainee)</b>. Diploma in Supervisor Food Quality Assurance and Bachelor on Management at Bogor Agricultural University. He is experienced in the field of Quality Assurance (QA) and personnel competence (auditor center) with the last position for each field is the coordinator. The types of training that have been followed are training of ISPO lead auditors, ISO 14001: 2004, RSPO Awareness, GHG training, ISO 9001: 2008, ISO 17021 &amp; ISO 17065 training, Palm Oil Production training, Peat Management training, HACCP and food safety management system, SA 8000 Awareness and OHSAS. During this assessment he was support to verify on transparency, social and worker welfare.</p> <p>4. <b>Satria Adi Putra (Auditor)</b> Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert (General AK3), Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Lead Auditor, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011 and ISO 22000. During this audit, he verify long term plan, BMP &amp; OHSAS.</p>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-2</b>	<p>Number of auditors : 3 auditor and 1 observer</p> <p>Number of days for ASA-2 at site: 4 days</p> <p>Number of working days for ASA-1 at site : 12 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Mitra Mendawai Sejati the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised on 14 June 2017 (Module E for CPO Mill).</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.</p> <p>Some opportunities for improvement of the results ASA-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-3).</p>

	Improvement of findings from surveillance assessment findings were observed by auditors at this ASA-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-2. <b>The assessment program please find Appendix 2</b>
<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-2</b>	<p>The number of management units of this activity consists of four estates that supply material FFB to the Suayap Mill. In conducting the assessment, auditor team using formula <math>0.8 \sqrt{y}</math> 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 (Umpang Estate and Suayap Estate).</p> <p><b>Suayap Mill</b></p> <ol style="list-style-type: none"> <li><b>1. Weigh Bridge.</b> Observation and interview with Weigh Bridge Operator towards FFB reception, product delivery, training/socialization, weigh device calibration and OHS.</li> <li><b>2. Security.</b> Observation and interview with key personnel related to implementation of Supply Chain Requirement</li> <li><b>3. Water source.</b> Observation of the condition of water source management and monitoring.</li> <li><b>4. Waste Water Treatment Plant.</b> Field observations and interviews with WWTP operators regarding waste water management.</li> <li><b>5. Solid Waste.</b> Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill.</li> <li><b>6. Mill Drainage.</b> Observations mill effluent lines, sanitation mill and flow of leaching mill.</li> <li><b>7. Hazardous waste temporary warehouse.</b> Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.</li> <li><b>8. Grading Station.</b> Observation and interview with grading work related to the implementation of SOP, K3 and employment.</li> <li><b>9. Sterilizer Station.</b> Observation of application and interview with sterilizer operators related to SOP, K3 and employment.</li> <li><b>10. Engine Room.</b> Observations and interviews with engine room operators on employment, occupational safety and health and defined work procedures.</li> <li><b>11. Kernel Stations.</b> Observations and interviews with kernel station operators regarding employment, occupational safety and health and defined work procedures.</li> <li><b>12. Boiler Station.</b> Observations and interviews with boiler operators regarding labor, occupational safety and health and defined work procedures.</li> <li><b>13. Workshop.</b> Observation and interview with mechanic and welder related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, waste management, medical examination, trainings from company and worker welfare.</li> <li><b>14. Chemical material warehouse.</b> Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.</li> <li><b>15. WTP.</b> Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.</li> </ol> <p><b>Umpang Estate</b></p> <ol style="list-style-type: none"> <li><b>16. Block O13 and P13, Afd J (HCV).</b> Observation the implementation of management in HCV area in form of riparian of Cinabutun River.</li> <li><b>17. Block Q14, Afd K.</b> Observation the areal that not cleared/ owned by community.</li> <li><b>18. Block P07, Afd J.</b> Observation the conditions and position of legal boundary MMS 145.</li> <li><b>19. Block Q08, Afd J.</b> Observation the conditions and position of legal boundary MMS 144.</li> <li><b>20. Block O14, Afd J.</b> Observation the conditions and position of legal boundary MMS 154.</li> <li><b>21. Block J14, Afd J (harvesting).</b> Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare.</li> <li><b>22. Block P11, Afd J (barn owl nest).</b> To check nest condition and the occupation by owl.</li> <li><b>23. Block P21, Afd L (Erosion stakes).</b> Observation the monitoring of erosion in slope area using erosion stakes and interview with assistant head related to how monitoring the erosion.</li> <li><b>24. Hazardous waste temporary warehouse.</b> Field observations related to the fulfillment of the attributes health and</li> </ol>

	<p>safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.</p> <p>25. <b>Fertilizer Warehouse.</b> Observations relating to the implementation of storage hazardous material, Health safety and labor management.</p> <p>26. <b>Chemical material warehouse.</b> Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.</p> <p>27. <b>Fire Fighting Equipment Storage.</b> Simulation the function of fire extinguishers and team readiness.</p> <p>28. <b>Fuel Tank.</b> Observation related OHS and hazardous material management.</p> <p>29. <b>Housing Complex (Afdeling J).</b> Field observations and interviews related to workers facility, electricity, domestic waste, sources of fresh water and socialization of company policy.</p> <p>30. <b>Generator room (Afdeling J).</b> Observation and interview with clerk related to generator system, engine capacity, and possible occurrence of spills to environment, PPE dan Health safety and labor management.</p> <p>31. <b>Water source (Afdeling J).</b> Observation of the condition of water source management and monitoring.</p> <p>32. <b>Body shower of spraying team (afdeling J).</b> Observation the conditions body shower room and PPE handling.</p> <p>33. <b>PPE pesticide spraying and ex-pesticide container wash place (afdeling J).</b> Observation the equipment PPE washing and hazardous waste management.</p> <p>34. <b>Daycare.</b> Observations and interviews related to the facilities provided to workers such as employee housing, clean water, daycares, school, employment and interview related complaint mechanism.</p> <p>35. <b>Land fill Afdeling I.</b> Observations related to the implementation procedures of domestic waste bins and disposal site is about 5 kilometers from the settlement.</p> <p><b>Suayap Estate:</b></p> <p>36. <b>EFB Application Afdeling E.</b> Observation related to waste management and nutrient cycle strategy</p> <p>37. <b>Manuring, Afdeling E.</b> Observation related to OHS, health insurance and work related the procedure.</p> <p>38. <b>Harvesting, Block 25, Afdeling C.</b> Observation and interviews with foremen and harvest workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.</p> <p>39. <b>Land Application, Block 19E, Afdeling F,</b> Observation related to waste management and nutrient cycle strategy</p> <p>40. <b>Spray Circle &amp; Path, Block 19E, Afdeling E.</b> Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.</p> <p>41. <b>Cencus Pest and Disease &amp; BOB, Block 19, Afdeling F.</b> Observation related IPM, Cencus and Monitoring.</p> <p><b>Stakeholder Consultation</b></p> <p>42. Surrounding communities (Suayap Hamlet and Nangamua Village). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</p> <p>43. Government Institutions of Kotawaringin Barat Districts (Environmental Agency, Manpower Agency and Plantation Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.</p>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-2</b>	<p>Consultation of stakeholders for PT Mitra Mendawai Sejati held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement at web <a href="http://www.mutucertification.com">www.mutucertification.com</a> on 20 August 2018.</li> <li>2. Public consultation with government agencies of Kotawaringin Barat district (Plantation agency, Environmental agency) on 12 September 2018.</li> <li>3. Public consultation by interview with locals of the nearby village (Suayap Hamlet of Umpang Village and Nangamua Village) on 13 September 2018.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative and gender committee and local contractor) on 13 September 2018.</li> <li>5. Consultation with NGO (WWF, Walhi, Sawit Watch and AMAN) via email on 04 September 2018.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Mitra Mendawai Sejati</p>

<b>2.3.2</b>	<b>Stakeholder contacted</b>
<b>ASA-2</b>	<b><i>Please find appendix1</i></b>
<b>2.4</b>	<b>2.5 Determining Next Assessment</b>
<b>ASA-2</b>	The next visit ( <b>ASA-3</b> ) will be determined at eight (8) months to twelve (12) months after the date of certificate.



### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Suayap Mill – PT Mitra Mendawai Sejati operation consisting of one (1) mill and three (2) oil palm estates.

During the assessment, there was 4 Minor Noncompliance Indicators and there were seven (7) opportunity for improvement were identified. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5.

MUTUAGUNG LESTARI found that Suayap Mill – PT Mitra Mendawai Sejati complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, revised on 14 June 2017 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is maintained.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>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.</b>	
<b>1.1.1, 1.1.2</b>	Certificate holder has procedure for the provision of information in procedure of communication, participation and consultation of environment and OHS (No. SOP-EHS.GN-006). The procedure regulates the provision/request of public information by email, phone, fax or directly coming to the Head Office, the request communicated to Group Manager to approve or disapprove it. Response over the request of public information is by completing the data of information request. The response over the information request should be given within 10 days since the information request received by. It is responsibility in entire department. The information request is maintained for a year. Based on interviews with government agency and officials of nanga mua & suayap village they inform that the procedure has been socialized. Stakeholders already known the communication PIC, and no obstacles in dealing with the company. In period of 2018, there is no incoming information request. However the certificate holder has submitted mandatory reports regularly to the related agencies such as employment report, environment management report, and plantation development report.	
	<b>Status: Comply</b>	
<b>1.2</b>	<b>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.</b>	
<b>1.2.1</b>	The type of publicly accessible document is available in the procedure related to provision of information to outside parties (No. SOP-CS.GN-001) passed on 1 December 2015 by the President Director. In the procedure explained that the provision of information to the public can be done through direct visits to the field, or review the documentation at the headquarters or representatives. Response to an information request within 10 days of receipt of the request for such information.	
	In the document, the list of accessible informations covers relevant legal, social and environmental aspects related to sustainability. These documents include, land certificates, OHS plans, environmental and social impact plans and assessments, HCV documentation, pollution prevention and reduction plans, complaints, negotiation procedures, continuous improvement plans, public summary reports on certification assessment, and also human rights policy. Based	

on interviews with government agency and officials of nanga mua & suayap village, they area already know the types of documents accessible to the public.

**Status: Comply**

### 1.3

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

##### 1.3.1

Commitment of code of integrity and ethical behavior is contained in Directors Decree (No. 002/SSS-DIR/SKD/IV/2017) dated 1 April 2017 related to human rights policy. It is explained that the policies and commitments related to human rights and corporate ethical behavior apply to internal behavior as well as to external party. The human rights policy includes transparency, no forced labor, discrimination of gender, religion and ethnic, sexual orientation or disability, and guarantee of reproductive rights and freedom of union.

Based on interviews with employees at Suayap Mill, Suayap Estate and Umpang Estate, contractor of FFB transport, and Gender Committee it is known that the certificate holder's human rights policy has been socialized and understood by workers and contractors, and there is no incidents of human rights violations.

**Status: Comply**

## **PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

### 2.1

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

##### 2.1.1

CH has shown compliance with the regulatory such as:

- Compliance with possession of a document related to EIA (Environmental Impact Analyst) and reporting RKL-RPL periodically to the government agency. Complied with UU Number 32 year 2009.
- Has a temporary storage hazardous wastes and reported the waste balance refers to PP No.101 of 2014.
- Land preparation without burning and has the infrastructure in fire anticipation, according to Permentan Number. 26 of 2007 section 15.
- Compliance with the permit to utilization effluent. According to Decree of Regent Kotawaringin Barat district Number. No. 660/45/BLH.IV/LA/IX/2015
- Has had land use title
- Has had business permit

##### **Environment**

- The company has reported the Liquid Waste Report every 3 months, for example for the second quarter of 2018 reported on August 13, 2018 in accordance with Ministerial of Environment Decree No. 28 of 2003
- Reporting of Hazardous Waste management has been carried out every 3 months to the Environmental Agency for quarter 1 of 2018 is sent on April 11 2018 and 2nd quarter 2018 on July 10, 2018.
- The RKL/RPL report has been reported to the Environmental Agency for Semester 1 of 2018 to be sent on August 21, 2018.

##### **2.1.2, 2.1.3, 2.1.4**

There is no change in the determination of the person in charge for updating the regulatory information system in accordance with the Identification Procedure for Fulfilment of Environmental Regulations and OHS. No. Doc: SOP-EHS.GN-003. The person in charge for managing the document is the EHS department. Evaluation of relevant standards and regulations that have been identified to ensure their suitability periodically (once a year).

The company shows a Regulatory Fulfilment Evaluation Report that explain the number of regulations and assessment of regulatory compliance, for example Suayap Factory Regulation Evaluation Report was conducted on March 28, 2018 with the number of regulations for example in the OHS field there were 70 regulations, the labor field had 12 regulations, the hazardous waste field contained 22 regulations, etc.

<b>Status: Comply</b>	
<b>2.2</b> <b>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.</b>	
<b>2.2.1</b> CH has had the land rights in the form of Land Use Title (HGU) for an area of 8,921.38 hectares which consist of 2 certificate HGU. Based on document review and field visit known that management unit has manage a area of 8,921.38 Ha consist of 7,177.95 Ha planted area; 877.21 Ha reserve area; 51.05 Ha supporting facilities and 815.17 Ha conservation area. Interview with communities and government agencies is known that the CH did not conduct expansion the operation area since last assessment (2017).	
<b>2.2.2</b> Management unit has had list and map of boundary stone from National Land Agency. Based on the data, there are 155 boundary stones in PT MMS. Management unit have conducted monitoring and maintenance of boundary stone every six month in accordance with procedure of boundary maintenance. The monitoring results for 2018 showed that not all boundary stones in PT MMS can be install, because some boundary stones in rocky area and swamp area. The boundary stone that can be install are 134 consist of 64 in Umpang Estate and 70 in Suayap Estate.  Field visit in PT MMS showed that Boundary stone MMS 144, MMS 144, MMS 154 and MMS 078 are well-maintained and the pole position is meet with the coordinate.	
<b>2.2.3; 2.2.4 &amp; 2.2.5</b> The consultation results with community (Suayap Hamlet of Umpang Villange and Nangamua Village) is known that there was no dispute / conflict of land between the companies and communities for period 2017 – 2018. Field visit and document review also shows that there was no dispute / land conflict in operation area of CH for period 2017 – 2018. The company has had procedure for conflict resolution which stated that the resolution involve the stakeholder.	
<b>2.2.6</b> PT SSS as parent company of PT MMS has had policy in form of Director Decree which stated “The company didn’t Use of Violence. Consultation with the stakeholders (Suayap Hamlet of Umpang Villange and Nangamua Village), there is no indicate that the company use the mercenary/paramilitary in operation area.	
<b>Status: Comply</b>	
<b>2.3</b> <b>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.</b>	
<b>2.3.1; 2.3.2; 2.3.3 &amp; 2.3.4</b> CH has had SOP that explain related to FPIC consist of Land Acquisition SOP, Land Clearing SOP and Land Resolution Conflict SOP. The results of the interview note that the company's compensation process has been completed in 2013. All documents of compensation are kept by the legal section.  Document review, field visit and interview shows that since the last assessment (2017), the company does not perform land expansion.	
<b>Status: Comply</b>	
<b>PRINCIPLE #3 Commitment to long-term economic and financial viability</b>	
<b>3.1</b> <b>There is an implemented management plan that aims to achieve long term economic and financial viability.</b>	
<b>3.1.1</b> The company has shown the long-term plan listed in the 2017-2021 Business Plan document. The document contains projections of FFB, hectares of statements, projected costs for mature plants and immature plan, production costs, CPO projections and yields, projected CPO prices, operational costs of the plantation and calculation of company profits. In	

addition, the company has also presented a 2017 Review Budget document which contains an evaluation of 2017 work such as evaluation of operational costs (Harvest, Transport, and maintenance), general costs and CAPEX costs.

### 3.1.2

The company does not have a replanting program, this is due to the age of plants that are still young (8-13 years). Based on the results of a review of annual management meeting documents it is known that the planting cycle is set at around 25 years but there is a possibility of replanting if there are obstacles to achieving production, pest and disease attacks and other factors.

**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

There are no changes related to SOPs for the operations of the Estate and Mill. The procedures owned by the company have covered all operational aspects in the plantations and mill. SOPs are stored in each unit (plantation / mill) and are available in Indonesian. In each SOP, there are already contained related aspects of OHS. Based on the results of field observations in harvesting, fertilizing, and grading activity, it is known that these procedures have been understood and applied in every work unit in the plantation and mill.

#### 4.1.2, 4.1.3

The company shows the Environmental Management System, Occupational Safety and Health Manual No. Doc: SOP-EHS.GN-003, internal audit activities are carried out once a year. Internal audit is not specific to legal requirements, but the overall RSPO standard. The one who conduct internal audit is the sustainability department which consists of the QHSE division, Legal, Social.

The company shows the Audit Report conducted in 2017, including:

- Suayap Factory Audit Report conducted on September 17, 2017 was carried out by the QHSE Team with the result that there were 5 non-conformities including the provision of EHS induction to new employees, understandard silo kernel temperature, etc.
- Umpang Estate Audit Report was conducted on September 18, 2017 with results of 4 non-conformities including documentation of spray tool calibration, documentation of operational activities that have not been updated, etc

#### 4.1.4

Suayap Mill has record the origins of all FFB source. The result of filed visit, document review and interview with the management, known there is FFB sourced from own estate, sister company, scheme smallholder and independent outgrower. CH has Partner Selection and Evaluation Procedures which inform how to selection the FFB supplier.

**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, 4.2.2

The company has a guideline procedure in managing soil fertility in the Oil Palm Fertilization Procedure which was ratified on February 1, 2015. The company has shown the monitoring plan document vs the realization of fertilization in 2018 for Suayap Estate. The realization of fertilization, among others, the Fertilizer Program of NK Mix 15-35 for Afdeling A in 2018 is 366.85 tons and the realization up to August 2018 is 44.35 tons (12.09%). Based on this document it is known that in general the achievement of fertilization realization in Suayap Estate reached 30.79%.

The company has a 2017 Rotation Fertilization Realization Monitoring document compared to Production 2017. The document contains fertilizer usage compared to production with fertilizer use per ton of production amounting to 0.04 tons of fertilizer / per ton of FFB.

#### **4.2.3**

The company has shown the Leaf Sample Determination and Collection Procedure for Fertilization Recommendations effective on September 1, 2011. The company has shown a recording of 2018 soil and leaf sampling. The realization of land and leaf extraction is carried out in April 2018.

Based on document review, it is known that soil and leaf sampling is carried out annually which is intended as a reference in determining fertilizer recommendations for the coming year.

Based on a field visit to Blok 19, Afdeling E, it is known that the company has conducted a visual Fracture Census activity to identify plants that have broken fronds. The results of the census will be used as a benchmark for the research and department team to justify additional plant fertilization as an effort to minimize the impact of plant nutrient deficiencies.

#### **4.2.4**

The company carries out nutrient cycling in the form of empty bunches applications and POME applications. The results of the document inspection and field visits of the company have utilized the waste from the processing of palm oil as an effort to maintain soil fertility. As for this method, among others, the company can show EFB application recordings, for example in Suayap Estate in August 2018 has been applied as much as 359.45 Tons with an area of 8.15 Ha in Afdeling A. Whereas in Afdeling B, it has been applied as much as 58.50 tons with an area of 1.28 Ha. Empty bunches applications are prioritized on sloping areas. This application of empty bunches functions as organic mulch and increases the content of organic matter and soil nutrients.

The results of field visits and interviews with management revealed that processed wastewater was applied in the field. The realization includes the application of POME on April 1, 2018 for 14.48 hours, the total POME irrigation discharge of 759.70 M3 in the Block G27 area.

Based on the results of a field visit to Block 23 Afdeling E, it was found that the company had carried out an EFB application with a one-layer retailing method, application priority was carried out on the terrace area which was used as organic mulch and reduced run-off risk.

**Status: Comply**

#### **4.3**

##### **Practices minimize and control erosion and degradation of soils.**

#### **4.3.1**

The company shows a slope distribution map compiled by the research & development section for Suayap plantation with a scale of 1: 55,000, based on the map, it is known that the distribution of area is dominated by flat topography (50.08%), wavy topography (36.42%), rather hilly topography (12.23 %) and hilly (1.27%).

#### **4.3.2**

The company has riparian management procedures and areas around lakes/reservoirs or other springs which regulates rivers, springs/reservoirs and restoration of zones/springs. Besides that, the company has a soil and water conservation procedure which is effective on June 1, 2012 which includes, among others, regulating soil and water conservation such as maintenance of cover crops, EFB application and midrib preparation.

Based on the field visit to Suayap Estate Afdeling C Blok 25, it is known that the company has implemented related planting on slope areas such as terrace making, planting cover crops (LCC) and EFB applications.

#### **4.3.3**

The company has presented the 2018 road maintenance for Suayap Estate Target Data document. Based on the Suayap Estate Target Data, it can be concluded that the percentage of completion of road maintenance activities compared to the budget is over 19.00%. In addition, based on field visits to Block J29 Afdeling E, it was found that the company had carried out road maintenance activities mechanically using Graders and Compactors. It is known that road conditions are in good condition and can be traversed by FFB transport vehicles.



**4.3.4, 4.3.5, 4.3.6**

The company has a water and soil conservation procedure about maintenance and procedure at peat soil like make a drainage, maintain/hold the water level (0.5-0.7 m) from the soil surface, give a micro fertilizer (Cu or Zn), making a drainage system.

The CH also show a soil type for Umpang Estate and Suayap Estate document. Based on that document, it is know that no peat soil area at PT MMS. The soil type at PT MSS is *Lithic hapludults*, *Lithic Dystrupepts*, *Typic hapludults*, *Typic Dystrupepts*, *Aquic Dystrupepts*, *Histic Humaquepts* and *Typic Endoaquepts*. Based on field visit in Suayap and Umpang Estate know that there is no peat land.

**Status: Comply**

**4.4**
**Practices maintain the quality and availability of surface and ground water.**
**4.4.1, 4.4.2**

The company shows the HCV identification report on 2012 which includes identification of water body areas, such as Block A29/30 Water Reservoir, Block E26 Water Reservoir, Cinabutun River, Umpang River, Baah River, etc.

The company shows the management plan for water bodies in several documents, including:

- Environmental Management Plan Document on 2008 (see indicator 5.1.2) which explains that management of the impact of changes in surface water quality by seeking efficient use of pesticides and periodically monitoring of WWTP
- Environmental Monitoring Plan Document on 2008 (see indicator 5.1.3) by monitoring water quality every 6 months
- HCV Work Plan Document on 2018 which describes plans for HCV Area Management activities such as HCV Area enrichment rehabilitation, HCV Boundary arrangement, installation of HCV Area signage, nurseries for rehabilitation of HCV areas and mapping of HCV areas.

In addition, the company shows Riparian Management Procedures and Areas Around Reservoir or Other Springs which explains that the river border must be protected at least 100 meters from the left and right of the large river and 50 meters from the left and right of the small river, for a buffer zone on the lake is given a radius of 100 meters and springs with a radius of 200 meters. For embedded river and lake borders, a pole mark or red paint is given on the radius as a marker for the Protected Area or Chemical-Free Zone area.

The Company can demonstrate the implementation of these plans, for example:

- Based on field visits in Block O13 / P13 Section J Umpang Estate, Sungai Cinabutun Area, it was found that the company had managed the river border area such as installation of warning boards and spray limits on the right and left sides of the river. In addition, based on interviews with fertilizer and spray workers, it is known that all employees know the areas that are prohibited from applying chemicals, including the river border.
- Planting of perennials (Mahogany and fruits):
  - In January 2018 there were 120 trees in the Umpang River and 65 trees in the Sintang River
  - In February 2018 there were 48 trees in the Sintang River and 62 trees in block N32a
- Monitoring of water quality carried out every 6 months, for example, which was carried out on May 28, 2018 on the Sintang River, Umpang River, Kelalai River and Baah River with the results of all quality standards still in accordance with Government Regulation of Indonesian Republic No. 82 of 2001.

**4.4.3**

There is no change in the management of liquid waste in WWTP consisting of 6 ponds. The company has also monitored the quality of liquid waste every month with parameters referring to Minister of Environment Decree no. 28 year 2003. Following the results of monitoring from April to June 2018:

Parameter	Quantifier	Thres hold	Analysis result of 2018		
			April	May	June
pH	-	6-9	8	7	7
BOD	mg/l	5.000	4234	4286	1373
COD	mg/l	-	12584	13216	3432



Oil & Fat	mg/l	-	616	93	139
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Based on these data, it is known that the quality of liquid waste is still in accordance with quality standards in Minister of Environment Decree no. 28 year 2003.

The liquid waste management and disposal permit is contained in the Decree of the Kotawaringin Barat Regent No. 660/45 / BLH.IV / LA / IX / 2015 concerning Permission to study the utilization of wastewater (Land Application) to PT Mitra Mendawai Sejati on September 22, 2015 which valid for 5 years.

#### 4.4.4

Water use data in 2018 of the Suayap Palm Oil Mill

Month	FFB Processed (Kg)	Water usage M3/Ton			Total of Water usage /ton FFB (M3/Ton)	Water usage M3/Ton		
		Boiler	Process	Total		Domestic	Grand total	Total/ Fresh Fruit Bunch Precessed
July	31,453,947	24,165.70	9,290.30	33,456	1.06	9,791.90	43,247.90	1.37
August	27,985,998	23,054.80	5,906.5	28,961.30	1.03	10,382.70	39,344.00	1.41

Suayap Palm Oil Mill has a Decree of West Kotawaringin Reagent No.205 dated 2017 December 28, 2017 regarding the granting of permit to take and use of surface water to PT MMS for industrial business (process, cleaning, consumption and others), water from Arut River with water / discharge quota the maximum is 48,600 m3 / month or 1,620 m3 / day, this permit is valid for 5 years ending on January 18, 2023. Based on data on water usage and water use permits, it is known that the company's water usage is still under the granted permission.

Field observations at the Suayap Palm Oil Mill show all instruments to measure water use in good conditions and functions. There are 3 flow meters that serves to record water usage.

**Status: Comply**

#### 4.5

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

##### 4.5.1

The Company has demonstrated the Pest and Disease Control Procedure ratified on February 1, 2015. Regarding the Integrated Pest Management, the company has presented an Annual Work Plan document for an integrated pest control program for each Estate. The concept of plant disease pest control was focused on early warning systems for plant pests, where the initial activities focused on information about the presence of plant disease pests from field employees, both harvest and maintenance employees.

Based on the results of interviews with Census and Disease census workers in Block 19 Afdeling E, it is known that the company also has a system for detection and periodic censuses, including:

- Detection and Census of Palm Leaf Eater Caterpillars (Conducted 1 time in 2 months)
- Detection and Census of Rat (Performed 1 time in 2 months)
- Detection and census of pest *Oryctes rhinoceros* (done every month)

The company controls biological pests by utilizing beneficial plants (*Turnera subulata*, *Antigonon leptopus* and *Casia cobanensis*), besides that the company also uses natural enemies such as *Tyto alba* as predators of rat pests. The company has shown monitoring of pesticide use at Suayap Estate. In the recording it is known that the use of chemicals has decreased compared to the previous year

Based on the results of interviews with Census and Disease workers in Block 19 Afdeling E, it was found that the potential pests in PT MMS included pests of Palm Leaf Eater Caterpillars (*Ploneta diducta* and *Darna trima*).

#### 4.5.2

The company has shown recording evidence of the implementation of Pest and Disease Control training on May 22, 2018 with participants including IPM foreman, IPM Supervisor and PT MMS IPM Assistant with 18 participants. In addition, the company has shown recording evidence of the implementation of Rat Control with Owl on May 23, 2018 with participants including IPM foremen, IPM Supervisors and PT MMS IPM Assistants with 15 participants. Based on interview with workers revealed that they already know about how to control pest and disease.

Status: Comply

#### 4.6

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

##### 4.6.1

The company has a policy in the management of Pesticides which is effective starting June 15, 2012 which explain requesting marketing authorization from the authorized agency and Material Safety Data Sheet (MSDS) or Data Sheet Material Safety (MSDS) of all pesticides used for all suppliers. The company has shown the Estate Progress Report document for Suayap Estate and Umpang Estate. Based on the document it is known that the company has carried out a combination of the use of materials and types of applications for weed eradication activities that aim to avoid resistance. All pesticide used are register in Indonesian Regulation.

Based on the results of interviews with spray workers in Block 19E Afdeling F it was found that workers had understood the types of herbicide active ingredients, weed targets, spray application limits around water bodies, workers had also participated in pesticide training, workers understood the spray ban for pregnant and lactating women.

##### 4.6.2

The company has shown the pesticide application document in 2018. The document contains a plan for the application of pesticides for Suayap Estate and Umpang Estate. The rotation in weed control activities with pesticides is carried out as many as 3 rotations in a year.

The company has shown monitoring of pesticide use at Suayap Estate. The document has also explained the target species being targeted such as pesticides with the active ingredient *Isopropil Amina Glyphosate* as a systemic herbicide used for controlling narrow leaf weeds. The company has shown a list of pesticide use, active ingredients, LD50, targeted areas and active ingredients used per hectare in Suayap Estate for the period of 2017-2018

##### 4.6.3

The Company has demonstrated the Pest and Disease Control Procedure ratified on February 1, 2015. Regarding the Integrated Pest Management, the company has presented an Annual Work Plan document for an integrated pest control program for each Estate. The concept of plant disease pest control was focused on early warning systems for plant pests, where the initial activities focused on information about the presence of plant disease pests from field employees, both harvest and maintenance employees.

Based on interviews with census pest's officers in Block G21 Division B, it was known that the application of pesticides was carried out based on detection and census results. In addition, the company has shown pest and disease control records for Suayap Estate and Umpang Estate. Based on these data, it is known that the results of the census have not exceeded the threshold then there is no need to control using pesticides, so there is no indication that the company uses pesticides prophylactically.

##### 4.6.4

The Company has a policy related to limited pesticide use in the Environmental, Safety and Health Management System Procedure ratified on June 15, 2012. In point 6.1.2 it is stated that the company is committed to reducing or eliminating the use of pesticides included in WHO and WHO IB criteria and active *paraquat dichloride* pesticides.

The company has also shown monitoring documents for pesticide use in 2017-2018. Based on this document it is known that the company has not used pesticides with the active ingredient paraquat dichloride. In addition, it is known that the company uses pesticides with *Kumatetralil* (IB) active ingredients in 2017 and there is no pesticide use with IA and IB groups in the 2018 period.

Based on observations to the Suayap Estate Chemical Warehouse, it was found that there were no pesticides / stock pesticides with WHO 1A and 1B active ingredients.

#### **4.6.5, 4.6.7, 4.6.9**

The company has a policy in the management of Pesticides which is effective starting June 15, 2012 as in point 6.1.1: requesting marketing authorization from the authorized agency and Material Safety Data Sheet (MSDS) of all pesticides used for all suppliers.

The company has shown training records on safe spraying work practices at PT MMS on 16 September 2015 and is valid until 18 September 2020. In addition, the company has also shown records of training conducted internally on September 21, 2016. The training was attended by 50 sprayers at Suayap Estate and 55 workers in Umpang Estate. In addition the training was also followed by spray foreman, warehouse head, administration and warehouse staff. Based on the results of interviews with spray labor in Block 19E Afdeling F it was found that workers had attended training related to spray work and safe work practices.

Based on observations and interviews on spraying activities at Suayap Estate (Block 19E), workers have implemented a system of working safely and applying pesticides in accordance with product labels such as minimizing the risk of pesticide exposure, namely the use of PPE in accordance with risk assessment and MSDS packaging such as helmets, aprons, masks, gloves and boots. In addition, workers can also explain from environmental aspirations regarding areas that are prohibited from spraying due to environmental pollution factors.

The applicator pesticide also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as mask, gloves, safety shoes, apron and goggles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the division office. Therefore based on field observation to mixing area in Umpang Estate, that known there are storage for keeping all PPE's and spraying tools after use.

#### **4.6.6, 4.6.10**

There are no changes to the Hazardous Waste management procedures listed in the work instructions for the management of hazardous waste No. WI-EHS.GN-004 became effective November 1, 2016. The company showed proof of SOP hazardous waste training on May 29, 2018 which was attended by 13 participants including from the Suayap factory, Suayap Estate and Umpang Estate. Based on interviews with warehouse staff and spray foremen, it was known that all hazardous waste including used chemical packaging was sent to hazardous waste temporary storage.

The company has a Decree of the Kotawaringin Barat Regent with No. 660/26 / DLH / VIII / 2017 regarding storage permits hazardous waste of PT MMS dated on 18 August 2017 valid for 5 years at the Suayap Factory and Suayap Estate. Hazardous waste management has in accordance with best practices. All containers of ex-chemicals are managed by storing in a licensed hazardous waste storage area and sent to third parties.

#### **4.6.8**

Based on document review, interviews and observations in the field it is known that companies do not apply pesticides by air.

#### **4.6.11**

The company has shown spray employee list document in 2018. The document is known that there are 283 workers who work with chemicals which include fertilization labor, spray labor, IPM labor, spray foreman, fertilizer foreman and IPM foremen (consisting of 128 workers in Umpang Estate and 155 workers at Suayap Estate).

The company has shown health inspection documents that are routinely conducted every 6 months. Based on the results of the *Cholinestrase* test conducted in July 2018 it was found that out of a total of 283 chemical handlers, there were no health test results that exceeded the quality standard. Health conditions of all workers are still included in normal conditions. Based on interview with the workers, it is known that they are never get experience of occupational injury which caused by chemical such as irritation.

#### 4.6.12

The company is committed not to employ women who are pregnant and breastfeeding in direct contact with chemicals. This commitment is contained in the Human Rights Policy, one of which mentions "Protection of reproductive rights: PT. Mitra Mendawai Sejati, will follow all applicable regulations relating to reproductive rights, including the right to maternity leave, and will provide pregnant and lactating women with tasks that do not pose a health risk to themselves or their children".

The company has shown a list of pesticide applicator women workers, based on the data it is known that there are 22 female workers. Based on interviews with spray workers on Block 19E the Suayap Estate Garden (3 women spray workers) found that there were no spray workers who were pregnant or breastfeeding. In addition, it was also explained that if female workers were identified as pregnant or breastfeeding then a work mutation would be carried out, where the new work position would not be related to chemicals.

Status: Comply

#### 4.7

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

##### 4.7.1

The Company has presented the Quality, Environment, Safety and Health Policy document that was approved by the CEO of PT Sawit Sumbermas Sarana on July 1, 2017 which contains that management develops the Integrated QHSE concept through the corporate values (Care for the Company, Care for the People, Care for the Environment) and has a concern and commitment to continuous improvement of quality, Environment, Occupational Safety and Health through efforts to Improve Quality, Prevent Environmental Pollution, Prevent Work Accidents, and Prevent Occupational Diseases within the scope of activities, products and services.

The company has compiled a P2K3 PT MMS work program in 2018, including sending mandatory P2K3 reports, work accidents, P2K3 regular meetings, inventorying production equipment permits, improving OHS signs, OHS socialization to employees, training in the use of fire extinguisher, Hydrant, employee health checks. The program is prepared by the P2K3 secretary and approved by the P2K3 Chairperson.

The realization of the plan included holding monthly routine meetings P2K3, OHS socialization in January - August 2018, First Aid Training and emergency response simulations. In addition, the company has also shown P2K3 reporting evidence that is carried out periodically every 3 months and shows records related to the results of P2K3 routine meeting minutes.

Based on the results of interviews with workers at sterilizer stations, boiler stations and fertilization workers it is known that workers have understood OSH policies and have received guidance to work safely.

##### 4.7.2

The company has presented a hazard identification and risk control document compiled by the HSE team in 2018. The document contains, among others, Area / situation / activity, potential hazards to be generated, risk assessment, control measures and actions.

The examples of these documents include identifying and analyzing risks to plantation and factory operations such as harvesting, fertilizing, spraying, manual maintenance of plants, road maintenance, transportation, workshop activities, warehouse activities, laboratories, sterilization activities, loading ramps, boilers, engine rooms, hazardous waste, WWTPs, WTP areas and so on. Based on the results of interviews with estate and factory workers, information was obtained that employees had already addressed the potential hazards that arise at work. Based on the results of field visits and interviews with fertilization workers in block 19E, the Suayap Estate garden found that workers had used PPE in accordance with the

identification of hazards and potential hazards that arise such as helmets, shoes, aprons, gloves, masks and glasses. Based on this, it is known that the PPE used is in accordance with the risk analysis document and the PPE instructions attached to the product.

**4.7.3**

The Company has compiled a P2K3 PT MMS work program in 2018, while the program and realization include training on the use of APAR and training in the use of Hydrant. The program is prepared by the P2K3 secretary and approved by the P2K3 Chairperson.

The company has also shown other OHS training recordings including hyperkes training for physicians and company medical personnel, training for boiler operators, lift and transport training and welding training. The company has shown the PPE handover document for PT MMS, including the PPE handover for spray employees in August 2018 in the form of rubber gloves, aprons and shoes.

Based on observations and interviews on spraying activities at Suayap Estate (Block 19E), workers have implemented a system of working safely and applying pesticides in accordance with product labels such as minimizing the risk of pesticide exposure, namely the use of PPE in accordance with risk assessment and MSDS packaging such as helmets, aprons, masks, gloves and boots. In addition, workers can also explain that PPE is replaced when damage occurs.

**4.7.4**

The company has shown the structure of P2K3 based on the decision of the head of the Manpower and Transmigration Office of Kotawaringin Barat Regency No: Kep 566/183 / PK.10 / VIII / Disnakertrans concerning the Ratification of the Occupational Safety and Health Management Committee (P2K3) of PT MMS on August 16, 2017.

The company has conducted P2K3 meeting activities in which discussed activities related to OHS including OHS socialization, workplace accidents, PPE and OHS related training. Meetings are held regularly on a monthly basis. Based on the results of interviews with workers at the sterilizer station (1 person), boiler stations (2 people) and kernel stations (1 person), it was known that the workers had understood the role of the P2K3 team and were aware of the P2K3 meetings.

**4.7.5**

The company can demonstrate the procedures regarding OHS, including the Environmental Management, Occupational Health and Safety System Manual which was made, examined, approved and enforced by top management. SOP is effective April 10, 2012. In addition, the company has recorded work accidents and has been documented in P2K3 reporting and reported to the labor and transmigration services in Kotawaringin Barat district.

The company has presented documents on the provision of first aid in the plantation and factory area. The contents of the first aid box refer to 21 items. In addition, the results of field visits at the Suayap Estate and Factory revealed that the company had provided first aid in accordance with the reference (21 items). The auditor conducts an interview with first aid officer and concluded that first aid officers understand the function and how to use equipment in the first aid box. Based on the explanation, Non conformity No. 2017.01 is closed.

Based on the results of interviews with workers in the estate and factories it is known that workers have understood the company's emergency response procedures. Factory workers know the signs of an emergency at the factory such as marking through alarms and bells and knowing where to gather for emergencies. There is an evacuation route in the mill and office.

**4.7.6**

The company has provided health services for its workers including BPJS Health and BPJS Employment. Based on interviews with workers at PT MMS it is known that the workforce has been equipped by BPJS employment and BPJS health. The worker also explained that BPJS is active and can be used.

**4.7.7**

The company shows records of workplace accidents using LTA calculations which inform about work accident rates including fatality, work accidents, actions without lost time, number of working days, number of non-effective days, overtime,



total work hours, number of workdays for a year, number of accidents work for a year and total lost time. Based on this data (FR and SR Recap) it is known that there are 21 working days lost for one year at PT MMS. Based on the explanation above, it can be concluded that the company has shown evidence of recording work accidents with LTA calculations.

**Status: Comply**

### 4.8

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

#### 4.8.1 & 4.8.2

The certificate holder has had a training program for workers included all staff, all workers and contractors for period of 2018. The training has covered all aspects of the RSPO principles and criteria, RSPO SCCS, OHS awareness, outward mindset training, good agricultural and manufacturing practices. The records for each training has been well documented.

Based on observation and interviews with workers in Suayap Mill, Suayap Estate, Umpang Estate, and contractor of FFB transport, it is known that all workers have been trained and can demonstrate the implementation of the work in accordance with the procedure.

**Status: Comply**

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

### 5.1

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

#### 5.1.1

There were no changes related to the environmental impact assessment of the company listed in the "AMDAL Pembangunan Perkebunan dan Pabrik Kelapa Sawit" on 2008. AMDAL has identified all environmental aspects during pre-construction, construction, operations and post-operation. This includes building new roads, installing drainage and irrigation systems, managing waste in mill, cleaning up remaining natural vegetation, and managing pests and diseases.

The Company also has an Addendum to the Environmental Management and Monitoring Plan for the development of plantations and palm oil mill covering an area of 10,000 hectares and an increase in mill capacity from 45 tons / hour to 90 tons / hour on January 15, 2018. However, the document has not yet been approved so it has not become a reference for RKL / RPL activities. This will be observed again in the next assessment. **OFI**

#### 5.1.2 & 5.1.3

The Company shows the Environmental Management & Monitoring Plan Matrix for the Operation Phase in the AMDAL document on 2008, with the types of impacts managed for example:

- Decreased air quality
- Changes in surface water quality
- Changes in the type of nekton composition
- Increase and change in population
- Increased community income
- Potential accidents and OHS
- Environmental Health

Based on the review of the first Semester RKL / RPL Implementation Report document for 2018, it is known that there is no description of the implementation of environmental management activities according to the environmental management plan. This is not in accordance with Decree of Environment Minister No. 45 of 2005 related to the Guidelines for Preparing RKL / RPL Implementation Reports. **Non-conformity No. 2018.01 with the Minor category**

Based on the RKL / RPL Implementation Report for first Semester of 2018, it is known that the company has monitored the environmental impacts caused, but the conducted monitoring does not cover all the impacts that have arisen, such as a decrease in nekton composition, accident monitoring, population improvement and change monitoring, etc. **Non-**



**conformity No. 2018.02 with Minor category**

The Company has shown the RKL / RPL Report that reported to the Environmental Agency, for example for first Semester of 2018 has been sent on August 21, 2018. The report has included the Evaluation of each plan for monitoring and managing environmental impacts.

**5.1.2 Status: Non Conformity No. 2018.01 With Minor Category**

**5.1.3 Status: Non Conformity No. 2018.02 With Minor Category**

**5.2**

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

**5.2.1**

There are no changes to HCV identification. Identification was carried out in 2012 by Sonokeling Akreditas Nusantara with lead assessor is Ir. Kresno Dwi Santosa, MSi (Approved RSPO). In the HCV Identification Report, it is known that the total identified HCV area is 1,361.61 Ha, but the company has reviewed the HCV area based on GIS (Shpfile) calculation data so that the total HCV area is 1,354.15 Ha consisting of 471.11 Ha border area and 883.04 Ha forest and hilly area. HCV areas in the border area have already been planted with palm oil.

**5.2.2, 5.2.3, 5.2.4**

The company shows HCV 2018 HCV Work Plan documents. The plan that has been compiled consists of:

- HCV Area Management Activities such as HCV Area enrichment rehabilitation, HCV Boundary arrangement, installation of HCV Area sign board, weed controlling activities that disturbing HCV areas, nurseries for rehabilitation of HCV areas and mapping of HCV areas.
- HCV Area monitoring activities include protection and monitoring of HCV areas with related parties, monitoring & maintenance of HCV boundaries, monitoring of integrity and condition of signboard HCV area, HCV area inspection, monitoring of RTE in HCV areas, habitat monitoring, RTE population in the HCV area, Monitoring Successful enrichment of HCV area rehabilitation.
- Additional activities such as: mentoring HCV assessment and monitoring processes
- Emergency team activities on land fires

The company shows the HCV Monthly Report in July 2018 which contains HCV management and monitoring activities in 2018. The activities that have been carried out include:

- Planting of perennials (Mahogany and fruits):
  - In January 2018 there were 120 trees in the Umpang River and 65 trees in the Sintang River
  - In February 2018 there were 48 trees in the Sintang River and 62 trees in the block N32a
- Conduct socialization to surrounding villages (see 5.2.3)
- HCV Monitoring on July 19, 2018 at Umpang Estate and on July 21, 2018 at Suayap Estate with the result that there were no disturbances in the HCV area
- Monitoring HCV stakes for example in Umpang Estate is carried out on July 10, 2018. Based on the recap in July 2018 there are 105 HCV signboards in good condition
- List of Animal Sign for the period July 2018, for example Eagle has show on July 10, 2018 with the number of 1 animal in the block B18 SYE block.

Based on field visits in Block O13 / P13 Division J of Umpang Estate, Cinabutun River Border Area, it is known that the company has managed the border area of the river, such as the installation of warning boards for HCV identification, prohibition of hunting warning boards, planting of erosion retaining plants, spray limits on the right and left sides of the river.

The company showed evidence of HCV socialization to the surrounding villages, including socialization to villages around Suayap Estate which was conducted on July 23, 2018 and socialization to villages around Umpang Estate on July 24, 2018. Based on interviews with the villages of Nanga Moa and Suayap Village, it was known that the community has been socialized regarding HCV areas and river borders.

**5.2.5**

Based on the document review on the identification report document on 2012 by Sonokeling Akreditasi Nusantara, field observations and the results of consultations with relevant agency and the surrounding community revealed that there were no community cultivated land that was used as a conservation area so there was no need for a negotiated agreement to protect HCV areas and rights local community.

**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 has identified all waste both hazardous and Non hazardous Waste, for example in the Suayap factory:  
Non Hazardous Waste

Waste type	characteristic	Waste source	Proceding method
Mill Effluent	Liquid	ST. Sterilizer boiling remaining	WWTP
Empty fruit bunch	solid	Thresher station piping remaining	Empty fruit bunch application
Fiber	Dry fibers	St. Press packaging remaining	Boiler fuel
shell	solid	Carnel station sorting remaining	
Sludge	liquid	Clasification station purification	WWTP
Remaining water from factory washing		Factory area washing remaining	
Ash & boiler crust	solid	Boiler burning remaining	Aplicated in the plantation

#### Hazardous Waste

Hazardous waste type	Waste source	Proceding
Used oil	Mill, generator and Gas station	Stored at hazardous land fill
Used filter	Machine room	
Bank capacitor	Power room	
Contaminated cotton waste	Mill, generator and Gas station	
Contaminated soil/sand		
sawdust		
TL Lamp	Mill	
Neon lamp		
Used battery		

#### 5.3.2 & 5.3.3

The company shows that several waste management documents include:

##### 1. Empty fruit bunch

Company can show EFB application recordings, for example in Suayap Estate in August 2018 it has been applied as much as 359.45 tons with an area of 8.15 Ha in Division A. Whereas in Division B, it has been applied as much as 58.50 tons with an area of 1.28 Ha. Empty fruit bunches applications are prioritized on sloping areas. This application of empty fruit bunches functions as organic mulch and increases the content of organic matter and soil nutrients.

Based on the results of a field visit to Block 23 Division E, it was found that the company had carried out an empty fruit bunch application with a one-layer method, application priority was carried out on the terrace area which was used as organic mulch and reduced run-off risk.

##### 2. Liquid waste

The company shows second quarter of Liquid Waste report in 2018 which explains the use of mill effluent to be flowed into the plantation, for example:

- Application of POME on April 1, 2018 for 14.48 hours, total POME irrigation discharge of 759.70 M3 in Block G27
- Application of POME on May 31, 2018 for 14.41 hours, total POME irrigation discharge of 675.80 M3 in Block E19
- Application of POME on June 30, 2018 for 7.24 hours, total POME irrigation discharge of 555.30 M3 in Block E25
- Application of POME on August 25, 2018 for 14.26 hours, total POME irrigation discharge of 761.20 M3 in Block G27

Based on the field visit on block 19 Division E of Suayap Estate, it is known that there is application of mill effluent by applying a long bed system.

### 3. Shell and Fiber

The company shows the Energy Efficiency Calculation document which explains the data on the use of shells and fiber as a substitute for diesel fuel. (see indicator 5.4.1)

### 4. Hazardous waste

The company shows that some hazardous waste management documentation includes: **Suayap Mill**

The Company shows the Hazardous Waste Balance for the period of August 2018 which explains the number of entering and exiting the Hazardous Waste Storage, for example:

Waste type	Total entry (Kg)	Total drop off (Kg)	Drop off date	Delivery address	Last leftover (Kg)
Used Oil	450	450	15/08/2018	PT Bank Sampah Indonesia	-
Used Accu	37.5	37.5	15/08/2018		-
Used Filter	14	14	15/08/2018		-
Used package	693.5	693.5	15/08/2018		-
Used lamp	13	13	15/08/2018		-
Nalco used gallon	26	-			26

Proof of delivery in the form of Hazardous Waste Manifest on 15 August 2018 with hazardous waste transport company from PT Bank Indonesia, for example:

- Manifest No. ARB0005655 with 14 Kg used filter types
- Manifest No. ARB0005654 with 46 kg of pesticide used packaging
- Manifest No. ARB0005652 with 647.5 Kg of Used Packaging
- Manifest No. ARB0005651 with a type of Used Oil as much as 450 Kg
- Manifest No. ARB0005649 with 37.5 Kg Used battery type

### Suayap Estate

There is a hazardous waste balance every month for each type of waste, for example the type of waste used in packaging Pesticides:

Month	Total entry (Kg)	Total drop off (Kg)	Drop off date	Delivery Address	Last Leftover (Kg)
July 2018	38	-	-	-	38
June 2018	8	46	10 July 2018	Suayap Palm Oil Mill	-
August 2018	-	-	-	-	-

Proof of delivery in the form of Minutes of Hazardous Waste Handover to Suayap Mill, for example on July 10, 2018 with the types of waste sent including 0.6 Kg Used Lamps, 647.5 Kg of Used Fertilizer Sacks, 46 Kg of Used Chemical Packaging, Used Catridge 0.01 Kg.

Reporting on the management of Hazardous Waste that has been carried out every 3 months to the Environmental Agency

for the first quarter of 2018 is sent on April 11, 2018 and 2nd quarter of 2018 on July 10, 2018.

The company shows the Minutes of CST Oil Thickness Check Method by replacing from the use of TL lamps to making part of the CST wall transparent and by giving a thickness measurement meter. During field visits to the plantations and factories, it was known that the company no longer used hazardous waste for operational activities. Based on this, Non-conformity No. 2017.02 with the Minor category is closed.

#### 5. Medical Waste

The management of medical waste is done by collecting medical waste at the Central Clinic at PT SSS. The company shows proof of delivery of medical waste in the form of Medical Waste Form for example on September 10, 2018 with medical waste of Flabot Infusion and Infusion Set as much as 3 Kg.

The company has a Decree of the Regent of Kotawaringin Barat with No. 660/26 / DLH / VIII / 2017 regarding hazardous waste storage permits on PT MMS dated 18 August 2017 valid for 5 years.

For Hazardous Waste shipping activities, the company shows cooperation documents with third parties and B3 waste management permits from third parties, for example:

#### 1. Hazardous Waste Management Agreement

- Letter of Agreement on the Transport and Management of Hazardous Waste No. 14 / LGL / QHSE / MMS-BSI-WASTEC / V / 2016 dated 27 May 2016 is a work agreement between PT MMS, PT Bank Sampah Indonesia and PT Wastec International.
- Letter of Agreement on the Transport and Management of Hazardous Waste No. 32 / LGL / QHSE / MMS-BSI-KNBP / V / 2016 dated November 1, 2016 is a work agreement between PT MMS, PT Bank Sampah Indonesia and PT Karya Nusa Bumi Persada

#### 2. Third Party Permit

- Hazardous Waste Transport Recommendation Letter No. 2885 / PSLB3-VPLB / 2015 dated 13 November 2015 from the Ministry of Environment given to PT Bank Sampah Indonesia with a validity period of 5 years. In addition, there is a Permit for the Implementation of Transport of Special Goods for Transport Dangerous Material No. SK.7736 / AJ309 / DJPD / 330130921BB-005 from the Ministry of Transportation to PT Bank Sampah Indonesia for vehicle number AD1836AV.
- Minister of Environment Decree No. 546 / Menlhk-Setjen / 2015 dated 19 November 2015 regarding the extension of hazardous waste management permits for PT Wastec International with a validity period of 5 years
- Minister of Environment Decree No. SK.218 / Menlhk / Setjen / PSLB.3 / 3/2016 dated March 15, 2016 concerning the extension of hazardous waste management permits for PT Karya Nusa Bumi Persada with a validity period of 5 years'

**Status: Comply**

### 5.4

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

#### 5.4.1

The company uses shells and fiber as boiler fuel to generate turbine power as a substitute for the use of fossil fuels. The company shows the Energy Efficiency Calculation document for the period of January to August 2018, with the following data:

Prosesse d FFB (kg)	Energy source		Consumted energy (electricity)		Total kWh	Kwh KCP	Total kWh FFB
	Solar (L)	Shell & fiber (kg)	Kwh generator	Kwh Turbine			
197,893	100,583	35,581,916	364,008	6,571,900	6,935,908	2,287,578	4,648,330

kWh FFB/ Ton Processed FFB	Total Kwh /ton Processed FFB	kWh Turbine / ton Processed FFB	kWh generator / ton Processed FFB	Liter /kwh generator
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23.49

35.05

33.21

1.84

0.28

Based on field visits and interviews with machine room operator at the mill, it was found that electricity for the mill operational activities used turbines, while the generator was used only at certain times.

Based on these data, it is known that the company has replaced the use of diesel fuel into renewable fuels (fiber and shells).

**Status: Comply**
**5.5**

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

**5.5.1 & 5.5.2**

The company has procedures for land fire countmeasure regulated in SOP-EHS.GN. 013. The procedure effectively on April 6 2018.

Based on the results of a review of the statement area document on 2018 and field visits, it is known that the company did not conduct replanting or increase the area. Based on interviews with the people of Nanga Moa Village and Suayap Village, so far there have been no land fires in the company area.

**Status: Comply**
**5.6**

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

**5.6.1**

The company shows pollution sources in PT. MMS:

Polution causing procedure	Polution Source	Emission Type
Fiber and shell burning	Boiler station	SO <sub>2</sub> , NO <sub>2</sub> , Cl <sub>2</sub> , NH <sub>3</sub> , HCl, and HF
Solar burning	Power generator 1 & 2; vehicle (Triton, Dump Truck, Whell loader)	NO <sub>2</sub> , SO <sub>2</sub> , CO
Mill effluent	WWTTP	CH <sub>4</sub>
Pesticide usage	Spraying activity	NH <sub>3</sub> , NO <sub>2</sub>
Fertilizer usage	Fertilizing activity	NH <sub>3</sub> , NO <sub>2</sub>

In addition, the company has shown the results of testing air quality across the operational activities area, including:

- **Air Ambient**

The company showed the Air Ambient Test Results Report by PT Unilab Indonesia on May 28, 2018 at the plantation area, Suayap axle road, Suayap Palm Oil Mill housing and Suayap Mill Office. Based on the results of testing in May 2018, it is known that all parameters are still below the Government Regulation standard no. 41 of 1999.

- **Genset emissions**

The company shows Genset Emission Testing Results Reports by PT Unilab Indonesia on May 28, 2018 on generators at the Suayap Mill and all Division of Suayap Estate and Umpang Estate. Based on testing in May 2018, it is known that all parameters are still below the standard quality of Decree of Environment Minister No. 21 of 2008

- **Boiler Emissions**

The company shows the Boiler Emission Testing Results Report by PT Unilab Indonesia on May 28, 2018 on the boiler Mill with the results of all the parameters still below the standard quality of Decree of Environment Minister No. 07 of 2007.

**5.6.2**

The company shows the Objective Target Program (OTP) on 2018 which has planned GHG emission reduction activities,

for example:

- OTP at the Suayap Mill, the GHG mitigation activities carried out by replacing the use of diesel fuel with the use of renewable energy fiber and shells carried out throughout the year.
- OTP at Estate, GHG mitigation activities by optimizing generator sets and reducing pesticide usage through the integration program of cattle and palm oil.

There is evidence of realization of GHG mitigation plans, for example:

- The company shows an efficient document on the use of diesel fuel which is replaced with fiber and shells. Based on field visits and interviews with engine room operators, it is known that electric power for mill operations uses turbines with shell fiber fuel through combustion in the boiler.
- Based on field visits at the plantation, it was known that the company implemented the integration of palm oil with cattle in the plantation area.
- Based on field visit, mill is on process to develop methane capture.

The company has the opportunity to reevaluate the mitigation plan for all activities that produce GHG emissions. **OFI**

### 5.6.3

The Palm GHG has been calculated using the latest tool namely palmGHG calculator v 3.0.1 using apply full version, the net palmGHG generated by the company is **1.57 tCO<sub>2</sub>e/tCPO**, the data summary are verified by the auditor and reported as follows:

#### Summary of emission:

Product	tCO <sub>2</sub> e/t Product
CPO	1.57
PK	1.57
PKO	0
PKE	0

Land Use	Ha
OP Planted Area	10,446.26
OP Planted on peat	0
Conservation (forested)	<b>959.04</b>
Conservation (non-forested)	<b>0</b>
Total	11,405.3
Production	t/yr
FFB Processed	239,393.28
CPO Produced	48,654.16
PK Produced	9,125.04
OER	20.32
KER	3.81

#### Summary of Plantation/field emissions and sink

Description	Own			Group			3 <sup>rd</sup> Party		
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/ha	tCO <sub>2</sub> e/t FFB
Land	116951.1	16.29	0.73	55069.06	16.85	1	0	0	0



conversion									
CO2 emission from fertiliser	713.49	0.1	0	2082.38	0.64	0.04	0	0	0
N2O emission	1123.61	0.16	0.01	2514.2	0.77	0.05	0	0	0
Fuel consumption	1890.33	0.26	0.01	0.87	0	0	0	0	0
Peat Oxidation	0	0	0	0	0	0	0	0	0
Crop sequestration									
Sequestration in conservation area	-67198.1	-9.36	-0.42	-30597	-9.36	-0.55	0	0	0
Total	-5421.76	-0.76	-0.03	-696.92	-0.21	-0.01	0	0	0

**Mill emission and credit**

Description	tCO2	tCO2e/t FFB
Emissions Sources		
POME	5791.75	0.02
Fuel Consumption	915.78	0
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Housing & Grid	0	0
Sale Of PKS	0	0
Sale Of EFB	0	0
Total	6707.53	0.03

**Palm Oil Mill Effluent (POME) Treatment**

Diverted to compost	0 %
Diverted to anaerobic digestion	100 %

**POME Diverted to Anaerobic Digestion**

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

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

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

**6.1.1; 6.1.2**

The social impact has been identified in social impact assessment (SIA) of PT Mitra Mendawai Sejati. The assessment was conducted in 24-30 July 2012 by accredited consultant PT. Sonokeling Akreditasi Nusantara and involved of all affected parties, included of Umpang Village and Nanga mua Village. All records of meeting and minutes of activities are available in place. Based on interviews with officials of Nanga mua Village, the village has been involved in the assessment.

**6.1.3**

Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment is available within the SIA report. The social impact management plan has contains timetable, including responsibilities for implementation. One of the plans to reduce negative impacts and promote positive ones are implementing the CSR program described in criterion 6.11. Based on interviews with officials of Nanga mua Village, the CSR program had a positive impact on the village community, so as to create a conducive relationship between the company and the villagers.

**6.1.4**

The review of social impact assessment is carried out every year, which is conducted simultaneously with future programming. The evaluation document recommends programs that may continue or need to be discontinued. The plan is developed and updated in accordance with the social trends of the affected parties.

The Certificate Holder has the last evaluation of the SIA in the document of Evaluation of Internal and External Stakeholder Activities in 2016, in which internal (employee) and external (surrounding community) stakeholders are within the scope of the SIA document. From 2017 – 2018 there is no other evaluation for social impact document, therefore this indicator is nonconformity and raise **Non Conformity No. 2018.03**

**6.1.5**

Social impact assessment (SIA) of PT Mitra Mendawai Sejati 2012, has explained positive and negative impact to the stakeholder. Based on document review, CH has agreement with cooperative as follows :

- Cooperative tani citra mua sejati of Naga Mua villages dated 16 January 2013
- Cooperative tani mitra bina suayap of suayap villages dated 7 October 2014

based of above document and review of existing SIA document, the CH has not able to show involved of 2 cooperative which has agreement with the CH. In SIA document or in the activity evaluation and implementation of the SIA, also no evidence of 2 cooperative aboves. Therefore this indicator is not comply and raise **Non Conformity No. 2018.04**.

<b>6.1.4</b>	<b>Status: Non Conformity No. 2018.03</b>
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<b>6.1.5</b>	<b>Status: Non Conformity No. 2018.04</b>
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**6.2**

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

**6.2.1; 6.2.2 ; 6.2.3**

List of stakeholders are available and well maintained by the certificate holder. The list updated in May 2018 contained all relevant stakeholders of PT Mitra Mendawai Sejati. The Certificate Holder has established procedure of communication, participation and consultation of environment and OHS (No. SOP-EHS.GN-006), that has been socialized to all stakeholders. Responsible person for doing communication and consultation is CSR Staff.

According information during stakeholder consultation in Umpang Village, the community has acknowledge the procedure and the person in charge that usually contacted. The certificate holder regularly conducts consultations, and annually conducted meeting with village to evaluate and develop CSR programs. The last meeting took place on 28 September 2017, the minutes of meeting shows that that last year's CSR programs need to be maintained, and have been outlined in CSR programs by 2018

<b>Status: Comply</b>
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**6.3**

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

**6.3.1 ; 6.3.2**

The mechanism, open to all affected parties, resolve disputes in an effective, timely and appropriate manner was described within procedure of Mechanism of Communication and Consultation with the Community (SOP-LEGAL.GN-13), procedures of Land & Land Conflict Resolution (SOP-LEGAL.GN-014), procedure of Handling of Employee Complaints (SOP-PERS.GN-017), and Company Regulations. The procedure includes ensuring anonymity of complainants and whistleblowers.

As the implementation of the complaints submission and employee complaints mechanism, the certificate holder already has a gripe book and suggestion box to file an employee complaint or suggestion at the Estate and Mill Office. Based on interview in Umpang Village, Gender Committee, and employees in Mill, it is known that there are no complaints from stakeholders regarding the operations. The stakeholders have acknowledged the actions to be taken if they will submit complaints to the management. Despite of stakeholder interviews, there are several complaints identify on complaint book of Suayap estate. All complaint has been documented and follows up by the management of estates.

<b>Status: Comply</b>
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**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**

CH has had SOP for land compensation which describes identification, calculation and compensation for land release mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.

**6.4.2 & 6.4.3**

The results of document review, field visit and interviews show that the CH does not perform new expansion since the last assessment (2017). The latest land compensation has been conducted in 2013.

<b>Status: Comply</b>
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**6.5**

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

**6.5.1**

The results of document verification known that the employee payment is referred to the regulations of Central Kalimantan Governor No. 40 Year 207 about Sectoral Minimum Wage of Regency in 2018 for Regency of Kotawaringin Barat amounted to Rp Rp 2,745,084. Result of documents review of payroll and interviews with employees obtained information that the salary received is in accordance with the applicable provisions.

Result of documents review of payroll and interviews with employees obtained information that the salary received is in accordance with the regulations of Central Kalimantan Governor on 2017. Based on overtime record at Suayap Mill, Suayap Estate and Umpang Estate its known the calculation of overtime has been met the applicable regulation and procedure. The harvesters works daily based in 7 working hours. CH provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. Based on payment list, the harvesters have earned more than the minimum wage.

**6.5.2**

The certificate holder has shown the Company Regulations that has been ratified by Labor and Transmigration Agency of West Kotawaringin Regency. The Company Regulations is in accordance with the existing labor regulations in Indonesia, and it is written in Indonesian language and understood by the worker. Based on document verifications and interviews with the workers obtained information if all workers has had a direct work agreement with the company. They have understood the terms of the agreement such as payment, overtime, leave, as well as health and employment insurance. There is no significant problems related to employment or violations of company regulations.

<b>6.5.3 ; 6.5.4</b> Based on field observations known that the certificate holder has been providing well housing facilities, lighting, water, daycare, employee halls, places of worship, educational facilities, school buses, and clinics. As an effort to make it easier for workers to access reasonable, adequate and affordable food sources, the certificate holder has provided groceries store in each unit. Based on interviews with workers at the emplishment, it is known that the workers have felt fulfilled with the infrastructure and facilities that have been provided by the certificate holder.		
	<b>Status: Comply</b>	
<b>6.6</b> <b>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.</b>		
<b>6.6.1</b> The certificate holder has the policy that provides freedom of association contained in Human Rights Policy. The policy described the freedom of association, stated that every employee is free to form and join worker unions and labor unions in accordance with applicable regulations. Until the ASA- 2 in PT Mitra Mendawai Sejati, the worker has not been formed Worker Unions, but the certificate holder is formed Bipartite Cooperation Institution and has been reported to the relevant agencies, as a forum for the settlement of the existing industrial relations and related to the compliance with the applicable regulations. The results of interviews with workers known that the worker has known about the policy on freedom of association and workers also have known about the function of the Bipartite Cooperation Institution. CH also did not give any intervention related to worker union activity  <b>6.6.2</b> Based on interview with Bipartite Cooperation Institution boards, it is known that there are no problems that occurred along 2018. The meeting of the institution performed routinely or whenever if there is a problem that must be discussed. Last meetings were conducted on April 2018, June 2018 and August 2018 which attended by the management of CH and representatives of Bipartites cooperation institution boards. All meeting documents such as minutes of meeting, attendance list, photos,etc has been recorded and keep by each party.		
	<b>Status: Comply</b>	
<b>6.7</b> <b>Children are not employed or exploited.</b>		
The certificate holder has the policy of no child labor or child exploited that contained in Human Rights Policy, that described not employing children under 18 years old. Based on review of employee list, and field observation, known that there are no employees under 18 years old. The workers in Suayap Mill, Suayap Estate, and Umpang Estate already known about the employee minimum age.		
	<b>Status: Comply</b>	
<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>		
<b>6.8.1 ; 6.8.2 ; 6.8.3</b> The certificate holder's Human Rights Policy, have included policies on non-violence, harassment, reproductive rights protection, fair employee selection, and fair employee treatment. Based on review of employee list, field observation, interview with the workers in Estates and Mill, Gender Committee, Bipartite Cooperation Institution, and officials of Umpang Villages, it is known that there is no indication of discrimination based on ethnicity, religion, gender, sexual orientation, race and class, or origin. The employee selection and promotion are conducted in accordance with the assessment and without any discrimination.		
	<b>Status: Comply</b>	
<b>6.9</b> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>		

**6.9.1 ; 6.9.2 ; 6.9.3**

The policy about prevent of sexual harassment mentioned in Human Rights Policy, that described:

- **Protection of reproductive rights:** The Company will comply with all applicable laws relating to reproductive rights, including the right to maternity leave, and will provide pregnant and breastfeeding women with tasks that do not pose a health risk to themselves or their children.
- **No Harassments:** All employees have the right to work in an area that is free from harassment of any form, including religious, disability, gender, sexual orientation, political persuasion, race, marital status, ethnicity or age. All reports discrimination or harassment will be handled properly and kept confidential to get a fair statement in reducing the risk of harm.

There is a procedure of sexual harassments complaint handle (SOP-PERS.GN-016), dated 1 August 2012. Based of interview with the workers in the Mill and Estate, and Gender Committee, it is known that the workers have understood the policy and the mechanisms of the complaints. The certificate holder guarantees the anonymity of the reporting and the revellers of the case.

	<b>Status: Comply</b>
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**6.10**

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

**6.10.1 & 6.10.2**

Based on the FFB Sale and Purchase Agreement, it is known that the base price of FFB is based on the price stipulation from the Plantation Agency. For example the FFB Purchase Sale Agreement with PT Menthobi Sawit Jaya No. 31 / LGL / MKT / MMS-MSJ / III / 2018 dated March 28, 2018 in Article 6 explains that the basis for the purchase price of FFB is in accordance with the price set by the Plantation Agency with the addition of Rp. 125 as a transportation cost subsidy.

The company shows that the internal memo sent to the FFB Supplier is related to the information on FFB prices that apply every month. For example, for pricing the last 3 months, including June 2018 amounting to Rp. 1695; July 2018 Rp. 1599 and August 2018 amounting to 1509.

**6.10.3 & 6.10.4**

The Company shows the FFB Purchase Contract Agreement Letter which has been agreed upon by both parties, for example the FFB Sale and Purchase Agreement with PT Menthobi Sawit Jaya No. 31 / LGL / MKT / MMS-MSJ / III / 2018 dated March 28, 2018 approved by the Commercial Director of PT MMS and Managing Director of PT Menthobi Sawit Jaya which contains pricing, validity period of 1 year, criteria for FFB up to payment mechanism.

The company shows proof of payment in the form of Application for Payment Approval and proof of transfer, for example for payment of PT Menthobi Sawit Jaya for the period July 2018 with a total of FFB 869,599 Kg and the price of FFB Rp. 1599 / kg paid on August 24, 2018.

Payments for plasma plantations have not been made because based on the plasma agreement it is explained that the calculation for payments will be made after the 48-month after planting date.

	<b>Status: Comply</b>
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**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1**

The company shows the Village Consultation Minutes that explain the results of meetings with villages related to the CSR programs carried out by the company. For example the Village Conference event in Umpang Village on September 28, 2017 which was attended by 38 residents and company representatives as the basis for the CSR program in 2018.

The company shows the CSR Program on 2018 based on the results of the Village Conference activities. The planned CSR activities, for example:

- For education: teacher honorarium assistance, scholarship programs, apprenticeship programs,
- For the environmental sector: seed assistance, community care for fire



- For the field of economic empowerment: training in agriculture / plantation / agribusiness, small and medium enterprises training

The company shows evidence of the realization of CSR activities in 2018, for example in the field of social culture related to Santy Nyepi celebrations on January 29, 2018 and assistance in repairing access roads on May 29, 2018.

Based on interviews with the villages of Nanga Mua and Suayap Village, it was explained that there were assistance for the construction of surrounding communities such as the construction of electrical installations, free electricity, road repairs, repair of places of worship and assistance during religious holidays.

#### 6.11.2

Plasma farmer registration is listed in the List of Farmer Members based on Letter of Farmer Candidates for Plasma Participants, for example the List of Farmers of Citra Mua Sejati Farmers Group with a total of 150 landowners with an area of 90.74 Ha and Mitra Bina Suayap Farmers Group with a total landowners of 62 total area of 27 Ha.

The company also shows the program and the realization of plasma development activities period 2017. There are training activities for the development of plasma cooperatives, among others Village cooperative training conducted on October 2017, the Farm Management Training was conducted in December 2017.

	<b>Status: Comply</b>	
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#### 6.12

**No forms of forced or trafficked labour are used.**

##### 6.12.1; 6.12.2; 6.12.3

In the Human Rights Policy mentioned "No coercion or labor trafficking" who described if all employees and contractors are given clear terms of agreement, covering the period of notification applied to termination and will not be required to submit passports, identity cards, insurance cards or money". Based on document review, field observations, and interviews with workers, Bipartite Cooperation Institution, and Umpang Village showed that there were no migrant labor, trafficking practices and forced labor. All of the workers are working in accordance with labor agreements.

In the Human Rights Policy mentioned "No coercion or labor trafficking" who described if all employees and contractors are given clear terms of agreement, covering the period of notification applied to termination and will not be required to submit passports, identity cards, insurance cards or money". Based on document review, field observations, and interviews with workers, Bipartite Cooperation Institution, and Umpang Village showed that there were no migrant labor, trafficking practices and forced labor. There is no coercion to workers related to hours of work, overtime or output. for instance, The harvesters works daily based in 7 working hours. CH provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. Based on payment list, the harvesters have earned more than the minimum wage.

	<b>Status: Comply</b>	
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#### 6.13

**Growers and millers respect human rights**

##### 6.13.1

The certificate holder has had a Human Rights Policy that was ratified in April 2016. In the policy explained that the certificate holder is complying with the principles of tribute and protection on human rights internationally known, applicable local laws regulations. The policy covers non-employment of children, forced labor, labor trafficking, harassment, violence, freedom of association, protection of reproductive rights, wages and conditions, employee selection, and fair treatment.

Based on field observation, interview with workers in Mill and Estate, Gender Committee, Bipartite Cooperation Institution, and Labor Agency, it is known that the Human Rights Policy has been socialized to the worker. There is no human rights violations committed by certificated holder against the workers.

	<b>Status: Comply</b>	
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#### **PRINCIPLE #7 Responsible development of new plantings**

<b>7.1</b>		
<b>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.</b>		
Based on the statement area and field visits at Suayap and Umpang Estate, it was known that there were no new land clearing activities.		
	<b>Status: Comply</b>	
<b>7.2</b>		
<b>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.</b>		
<b>7.2.1 &amp; 7.2.2</b>		
Company is able to show the record of soil survey and land suitability. The soil survey was conducted by Bogor Soil Survey Team cooperating with company on 1999 in area of Rungun-Lalang-Rangda-Natai Raya for 14,730 Ha. The available informations are type of soil, physiography, region form (slope), main substance, soil fertility, and land class suitability. There is no new area development beyond the determined land use title area.		
	<b>Status: Comply</b>	
<b>7.3</b>		
<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>		
<b>7.3.1 and 7.3.2</b>		
PT MMS conduct land clearing after 1 November 2005 without a prior HCV assessment, so CH need to follow Remediation and Compensation Procedures. PT SSS, as the parent of PT MMS has submitted disclosure and LUC analysis document to RSPO secretariat on 20 September 2014. On 6 April 2016 PT MMS has got Approval for LUCA Review. On 10 October 2017 Concept Note has been approved by RSPO compensation panel and CH has submitte Compensation Plan on 25 January 2018. There comment from RSPO compensation panel regarding to Compensation Plan PT MMS and this comment has been received on 1 August 2018. Now CH is on process to complete the Compensation Plan in accordance with RSPO comment. The progress of Compensation Plan approval from the Compensation Panel for the liability will be observe in next assessment.		
<b>7.3.3; 7.3.4 and 7.3.5</b>		
Based on the results of interviews with management is known that the initial activity of land clearing was done in 2005. The results of document review, field visits and interviews found that CH did not expand or conduct new planting since the last assessment (2017).		
	<b>Status: Comply</b>	
<b>7.4</b>		
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
<b>7.4.1 &amp; 7.4.2</b>		
Based on the results of interviews with management is known that the initial activity of land clearing was done in 2005. The results of document review, field visits and interviews found that CH did not expand or conduct new planting since the last assessment (2017).		
	<b>Status: Comply</b>	
<b>7.5</b>		
<b>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.</b>		
<b>7.5.1</b>		
Based on the results of interviews with management is known that the initial activity of land clearing was done in 2005. The results of document review, field visits and interviews found that CH did not expand or conduct new planting since the last		

assessment (2017).		
	<b>Status: Comply</b>	
<b>7.6</b> <b>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.</b>		
<b>7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6</b> Based on the results of interviews with management is known that the initial activity of land clearing was done in 2005. The results of document review, field visits and interviews found that CH did not expand or conduct new planting since the last assessment (2017).		
	<b>Status: Comply</b>	
<b>7.7</b> <b>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.</b>		
Based on the statement area and field visits at Suayap and Umpang Estate, it was known that there were no new land clearing activities.		
	<b>Status: Comply</b>	
<b>7.8</b> <b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
Based on the statement area and field visits at Suayap and Umpang Estate, it was known that there were no new land clearing activities.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b> <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
<b>8.1</b> <b>Internal audit</b> The company shows the results of the internal audit conducted on May 7, 2018 for the Umpang Estate with the results of 8 Major and 15 minor, Suayap Estate has conducted on July 7, 2018, the mill is carried out in July 2018 with the results of 7 non-conformities. All non-conformities have been met.		
<b>Environment</b> The company shows improvements and evaluations of the environmental impacts that included in the RKL / RPL Implementation Report made every 6 months.		
<b>Social</b> CH has made <i>Baseline programs</i> which its programs will be assist for CSR department. The main idea of the programs is not only identify and gives charity to related stakeholder but emphasize to <i>basic needs assessment</i> for related stakeholder or community. This programs will be implemented in end of 2018.		
<b>OHS</b> The company has conducted regular monthly meetings which discuss OHS issues and are reported to related agencies.		
<b>BMP</b> The company has utilized natural enemies to eradicate caterpillar nettle pests and rat pests.		
	<b>Status: Comply</b>	

**3.2 Summary of Assessment Report of Supply Chain Requirements**

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
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.
	<b>Status: Comply</b>
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.
	<b>Status: Comply</b>
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 Suayap POM is RSPO_PO1000003276
	<b>Status: Comply</b>
5.1.4	Processing aids do not need to be included within an organization's scope of certification.
	There is no processing aids in Suayap POM.
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>
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.
	<b>Status: Comply</b>
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).
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
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.
	Suayap POM has a procedure for Supply Chain procedure SOP-PKS.GN-020 rev.08 dated on 1 June 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 Administration head of Suayap 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

The Procedure to conduct annual internal audit are describe at procedure of Internal Audit Management System SOP-SUST.GN-003 rev 00 dated on 21 March 2018. Internal audit of SCCS integrated with sustainability audit and conforms to the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. The last internal audit conduct 21 July 2018.

**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.

The Procedure/mechanism of handling non conforming products are describe in procedure of Supply Chain procedure SOP-PKS.GN-020 rev.08 dated on 1 June 2018. CH has implemented SCCS in Mass balance model. If there is non conformity of certified product, administration head will coordination with supplier and marketing and the will wait until there is a decision. The decision is downgrade model or return the product.

**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.

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

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

Suayap POM didn't sell RSPO certified products since 27 October 2017.

	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b>	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries; and</li> <li>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</li> </ul> <p>Suayap POM didn't sell RSPO certified products since 27 October 2017.</p>
	<b>Status: Comply</b>
<b>5.7.2</b>	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul> <p>Suayap POM didn't sell RSPO certified products since 27 October 2017.</p> <p>The certified product sold under conventional scheme has been remove from palm-trace which is:</p> <ul style="list-style-type: none"> <li>CSPO: 11,816.74 MT</li> <li>CSPK: 3,532.43 MT</li> </ul>
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b>	<p>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</p> <p>RSPO SCCS training Planned periodically once a year and describe in procedure of Internal Audit Management System SOP-SUST.GN-003 rev 00 dated on 21 March 2018.</p>
	<b>Status: Comply</b>
<b>5.8.2</b>	<p>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</p> <p>Certificate holder has provided training at 4 and 13 August 2017 and Based on interview at weighbridge station is known that the weighbridge operator and SCCS person in charge have understand the RSPO supply chain procedures.</p>
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b>	

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	
Suayap POM has provide an update of monthly summary of RSPO FFB certified and non-certified from its supply bases. Furthermore, Suayap POM has record and balance of all RSPO product (CSPO and CSPK) produced, as well as its dispatch.	
	<b>Status: Comply</b>
<b>5.9.2</b>	
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Based on Supply chain procedure dated 1 June 2018 known that retention time for supply chain document is 2 years. Records of transaction from the past two years were available.	
	<b>Status: Comply</b>
<b>5.9.3</b>	
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.	
Estimation of certified product from Suayap POM for 2018/2019 is presented in this report. As per 27 October 2018, the estimate volume of certified product from Suayap POM is presented as follows:	
<b>Certified Products</b>	<b>Estimation Tonnage of Certified Products (27 Oct 2018 – 26 Oct 2019)</b>
CSPO	40,426
CSPK	8,422
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b>	
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 ( <a href="http://www.rspo.org">www.rspo.org</a> ); 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	
Suayap 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.	
	<b>Status: Comply</b>
<b>5.10.2</b>	
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Suayap 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.	
	<b>Status: Comply</b>
<b>5.11</b>	<b>Claims</b>
<b>5.11.1</b>	
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
The site didn't make claims regarding to RSPO certified oil palm products.	
	<b>Status: Comply</b>

<b>5.12</b>	<b>Complaints</b>
<b>5.12.1</b>	<p>The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p> <p>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.</p>
	<b>Status: Comply</b>
<b>5.13</b>	<b>Management review</b>
<b>5.13.1</b>	<p>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p> <p>Management review is conduct annually. The last management review was conducted in 4 September 2018.</p>
	<b>Status: Comply</b>
<b>5.13.2</b>	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul> <p>The Management review are include result of follow up from previous management review, change and issues from internal and external, performance and effectiveness (Customer feedback, Results of internal audits, Status of preventive and corrective actions), human resources availability, Recommendations for improvement.</p>
	<b>Status: Comply</b>
<b>5.13.3</b>	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul> <p>The Management review are include the decision and actions related to Improvement of the effectiveness of the management system and its processes and Resource needs.</p>
	<b>Status: Comply</b>

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.		
Suayap Mill is used RSPO supply chain of Mass Balance module because mill will 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 Suayap Mill obtained from the data of 12 months before the audit activities and have been described in this ASA-2 report.		
Certified Products	Estimation Tonnage of Certified Products (27 Oct 2018 – 26 Oct 2019)	
CSPO	40,426 mt	
CSPK	8,422mt	
	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).		
• RSPO IT Platform member registration number: RSPO_PO1000003276		
• Certified CPO sold to each buyer period of 27 October 2017 – 11 September 2018		
Date	Buyer	Volume (Kg)
-	-	-
Total		-
• Certified Palm Kernel sold to each buyer period of 27 October 2017 – 11 September 2018		
Date	Buyer	Volume
-	-	-
Total		-
Interview and document review show that mill didn't sell RSPO certified product since 27 October 2017. This is also confirm with palm-trace data.		
	Status: Comply	
E.3	Documented procedures	
E.3.1		
The site shall have written procedures and/or work instructions to ensure the implementation of all the elements		

specified in these requirements. This shall include at minimum the following:

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

Suayap POM has a procedure for Supply Chain procedure SOP-PKS.GN-020 rev.08 dated on 1 June 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 Administration head of Suayap 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.**

Suayap Mill has had SOP for the implementation of supply chain which describes the procedure to guarantee the products produced by the mill can be traced to its source and certainly comes from certified sources. To find the source of FFB comes from the estate that has been certified with RSPO, the mill has computerized system. The result of field visit at weighbridge is known that consignment note (SPB) and weighbridge ticket from RSPO certified estate will be stamped Certified Sustainable Palm Oil.

**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.**

- Certified and non-certified FFB received period of 27 October 2017 to 11 September 2018

Month	FFB (Kg)		
	RSPO Certified	Non Certified	Total
27 – 31 Oct 17	1,762,440	754,630	2,517,070
November 17	9,041,160	4,841,640	13,882,800
December 17	12,485,260	6,145,380	18,630,640
Jan 18	12,426,340	6,350,370	18,776,710
Feb 18	11,374,150	5,712,230	17,086,380
Mar 18	13,897,740	7,059,860	20,957,600
Apr 18	15,103,730	10,353,470	25,457,200
May 18	17,856,520	13,202,510	31,059,030
June 18	14,542,050	10,922,770	25,464,820
July 18	19,133,030	12,318,170	31,451,200
August 18	17,618,930	10,311,230	27,930,160
1 – 11 Sept 18	5,383,280	4,117,790	9,501,070
<b>Total</b>	<b>150,624,630</b>	<b>92,090,050</b>	<b>242,714,680</b>

**Status: Comply**

### E.4.2

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



Suayap Mill has had SOP for the implementation of supply chain. This procedure states that in case the projection is exceeding the claim of certified product, then company should perform: informs related RSPO certification body and RSPO IT System/ e-trace.

The results of interviews with representatives of the management unit indicates that the management unit has been understood about the procedures for providing information if there is excess production of RSPO-certified products. Document review showed that the production of RSPO certified products do not exceed the estimated production in the RSPO certificate attachment of ASA-1.

**Status: Comply**

**E.5 Record keeping**

**E.5.1**

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

Suayap Mill has record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified product (CPO and PK) on a three-monthly basis as describe on table below

Period	CPO Production (Kg)			CPO Despatch (Kg)			
	Cert	Non	Total	RSPO	ISCC	Non	Total
Opening	4,258,840	-	4,258,840	-	-	-	-
Sept 17	2,119,153	2,102,702	4,221,855	-	-	4,200,000	4,200,000
Oct 17	2,567,107	1,143,357	3,710,464	-	-	6,600,000	6,600,000
Nov 17	2,136,295	1,087,602	3,223,897	-	-	3,700,000	3,700,000
Dec 17	2,944,869	1,598,792	4,543,661	-	-	3,050,000	3,050,000
Jan 18	555,907	3,789,844	4,345,751	-	-	1,500,000	1,500,000
Feb 18	2,791,759	1,391,420	4,183,179	-	-	5,850,000	5,850,000
Mar 18	3,365,669	1,740,872	5,106,541	-	-	5,000,000	5,000,000
Apr 18	3,456,199	2,432,817	5,889,016	-	-	6,030,220	6,030,220
May 18	4,038,675	3,015,770	7,054,445	-	-	7,170,350	7,170,350
June 18	3,324,985	2,477,381	5,802,366	-	-	3,486,060	3,486,060
July 18	4,392,440	2,821,625	7,214,065	-	-	7,279,210	7,279,210
Augst 18	4,058,050	2,365,643	6,423,693	-	-	7,893,130	7,893,130
<b>Total</b>	<b>40,009,948</b>	<b>25,967,824</b>	<b>65,977,773</b>	-	-	<b>61,758,970</b>	<b>61,758,970</b>

Period	PK Production (Kg)			PK Despatch (Kg)			
	Cert	Non	Total	RSPO	ISCC	Non	Total
Opening	65,770	-	65,770	-	-	-	-
Sept 17	405,097	405,163	810,260	-	-	765,310	765,310
Oct 17	495,038	220,122	715,160	-	-	685,140	685,140
Nov 17	448,681	228,475	677,156	-	-	598,660	598,660
Dec 17	566,043	307,960	874,003	-	-	622,200	622,200
Jan 18	119,922	782,835	902,757	-	-	1,304,490	1,304,490

Feb 18	542,358	270,347	812,705	-	-	825,500	825,500
Mar 18	684,731	355,234	1,039,965	-	-	1,026,160	1,026,160
Apr 18	748,930	527,994	1,276,924	-	-	1,216,470	1,216,470
May 18	901,841	672,306	1,574,147	-	-	1,524,400	1,524,400
June 18	698,554	525,067	1,223,621	-	-	1,240,240	1,240,240
July 18	933,595	599,853	1,533,448	-	-	1,432,340	1,432,340
August 18	890,726	519,724	1,410,449	-	-	1,499,770	1,499,770
<b>Total</b>	<b>7,501,286</b>	<b>5,415,080</b>	<b>12,916,365</b>	<b>-</b>	<b>-</b>	<b>12,740,680</b>	<b>12,740,680</b>
<b>Status: Comply</b>							
<b>E.5.2</b> <b>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.</b> Suayap Mill does not perform activities of palm kernel crushing to the independent palm kernel crushers.							
<b>Status: Comply</b>							

**3.3 Conformity Checklist of Certificate and Trademark Use**

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

### 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 2 July 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><b>Auditor verification</b> There is internal audit produced for</p> <ul style="list-style-type: none"> <li>- PT Sawit Multi Utama (3-8 April 2017)</li> <li>- PT Tanjung Sawit Abadi (3-8 April 2017)</li> <li>- PT Menteng Kencana Mas (13-15 March 2018)</li> <li>- PT Mirza Pratama Putra (14-16 March 2018)</li> </ul> <p>And positive assurance is produced for these units.</p>
2.2.2	<p>No replacement after dates defined in this Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p>PT Sawit Sumbernas Sarana, Tbk has submitted liability disclosure to RSPO on 20<sup>th</sup> 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><b>Auditor verification</b></p>

		Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.
2.2.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<b>Auditor verification</b> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> </ul>
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.	<b>Auditor verification</b> <ul style="list-style-type: none"> <li>- PT Sawit Multi Utama: based on website information from internet browser, there is no land conflict issue regarding this company.</li> <li>- PT Tanjung Sawit Abadi: based on website information from internet browser, there is no land conflict issue regarding this company.</li> <li>- PT Menteng Kencana Mas: no issues were detected.</li> <li>- PT Mirza Pratama Putra: no issues were detected.</li> </ul>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<b>Auditor verification</b> <ul style="list-style-type: none"> <li>- PT Sawit Multi Utama: based on website information from internet browser, there is no labour dispute issue regarding this company.</li> <li>- PT Tanjung Sawit Abadi: based on website information from internet browser, there is no labour dispute issue regarding this company.</li> <li>- PT Menteng Kencana Mas: no issues were detected.</li> <li>- PT Mirza Pratama Putra: no issues were detected.</li> </ul>

2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Auditor verification</b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- PT Tanjung Sawit Abadi: based on website information from internet browser, in 2013 has an issue related licensing conflict with land status.</li> <li>- PT Menteng Kencana Mas: no issues were detected.</li> <li>- PT Mirza Pratama Putra: no issues were detected.</li> </ul>
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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-1**

<b>NCR No.</b>	<b>: 2017.01</b>	<b>Issued by</b>	<b>: Dwi Haryati</b>			
<b>Date Issued</b>	<b>: 29 August 2017</b>	<b>Time Limit</b>	<b>: ASA-2</b>			
<b>NC Grade</b>	<b>: Minor</b>	<b>Date of Closing</b>	<b>: 14 September 2018</b>			
<b>Standard Ref. &amp; Requirement</b>	<b>: 4.7.5</b> <b>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.</b>					
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  Based on field visits is known the CH has provided First aid box in working areas (Estate and Mill), but items in First aid box has not accordance with recommendations of doctors.						
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>  Procurement of first aid contents / medicines has not been entirely accepted by the work unit						
<b>Correction</b> <i>(filled by organization audited):</i>  1. Identification of all first-aid bags owned by each unit and monitoring the lack of medication 2. To procure the contents of first aid bags according to the needs in the field 3. Distribution of first-aid bag contents to all units						
<b>Corrective Action</b> <i>(filled by organization audited):</i>  Ensure monitoring is carried out regularly						
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>  <b>14 September 2018</b> The company has presented documents on the provision of first aid in the plantation and factory area. The contents of the first aid box is 21 items in accordance with regulation. In addition, the results of field visits at the Suayap Estate and Mill revealed that the company had provided first aid in accordance with the reference (21 items).  Based on the explanation, Non conformity No. 2017.01 is closed						
<b>Verified by</b>	<b>: Satria Adi Putra</b>					

<b>NCR No.</b>	<b>: 2017.02</b>	<b>Issued by</b>	<b>: Radytio Puspanjana</b>
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Date Issued	: 29 August 2017	Time Limit	: ASA-2
NC Grade	: Minor	Date of Closing	: 14 September 2018
Standard Ref. & Requirement	5.3.3 A documented waste management plan to avoid or reduce pollution and its implementation shall be available		
Non-Conformance Description & Evidence observed (filled by auditor): Document review and interview it is known that there was hazardous waste usage i.e used light, this is not in accordance with the procedure owned.			
Root Cause Analysis (filled by organization audited):  Lack of monitoring of the use of hazardous waste carried out by Mill			
Correction (filled by organization audited):  Immediately replace the measuring instrument used by Mill from hazardous Waste			
Corrective Action (filled by organization audited):  Re-ensure the management and utilization of hazardous waste is carried out in accordance with the applicable provisions by monthly inspection by the QHSE assistant in the unit and annual inspection by the sustainability directorate.			
Assessor Evaluation and Conclusion (filled by auditor):  14 September 2018 The company shows the Minutes of CST Oil Thickness Check Method by replacing from the use of TL lamps to making part of the CST wall transparent and by giving a thickness measurement meter.  During field visits to the plantations and factories, it was known that the company no longer used B3 Waste for operational activities.  Based on this explanation, this Nonconformity is stated fulfilled			
Verified by	: M. Rinaldi		

<b>NCR No.</b>	: 2017.03	<b>Issued by</b>	: Ardiansyah
<b>Date Issued</b>	: 29 August 2017	<b>Time Limit</b>	: 28 October 2017
<b>NC Grade</b>	: Major	<b>Date of Closing</b>	: 27 September 2017
<b>Standard Ref. &amp; Requirement</b>	7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion		

	<b>5.2).</b>
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i> PT MMS conduct land clearing after 1 November 2005 without a prior HCV assessment, so CH need to follow Remediation and Compensation Procedures. PT SSS, as the parent of PT MMS has submitted disclosure and LUC analysis document 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. On 6 April 2016 PT MMS has got Approval for LUCA Review. But, CH has not shown approval of compensation plan from the Compensation Panel for the liability.	
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i> LUCA review by RSPO takes a long time, RSPO (Dillon Sarim) has just clarified that LUCA of PT MMS has passed reviewer review on 5 February 2016 and for compensation plan is still in the final endorsement process of Compensation panel, while LUCA of PT MMS has been submitted on 20 September 2014	
<b>Correction</b> <i>(filled by organization audited):</i> Shows the record of communication with RSPO Compensation Panel for LUCA process, RaCP concept Note and RaCP Plans of PT MMS.	
<b>Corrective Action</b> <i>(filled by organization audited):</i> Communicate with RSPO Compensation Panel to speed up the process of RaCP Concept Note and RaCP Plans of PT MMS	
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i> <b>27 September 2017</b> The RSPO has sent an email to CB on 27 September 2017 stating that "For PT MMS, this unit has not completed its RaCP. However, similar treatment to other certified units, the RACP will be completed before the next surveillance audit." Based on the evidence <b>NC No. 2017.03 is closed and will be re-observed during the next visit.</b>	
<b>Verified by</b>	<b>: Ardiansyah</b>

**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-2**

<b>NCR No.</b>	: 2018.01	<b>Issued by</b>	: M. Rinaldi
<b>Date Issued</b>	: 15 September 2018	<b>Time Limit</b>	: ASA-3
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	<b>5.1.2</b> Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  Based on the review of the first Semester RKL / RPL Implementation Report document for 2018, it is known that there is no description of the implementation of environmental management activities according to the environmental management plan.  This is not in accordance with Decree of Environment Minister No. 45 of 2005 related to the Guidelines for Preparing RKL / RPL Implementation Reports			
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>			
<b>Correction</b> <i>(filled by organization audited):</i>			
<b>Corrective Action</b> <i>(filled by organization audited):</i>			
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>			
<b>Verified by</b>	:		

<b>NCR No.</b>	: 2018.02	<b>Issued by</b>	: M. Rinaldi
<b>Date Issued</b>	: 15 September 2018	<b>Time Limit</b>	: ASA-3
<b>NC Grade</b>	: Minor	<b>Date of Closing</b>	:
<b>Standard Ref. &amp; Requirement</b>	<b>5.1.3</b> Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis		
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>			

Based on the RKL / RPL Implementation Report for first Semester of 2018, it is known that the company has monitored the environmental impacts caused, but the conducted monitoring does not cover all the impacts that have arisen, such as a decrease in nekton composition, accident monitoring, population improvement and change monitoring, etc.

Based on the evidence, the implementation of environmental monitoring is not in accordance with the Environmental Monitoring Plan owned.

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

**Correction** *(filled by organization audited):*

**Corrective Action** *(filled by organization audited):*

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

**Verified by** :

<b>NCR No.</b>	<b>:</b>	<b>2018.03</b>	<b>Issued by</b>	<b>:</b>	<b>Ardiansyah</b>
<b>Date Issued</b>	<b>:</b>	<b>15 September 2018</b>	<b>Time Limit</b>	<b>:</b>	<b>ASA-3</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>6.1.4</b> 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.			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  The company already has Social Impact Assessment (SIA) document on 2012, but there has not been found enough evidence that a document has been reviewed.  Based on this evidence, the company has not shown evidence of a review of the management plan and monitoring of social impacts at least once every two years involving the participation of all affected parties.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					
<b>Correction</b> <i>(filled by organization audited):</i>					
<b>Corrective Action</b> <i>(filled by organization audited):</i>					

<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>	
<b>Verified by</b>	:

<b>NCR No.</b>	:	2018.04	<b>Issued by</b>	:	Ardiansyah
<b>Date Issued</b>	:	15 September 2018	<b>Time Limit</b>	:	ASA-3
<b>NC Grade</b>	:	Minor	<b>Date of Closing</b>	:	
<b>Standard Ref. &amp; Requirement</b>	:	6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme)			
<b>Non-Conformance Description &amp; Evidence observed</b> <i>(filled by auditor):</i>  Social impact assessment (SIA) of PT Mitra Mendawai Sejati 2012, has explained positive and negative impact to the stakeholder, but not cover plasma. Based on document review, CH has agreement with cooperative with <i>Kelompok Tani Citra Mua Sejati</i> , Nanga Mua Village on 16 January 2013 and <i>Kelompok Tani Mitra Bina Suayap</i> , Suayap Hamlet on 07 October 2014.  Based on this evidence, there is not enough evidence that the company has collected aspirations / information on the social impacts of plasma who are partners of the company.					
<b>Root Cause Analysis</b> <i>(filled by organization audited):</i>					
<b>Correction</b> <i>(filled by organization audited):</i>					
<b>Corrective Action</b> <i>(filled by organization audited):</i>					
<b>Assessor Evaluation and Conclusion</b> <i>(filled by auditor):</i>					
<b>Verified by</b>	:				



**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description
1	2.1.1	Ensure the process of renewal license for electric operator
2	5.1.1	Ensure approval of EIA document amendment
3	5.3.3	Completing the contents of the hazardous waste report, especially for the Suayap Estate Report
4	6.3.2	Complete information on the stakeholder list such as telephone / e-mail, and other additional information
5	5.6.2	Re-evaluate mitigation plans for all activities that produce GHG emissions
6	7.3.1	Ensure approval for the RaCP Compensation Plan
7	-	Ensure the RSPO certification process for smallholder

**3.5.4 Noteworthy Positive Components**

No	Description
1	Good cooperation and have competence team
2	Implement management system of ISO 9001, 14001 and 18001
3	Provide electric to community
4	Has had "PROPER BIRU" of 2017

**3.6 Summary of Arising Issues from Public and Auditor Verification**

Issue from Public	Auditor Response
<b>Environmental Agency</b> <ul style="list-style-type: none"> <li>There is an addendum of environmental documents to increase mill capacity and biogas plant</li> <li>The Company regularly reports mandatory reporting such as hazardous waste report and report of Environmental Management Plan – Environmental Monitoring Plan.</li> <li>There is issues related to environmental management.</li> <li>There is information that there are disputes related to the existence of stone quarries</li> <li>There are no issues regarding landfires.</li> </ul>	<p>There were no negative issues from agency. The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as Criterion 2.1; 5.1 and 5.5</p>
<b>National Land Agency</b> <ul style="list-style-type: none"> <li>There is no new location permit.</li> <li>No information plantings outside the concession.</li> <li>Company has not yet report the Land use report to National Land Agency.</li> <li>There is no information related wastelands in PT MMS.</li> <li>There is no land dispute in the area in PT MMS</li> </ul>	<p>There were no negative issues from agency. The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as Criterion 2.1 and 6.3</p>
<b>Plantation Agency</b> <ul style="list-style-type: none"> <li>The company already has the documents of land rights in the form of concession and permits for business activities</li> <li>The company has reported its business activities to the plantation agency routinely.</li> <li>There are no negative issues such as fires.</li> <li>The company does not have new location permits.</li> <li>There is no environmental issues related to company's operational.</li> <li>The Company has given assistance through its CSR program and partnered with local communities.</li> <li>The company has not made reports regarding the development of plasma</li> </ul>	<p>There were no negative issues from agency. The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as Criterion 2.1; 6.1,6.2, 6.11</p>
<b>Labor Agency</b> <ul style="list-style-type: none"> <li>All of labor monitoring has conducted by labor agency of Central Kalimantan Province. So, we don't have information related this issues.</li> <li>There are no issues related to industrial relations.</li> <li>All the workers have been included in BPJS employment dan health.</li> <li>The company still uses the bipartite institution, but the labor agency encourages the company to establish a labor union at PT MMS.</li> <li>The company still uses company regulations and is still valid.</li> <li>The plantation sector minimum wage is Rp. 2,745,084</li> <li>Theres no child labor issue at PT MMS</li> <li>Communication between Labor Agency and company was good</li> <li>Theres no discrimination issue at PT MMS</li> </ul>	<p>There were no negative issues from agency. The management unit has demonstrated evidence of compliance with the RSPO P &amp; C such as Criterion 2.1; 6.2, 6.5, 6.6, 6.7, 6.12, and 6.13</p>
<b>Nanga Moa Village (Village Head/Previous land owners)</b>	

Issue from Public	Auditor Response
<ul style="list-style-type: none"> <li>• The village head owns the land before the company. Land compensation is determined by negotiation</li> <li>• There is no customary land</li> <li>• There is plasma for the community and village land</li> <li>• There is CSR in the form of basic necessities, electricity installations and teacher fees</li> <li>• There are no issues of pollution, land disputes and fire</li> <li>• Some residents work in companies</li> <li>• There are no indigenous peoples</li> <li>• There has been HCV socialization</li> </ul>	<p>This in accordance with criteria 2.2; 2.3; 5.2; 6.1; 6.11</p>
<p><b>Suayap Village (Village Officials/Previous Land Owner)</b></p> <ul style="list-style-type: none"> <li>• The head of “<i>Badan Permusyawaratan Desa</i>” owns the land before the company. Land compensation is determined by negotiation</li> <li>• There is no customary land</li> <li>• There is CSR in the form of basic necessities, electricity from mill</li> <li>• The company participates in village development meetings</li> <li>• There are no issues of pollution, land disputes and fire</li> <li>• Some residents work in companies</li> <li>• There are no indigenous peoples</li> <li>• There has been HCV socialization</li> </ul>	<p>This in accordance with criteria 2.2; 2.3; 5.2; 6.1; 6.11</p>
<p><b>Transporter (CV Lisa Jaya)</b></p> <ul style="list-style-type: none"> <li>- The making of agreement is done in a participatory way. The Contractor understands the provisions in agreement such as volume, price, duration, payment method, aspect of OHS and environment. Dispute settlement methods available.</li> <li>- Payment has been made on time in accordance with the provisions in the agreement. No problems related to cooperation with the company, because the company is open to consulting related work issues.</li> </ul>	<p>this is accordance with criteria 4.8;</p>
<p><b>Gender Committee</b></p> <ul style="list-style-type: none"> <li>- The company has socialized corporate policies related to human rights, non violence, and protection of women's reproductive rights.</li> <li>- No cases related to human rights, violence, or harassment. Every female employee has been granted menstrual leave rights, before and after childbirth. There have been mechanisms to monitor pregnant and lactating female workers not working in chemicals.</li> </ul>	<p>this is accordance with criteria 6.8</p>
<p><b>Bipartite Cooperation Institution</b></p> <ul style="list-style-type: none"> <li>- Bipartite Cooperation Institution regularly hold meetings.</li> <li>- Employees have not initiative to form worker unions, because there has been no significant industrial relations constraint.</li> <li>- So far there are no significant obstacles related to industrial relations.</li> </ul>	<p>this is accordance with criteria 6.6</p>
<p><b>Citra Mua Sejati Farmers Group</b></p>	

Issue from Public	Auditor Response
<ul style="list-style-type: none"> <li>• The mature area is 68 hectares with target of 300 hectares. Development is constrained because the area of community land is the land of HPK</li> <li>• There is a plasma development agreement</li> <li>• The plasma management is full manage by the company</li> <li>• Cooperatives will be formed</li> <li>• The price of FFB is in accordance with the price of the Plantation Agency</li> <li>• Calculation of proceeds from the sale of FFB is informed by the company</li> <li>• There is training for workers in the plasma area</li> </ul>	<p>This in accordance with criteria 6.10 and 6.11</p>
<p><b>Mitra Bina Suayap Farmers Group</b></p> <ul style="list-style-type: none"> <li>• All of plasma area are immature area with total areal is 27 Ha. Development is constrained because the area of community land is the land of HPK</li> <li>• There is a plasma development agreement</li> <li>• The plasma management is full manage by the company</li> <li>• Cooperatives will be formed</li> <li>• There is training for workers in the plasma area</li> </ul>	<p>This in accordance with criteria 6.10 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 Mitra Mendawai Sejati  
Management Representative



**Rudy Hendrarto**  
24 September 2018

Mutuagung Lestari  
Lead Auditor



**Ardiansyah**  
24 September 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	Kotawaringin Barat District	-	Interview	12 Sept 2018	√	
2	Plantation Agency	Kotawaringin Barat District	-	Interview	12 Sept 2018	√	
3	National Land Agency	Kotawaringin Barat District	-	Interview	12 Sept 2018	√	
4	Labor and Transmigration Agency	Kotawaringin Barat District	-	Interview	14 Sept 2018	√	
5	Official of Nangamua Village	Kotawaringin Barat District	-	Interview	13 Sept 2018	√	
6	Official of Suayap Hamlet of Umpang Village	Kotawaringin Barat District	-	Interview	13 Sept 2018	√	
7	CV Lisa Jaya (FFB Transport/ Local Contractor)	Kotawaringin Barat District	-	Interview	13 Sept 2018	√	
8	Gender Committee	Kotawaringin Barat District	-	Interview	13 Sept 2018	√	
9	Bipartite Cooperation Institution	Kotawaringin Barat District	-	Interview	13 Sept 2018	√	
10	Suayap Mill <ul style="list-style-type: none"> <li>• 3 security</li> <li>• 2 weighbridge operator</li> <li>• 1 WWTP operator</li> <li>• 1 head of warehouse</li> <li>• 3 grading workers</li> <li>• 2 sterilizer operator</li> <li>• 1 engine room operator</li> <li>• 1 boiler operator</li> <li>• 1 kernel operator</li> <li>• 1 welder</li> </ul>	Kotawaringin Barat District	-	Interview	13 Sept 2018	√	
11	Suayap Estate <ul style="list-style-type: none"> <li>• 10 EFB aplicator</li> <li>• 5 harvesters</li> <li>• 3 pesticide operators</li> <li>• 2 IPM workers</li> <li>• 4 manuring workers</li> <li>• 2 clerk production</li> <li>• 1 LA operator</li> <li>• 1 LA foreman</li> <li>• 2 firefighters</li> <li>• 1 daycare officer</li> </ul>	Kotawaringin Barat District	-	Interview	13 Sept 2018	√	
12	Umpang Estate <ul style="list-style-type: none"> <li>• 1 harvesters and 1 picker</li> <li>• 1 manuring workers</li> <li>• 2 warehouse workers</li> <li>• 1 surveyor</li> <li>• 1 HCV officer</li> </ul>	Kotawaringin Barat District	-	Interview	14 Sept 2018	√	
13	Wahana Lingkungan Hidup	Jakarta, Indonesia	informasi@walhi.	Questioner via	4 Sept		√



	Indonesia (Walhi)		or.id	email	2018		
14	Aliansi Masyarakat Adat Nusantara (AMAN)	Jakarta, Indonesia	rumahaman@cbn.net.id	Questioner via email	4 Sept 2018		√
15	Sawit Watch	Bogor	info@sawitwatch.or.id	Questioner via email	4 Sept 2018		√
16	WWF	Indonesia		Questioner via email	4 Sept 2018		√

**Appendix 2. Assessment Program**

DATE	12 – 15 September 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Wednesday, 12 September 2018</b>		
06.40 – 08.00	<b>JAKARTA → Pangkalan Bun</b>	<b>Team Auditor</b>
08.30 – 12.00	Stakeholder consultation to Agency of Kotawaringin Barat District	<b>MFD/ SAP</b>
08.30 – 10.30	<b>Pangkalan Bun → PT MMS</b>	<b>ARD/ MRD</b>
11.00 – 12.00	Opening meeting <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	
12.00– 14.00	<b>Break</b>	
14.00– 17.00	<ul style="list-style-type: none"> <li>Review of previous (Initial assessment) findings</li> <li>Verification of Basic Information Mill and Estate</li> <li>Confirmation of Time Bound Plan and Partial Certification</li> <li>Document verification</li> </ul>	<b>All Team</b>
<b>Thursday, 13 September 2018</b>		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations (Runtu and Umpang Village) .  Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), FFB Supplier  Field observation to <b>Suayap Estate</b> : <ul style="list-style-type: none"> <li>Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, replanting, OHS implementation and Worker Welfare (payments, complaint mechanism)</li> <li>Legal operational</li> <li>High Conservation Value Area</li> <li>Empty Fruit Bunch Application and POME</li> <li>Worker facilities (housing, health clinic, clean water, etc) hazardous material, and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	<b>MRD</b>  <b>ARD/ MFD</b>  <b>SAP</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<b>Field observation to Suayap POM :</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge,)</li> <li>FFB Sorting, Processing Activity, Despatch CPO</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond, Land Application)</li> <li>Verification of field visit and completing checklist</li> </ul>	<b>All Team</b>

DATE	12 – 15 September 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Friday, 14 September 2018</b>		
08.00 – 12.00	Field observation to <b>Umpang Estate</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism)</li> <li>• Legal operational</li> <li>• High Conservation Value Area, Empty Fruit Bunch Application</li> <li>• Worker facilities (housing, health clinic, clean water, etc) hazardous material and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	<b>All Team</b>
12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continue Field Observation and field observation clarification</li> <li>• Verification of field visit and completing checklist</li> </ul>	<b>All Team</b>
<b>Saturday, 15 September 2018</b>		
08.00 – 10.00	<ul style="list-style-type: none"> <li>• <b>Closing Meeting</b></li> </ul>	<b>All Team</b>
10.00 – 13.00	<ul style="list-style-type: none"> <li>• <b>PT MMS → Pangkalan Bun</b></li> </ul>	<b>All Team</b>
15.15- .....	<ul style="list-style-type: none"> <li>• <b>Pangkalan Bun → JAKARTA</b></li> </ul>	<b>All Team</b>