

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

Stage-1     Stage-2     Surveillance     Re-Certification

Plantation Management/Owner : **PT PRIMA MITRAJAYA MANDIRI & PT TEGUH JAYAPRIMA ABADI – MP EVANS GROUP PLC**

Plantation Name : **Benua Puhun Mill - Bukit Jering Estate; Kaman Hilir Estate; Loleng Estate; Benua Puhun Estate;Prima Estate; Rantau Hempang Estate; Mahakam Estate.**

Location : **Benua Puhun Village, Muara Kaman Sub District, Kutai Kartanegara District, Kalimantan Timur, Indonesia**

Certificate Code : **MUTU-RSPO/062**

Date of certificate issue : **26 JUNE 2014**

Date of expiry of certificate : **25 JUNE 2019**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ASA-1	06 – 10 April 2015	Ardiansyah (Lead Auditor) Ibnu Satria Prabudi Muhammad Rinaldi, Warsito, Sapto Hadi Winarno	Octo HPN Nainggolan	Tony Arifarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1	19 June 2015

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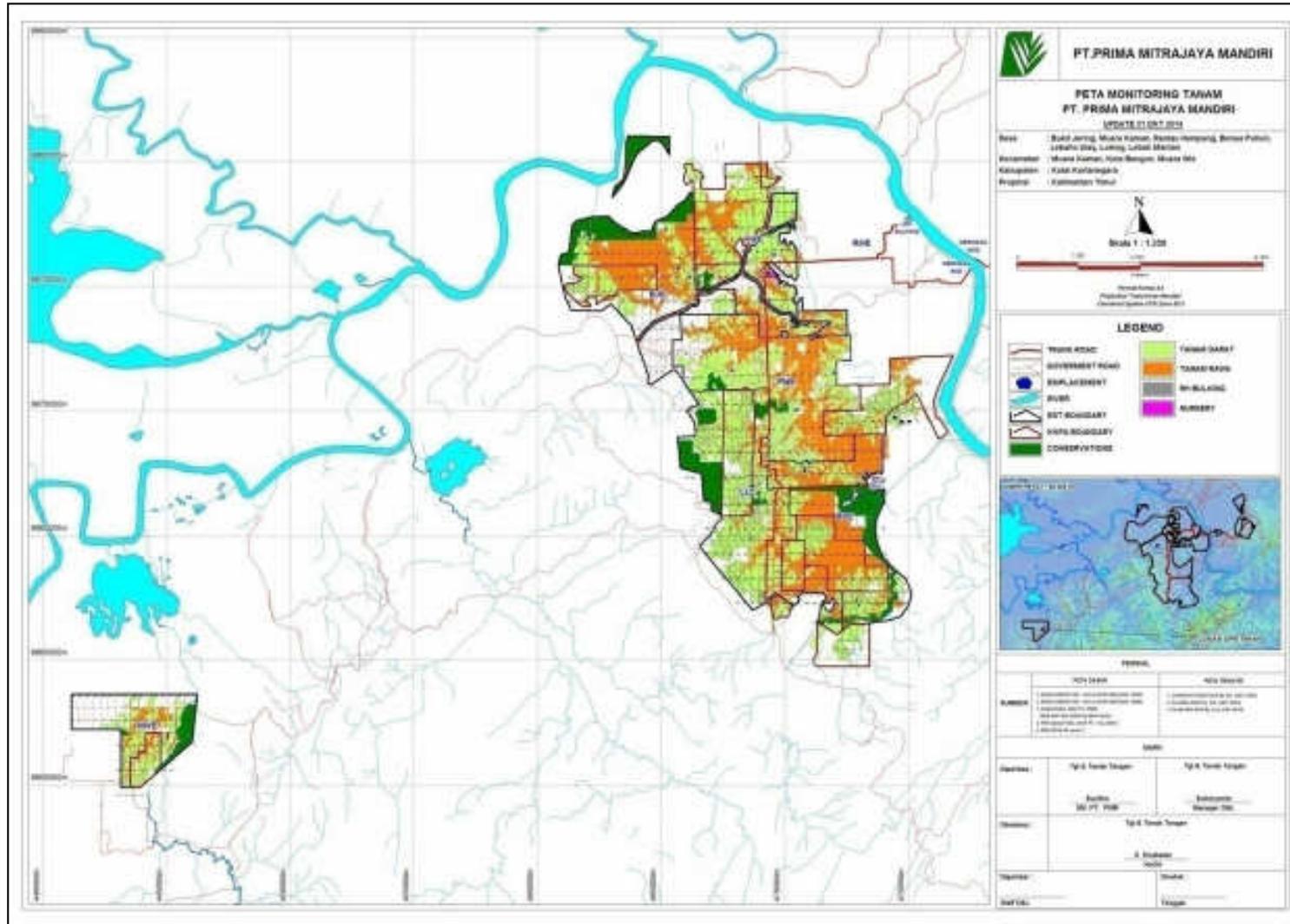
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Figure 1. Location Map of PT PMM and PT TJA



Figure 2. Operational Map of PT PMM





<b>1.0</b>	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>	<i>RSPO Principle And Criteria For Sustainable Palm Oil Production On April 2013 And Supply Chain Requirement For CPO Mill, November 2014.</i>	
<b>1.2</b>	<b>Organization Information</b>		
1.2.1	Company name	<b>PT PRIMA MITRAJAYA MANDIRI, PT TEGUH JAYAPRIMA ABADI – MP EVANS GROUP PLC</b>	
1.2.2	Contact person	Abdul Aziz Muhshi (Manager Sustainability & Certification)	
1.2.3	Company address and site address	<ul style="list-style-type: none"> <li>RSPO registered company: Gedung Graha Aktiva Lt. 10, Jl. HR Rasuna Said Kav. 03 Blok X-1, Kuningan, Jakarta Selatan</li> <li>Liaison Office: Gedung Graha Aktiva Lt. 10, Jl. HR Rasuna Said Kav. 03 Blok X-1, Kuningan, Jakarta Selatan</li> </ul>	
1.2.4	Telephone	021-52920338	
1.2.5	Fax	021-52920339	
1.2.6	E-mail	azizm@mpevans.co.uk	
1.2.7	Web page address	www.mpevans.co.uk	
1.2.8	Company status	Private	
1.2.9	Management Representative who completed the application for certification	Sivabalan Subbiah (Head of Operation Agronomy Kaltim)	
1.2.10	Registered as RSPO member	1-0027-06-000-00, October 08 <sup>th</sup> , 2006	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of management unit	<b>PT PRIMA MITRAJAYA MANDIRI</b> (Benua Puhun Mill, Bukit Jering Estate, Kaman Hilir Estate, Loleng Estate, Benua Puhun Estate;Prima Estate; <b>PT Teguh Jayaprima Abadi</b> (Rantau Hempang Estate dan Mahakam Estate)	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill, Plantations and Area Statement</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>GPS</b>
			<b>Latitude                      Longitude</b>
	Benua Puhun Mill	Benua Puhun Village, Muara Kaman Sub. District, Kutai Kartanegara District, Kalimantan Timur Province, Indonesia	0° 17' 44,84" S                      116° 45' 39,65" E
1.4.2	Location of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>GPS</b>

		Latitude	Longitude	
PT.PMM				
Bukit Jering Estate	Bukit Jering Village, Muara Kaman Sub. District, Kutai Kartanegara District, Kalimantan Timur Province, Indonesia	00° 13' 04" S	116° 41' 20" E	
Kaman Hilir Estate	Muara Kaman Hilir Village, Muara Kaman Sub. District, Kutai Kartanegara District, Kalimantan Timur Province, Indonesia	00° 12' 14" S	116° 42' 54" E	
Loleng Estate	Lebaho Ulak Village, Muara Kaman Sub. District, Kutai Kartanegara District, Kalimantan Timur Province, Indonesia	00° 15' 50" S	116° 41' 24" E	
Benua Puhun Estate	Benua Puhun Village, Muara Kaman Sub. District, Kutai Kartanegara District, Kalimantan Timur Province, Indonesia	00° 17' 21" S	116° 44' 27" E	
Prima Estate	Lebak Mantan Village, Muara Kaman Sub. District, Kutai Kartanegara District, Kalimantan Timur Province, Indonesia	00° 16' 15" S	116° 44' 02" E	
PT.TJA				
Rantau Hempang Estate	Rantau Hempang Village, Muara Kaman Sub. District, Kutai Kartanegara District, Kalimantan Timur Province, Indonesia	00° 13' 01" S	116° 46' 09" E	
Mahakam Estate	Bunga Jadi Village, Muara Kaman Sub. District, Kutai Kartanegara District, Kalimantan Timur Province, Indonesia	00° 12' 03" S	116° 52' 03" E	
1.4.3	Tenure			
	<ul style="list-style-type: none"> <li>State</li> </ul>		35,050 Ha	
	<i>IUP No. 503/31/SK-DISBUN KUKAR/VII/2006 on behalf of PT PMM for area 21,500 Ha</i> <i>IUP No. 503/64/SK-DISBUN KUKAR/XII/2007 on behalf of PT TJA for area 13,550 Ha</i>			
	<ul style="list-style-type: none"> <li>Community</li> </ul>		- Ha	
1.4.4	<b>Area Statement</b>	<b>PT PMM (Ha)</b>	<b>PT TJA (Ha)</b>	<b>TOTAL (Ha)</b>
	<ul style="list-style-type: none"> <li>Total area</li> </ul>	16,105.45	5,131.50	21,236.50
	<ul style="list-style-type: none"> <li>Mature area</li> </ul>	10,289.63	2,809.38	13,099.01
	<ul style="list-style-type: none"> <li>Imature area</li> </ul>	648.16	208.94	857.10
	<ul style="list-style-type: none"> <li>Emplasment &amp; Mill</li> </ul>	46.81	10.32	57.13
	<ul style="list-style-type: none"> <li>trench</li> </ul>	81.69	14.02	95.71
	<ul style="list-style-type: none"> <li>Nursery</li> </ul>	36.36	7.14	43.50
	<ul style="list-style-type: none"> <li>Reserve area</li> </ul>	2,124.94	866.74	2,991.68
	<ul style="list-style-type: none"> <li>Others</li> </ul>	994.16	634.92	1,629.08
	<ul style="list-style-type: none"> <li>Conservation area</li> </ul>	1,410.71	440.93	1,851.64
1.5	<b>Description of Supply Base</b>			
1.5.1	Description of Mill			

	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Benua Puhun Mill	60	247,811.49	63,444.59	25.60	10,651.61	4.30
*Source: Mill Production Data on period April 2014 – March 2015							
1.5.2	Description of Certified Estate(s)						
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/ year)	Yield (tonnes/ ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	<b>PT PMM</b>	<b>16,105.45</b>	<b>10,937.81</b>	<b>179,450.01</b>	<b>16.41</b>	<b>179,450.01</b>	<b>100</b>
	<b>Bukit Jering Estate</b>	<b>4,047.30</b>	<b>1,771.14</b>	<b>27,908.63</b>	<b>15.76</b>	<b>27,908.63</b>	<b>100</b>
	• Own Estate	3,449.16	1,244.02	20,120.19	16.17	20,120.19	100
	• Koperasi Subur Makmur (399 Smallholder)	414.00	377.63	6,609.78	17.50	6,609.78	100
	• Koperasi Grenseng Indah (90 Smallholder)	184.14	149.49	1,178.66	7.88	1,178.66	100
	<b>Kaman Hilir Estate</b>	<b>2,682.35</b>	<b>2,126.63</b>	<b>39,765.58</b>	<b>18.70</b>	<b>39,765.58</b>	<b>100</b>
	• Own Estate	1,682.35	1,183.12	20,634.31	17.44	20,634.31	100
	• Koperasi Mitra Sawit Mandiri (1,087 Smallholder)	1,000.00	943.51	19,131.27	20.28	19,131.27	100
	<b>Loleng Estate</b>	<b>3,742.51</b>	<b>2,552.32</b>	<b>44,916.77</b>	<b>17.60</b>	<b>44,916.77</b>	<b>100</b>
	• Own Estate	2,508.96	1,624.06	32,820.76	20.21	32,820.76	100
	• Koperasi Maju Membangun (1,184 Smallholder)	846.66	541.37	5,510.46	10.18	5,510.46	100
	• Koperasi Sawit Etam Bersama (612 Smallholder)	386.89	386.89	6,585.55	17.02	6,585.55	100
	<b>Benua Puluh Estate</b>	<b>3,283.59</b>	<b>2,302.61</b>	<b>34,870.51</b>	<b>15.14</b>	<b>34,870.51</b>	<b>100</b>
	• Own Estate	1,860.36	1,124.18	16,193.44	14.40	16,193.44	100
	• Koperasi Tanah Sama (652 Smallholder)	1,423.23	1,178.43	18,677.07	15.85	18,677.07	100
	<b>Prima Estate</b>	<b>2,349.70</b>	<b>2,185.01</b>	<b>31,988.52</b>	<b>14.64</b>	<b>31,988.52</b>	<b>100</b>
	<b>PT TJA</b>	<b>5,131.05</b>	<b>3,018.32</b>	<b>52,185.61</b>	<b>17.29</b>	<b>52,185.61</b>	<b>100</b>
	<b>Rantau Hempang Estate</b>	<b>3,562.00</b>	<b>2,018.92</b>	<b>40,306.35</b>	<b>19.96</b>	<b>40,306.35</b>	<b>100</b>
	• Own Estate	2,962.00	1,501.66	29,174.70	19.43	29,174.70	100
	• Koperasi Karya Bersama (815 Smallholder)	600.00	517.26	11,131.65	21.52	11,131.65	100
	<b>Mahakam Estate</b>	<b>1,569.05</b>	<b>999.40</b>	<b>11,879.26</b>	<b>11.89</b>	<b>11,879.26</b>	<b>100</b>
	• Own Estate	1,398.05	926.05	11,879.26	12.83	11,879.26	100
	• Koperasi Mitra Sejahtera	171.00	73.35	-	-	-	-

	Abadi (151 Smallholder)								
	<b>TOTAL</b>	<b>21,236.50</b>	<b>13,956.13</b>	<b>231,635.62</b>	<b>16.60</b>	<b>231,635.62</b>	<b>100</b>		
	*Source: Estate Production Data on period April 2014 – March 2015								
1.5.3	FFB description from other source								
	<b>Name of source</b>	<b>Member</b>	<b>Location</b>				<b>Supplied to Mill FFB (tonnes/year)</b>		
	Rimba Ayu Estate	PT Kutai Agro Jaya (Non Certified)	Kabupaten Kutai Kartanegara				16,275.85		
	<b>TOTAL</b>						<b>16,275.85</b>		
	*Source: Mill Production Data on period April 2014 – March 2015								
1.5.4	Product categories				FFB/CPO/PK				
<b>1.6</b>	<b>Planting Year and Cycles</b>								
1.6.1	Age profile of planting year								
	<b>Planting Year</b>	<b>Hectarage</b>							
		<b>Bukit Jering Estate</b>	<b>Kamar Hilir Estate</b>	<b>Loleng Estate</b>	<b>Benua Puhun Estate</b>	<b>Prima Estate</b>	<b>Rantau Hempang</b>	<b>Mahakam Estate</b>	<b>Total (Ha)</b>
	2007	137.38	175.37	403.11	-	162.45	392.95	-	1,271.26
	2008	666.40	1,479.33	483.25	-	1,313.54	1,135.02	-	5,076.54
	2009	185.60	319.42	1,161.58	1,869.09	645.40	460.95	315.48	4,956.52
	2010	525.26	-	54.16	319.74	-	-	411.06	1,310.22
	2011	43.50	-	412.34	-	-	-	159.57	615.41
	2012	144.94	107.41	-	106.28	-	-	-	358.63
	2013	26.64	-	17.47	-	-	-	-	44.11
	2014	41.52	45.10	21.41	7.50	65.61	30.00	105.59	315.73
	2015	-	-	-	-	-	-	7.70	7.70
	<b>TOTAL</b>	<b>1,771.24</b>	<b>2,126.63</b>	<b>2,552.32</b>	<b>2,302.61</b>	<b>2,185.00</b>	<b>2,018.92</b>	<b>999.40</b>	<b>13,956.12</b>
1.6.2	New Planting area after January 2010				2,651.80 Ha				
1.6.3	Planting Cycle				1 <sup>st</sup> Cycle 25 Years				
<b>1.7</b>	<b>Approximate Tonnage Certified</b>								
1.7.1	Past Annual Claim Certified Product				Previous Certificate Claim (tonnes/year)		Actual certified product (tonnes/year)		
	• FFB Production				185,000		184,681.84		

	<ul style="list-style-type: none"> <li>CPO Production</li> </ul>	57,614	47,409.84																																																																																																																												
	<ul style="list-style-type: none"> <li>Palm Kernel (PK) Production</li> </ul>	9,910	8,124.41																																																																																																																												
	** Certificate Claim period June 26 <sup>th</sup> , 2014 – June 25 <sup>th</sup> , 2015 ** Actual Claim periode June 26 <sup>th</sup> , 2014 – April 05 <sup>th</sup> , 2015																																																																																																																														
1.7.2	Claim Certified of FFB																																																																																																																														
	<table border="1"> <thead> <tr> <th>Name of Estate(s)</th> <th>Total Area (Ha)</th> <th>Planted Area (Ha)</th> <th>FFB (tonnes/year)</th> <th>Yield (tonnes/ha/year)</th> </tr> </thead> <tbody> <tr> <td><b>PT PMM</b></td> <td><b>16,105.45</b></td> <td><b>10,937.81</b></td> <td><b>198,101.00</b></td> <td><b>18.11</b></td> </tr> <tr> <td><b>Bukit Jering Estate</b></td> <td><b>4,047.30</b></td> <td><b>1,771.14</b></td> <td><b>30,109.38</b></td> <td><b>17.00</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Own Estate</li> </ul> </td> <td>3,449.16</td> <td>1,244.02</td> <td>21,148.34</td> <td>17.00</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Koperasi Subur Makmur (399 Smallholder)</li> </ul> </td> <td>414.00</td> <td>377.63</td> <td>6,419.71</td> <td>17.00</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Koperasi Grenseng Indah (90 Smallholder)</li> </ul> </td> <td>184.14</td> <td>149.49</td> <td>2,541.33</td> <td>17.00</td> </tr> <tr> <td><b>Kaman Hilir Estate</b></td> <td><b>2,682.35</b></td> <td><b>2,126.63</b></td> <td><b>40,405.97</b></td> <td><b>19.00</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Own Estate</li> </ul> </td> <td>1,682.35</td> <td>1,183.12</td> <td>22,479.28</td> <td>19.00</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Koperasi Mitra Sawit Mandiri (1,087 Smallholder)</li> </ul> </td> <td>1,000.00</td> <td>943.51</td> <td>17,926.69</td> <td>19.00</td> </tr> <tr> <td><b>Loleng Estate</b></td> <td><b>3,742.51</b></td> <td><b>2,552.32</b></td> <td><b>53,598.72</b></td> <td><b>21.00</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Own Estate</li> </ul> </td> <td>2,508.96</td> <td>1,624.06</td> <td>34,105.26</td> <td>21.00</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Koperasi Maju Membangun (1,184 Smallholder)</li> </ul> </td> <td>846.66</td> <td>541.37</td> <td>11,368.77</td> <td>21.00</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Koperasi 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Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	<b>PT PMM</b>	<b>16,105.45</b>	<b>10,937.81</b>	<b>198,101.00</b>	<b>18.11</b>	<b>Bukit Jering Estate</b>	<b>4,047.30</b>	<b>1,771.14</b>	<b>30,109.38</b>	<b>17.00</b>	<ul style="list-style-type: none"> <li>Own Estate</li> </ul>	3,449.16	1,244.02	21,148.34	17.00	<ul style="list-style-type: none"> <li>Koperasi Subur Makmur (399 Smallholder)</li> </ul>	414.00	377.63	6,419.71	17.00	<ul style="list-style-type: none"> <li>Koperasi Grenseng Indah (90 Smallholder)</li> </ul>	184.14	149.49	2,541.33	17.00	<b>Kaman Hilir Estate</b>	<b>2,682.35</b>	<b>2,126.63</b>	<b>40,405.97</b>	<b>19.00</b>	<ul style="list-style-type: none"> <li>Own Estate</li> </ul>	1,682.35	1,183.12	22,479.28	19.00	<ul style="list-style-type: none"> <li>Koperasi Mitra Sawit Mandiri (1,087 Smallholder)</li> </ul>	1,000.00	943.51	17,926.69	19.00	<b>Loleng Estate</b>	<b>3,742.51</b>	<b>2,552.32</b>	<b>53,598.72</b>	<b>21.00</b>	<ul style="list-style-type: none"> <li>Own Estate</li> </ul>	2,508.96	1,624.06	34,105.26	21.00	<ul style="list-style-type: none"> <li>Koperasi Maju Membangun (1,184 Smallholder)</li> </ul>	846.66	541.37	11,368.77	21.00	<ul style="list-style-type: none"> <li>Koperasi Sawit Etam Bersama (612 Smallholder)</li> </ul>	386.89	386.89	8,124.69	21.00	<b>Benua Puluh Estate</b>	<b>3,283.59</b>	<b>2,302.61</b>	<b>36,841.76</b>	<b>16.00</b>	<ul style="list-style-type: none"> <li>Own Estate</li> </ul>	1,860.36	1,124.18	17,986.88	16.00	<ul style="list-style-type: none"> <li>Koperasi Tanah Sama (652 Smallholder)</li> </ul>	1,423.23	1,178.43	18,854.88	16.00	<b>Prima Estate</b>	<b>2,349.70</b>	<b>2,185.01</b>	<b>37,145.17</b>	<b>17.00</b>	<b>PT TJA</b>	<b>5,131.05</b>	<b>3,018.32</b>	<b>57,947.97</b>	<b>19.20</b>	<b>Rantau Hempang Estate</b>	<b>3,562.00</b>	<b>2,018.92</b>	<b>43,690.47</b>	<b>21.64</b>	<ul style="list-style-type: none"> <li>Own Estate</li> </ul>	2,962.00	1,501.66	31,534.86	21.00	<ul 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			(tonnes/year)	(tonnes)	(%)	(tonnes)	(%)
	Benua Puhun Mill	60	256,048.97	64,012	25%	11,522	4.5%
<b>1.8 Other Certifications</b>							
	ISO 9001:2008		-				
	ISO 14001: 2004		-				
	OHSAS 18001:2007		-				
	ISCC		-				
	Others		-				
<b>1.9</b>	<b>Time Bound Plan</b>						
<b>1.9.1</b>	<b>Time Bound Plan for Other Management Units</b>						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	Pangkatan (PT Pangkatan Indonesia)	2012	PT Pangkatan Indonesia (Pangkatan Estate)	2012	Labuhanbatu – North Sumatera, Indonesia	Certified 19 October 2012	
			PT Bilah Plantindo (Bilah Estate)	2012	Labuhanbatu – North Sumatera, Indonesia	Certified 19 October 2012	
			PT Sembada Sennah Maju (Sennah Estate)	2012	Labuhanbatu – North Sumatera, Indonesia	Certified 19 October 2012	
	Benua Puhun (PT Prima Mitrajaya Mandiri)	2013	Rantau Hempang Estate (PT Teguh Jayaprima Abadi)	2013	Kutai Kertanegara – East Kalimantan	Certified 26 June 2014	
			Mahakam Estate (PT Teguh Jayaprima Abadi)	2013	Kutai Kertanegara – East Kalimantan	Certified 26 June 2014	
			Bukit Jering estate (PT Prima Mitrajaya Mandiri)	2013	Kutai Kertanegara – East Kalimantan	Certified 26 June 2014	
			Kaman Hilir estate (PT Prima Mitrajaya Mandiri)	2013	Kutai Kertanegara – East Kalimantan	Certified 26 June 2014	
			Loleng estate (PT Prima Mitrajaya Mandiri)	2013	Kutai Kertanegara – East Kalimantan	Certified 26 June 2014	
			Benua Puhun estate (PT Prima Mitrajaya Mandiri)	2013	Kutai Kertanegara – East Kalimantan	Certified 26 June 2014	
			Prima estate (PT Prima Mitrajaya Mandiri)	2013	Kutai Kertanegara – East Kalimantan	Certified 26 June 2014	
Rantau Hempang (PT Prima Mitrajaya Mandiri)	2019	-	-	Kutai Kertanegara – East Kalimantan	2019		
Tuing (PT Gunung Pelawan Lestari)	2017	PT Gunung Pelawan Lestari	2017	Bangka	Planning		

-	-	PT Simpang Kiri Plantation Indonesia	-	Aceh	-
-	-	PT Evans Lestari	2024	Musi Rawas – South Sumatera	-
<ul style="list-style-type: none"> <li>PT Simpang Kiri Plantation Indonesia is an independent estate in the sense that it sells its FFB to a POM not owned by MP Evans. It is therefore unclear if the estate can be certified if the POM does not become certified.</li> <li>Tuing Mill, PT Gunung Pelawan Lestari delaying TBP from 2015 become 2017, this is caused of mill is under construction until now and will be operate on March 2016.</li> </ul>					
1.9.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	PT.PMM and PT.TJA receive FFB from PT. Kutai Agro Jaya with contract for a year and FFB from community plantation who full managed by companies. These community plantation has been entered on the scope of this activity.				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Certification Body</b>
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: <a href="http://www.mutucertification.com">www.mutucertification.com</a> Email : <a href="mailto:agri@mutucertification.com">agri@mutucertification.com</a>
<b>2.2</b>	<b>Assessment Team</b>
<b>ASA-1</b>	<ol style="list-style-type: none"> <li><b>Ardiansyah (Lead Auditor).</b> Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Environmental Management System (ISO 14001-2004), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During the assessment the auditor verified supply chain and HCV aspect.</li> <li><b>Muhammad Rinaldi (Auditor).</b> Associate of Oil Palm Plantations, Bogor Agricultural Institute. He has 4 years experience working as a staff operational plantations at oil palm plantation companies in Indonesia. He has attended the RSPO Awareness training, Lead Auditor/Auditor ISPO training, Auditor/Lead Auditor ISO 9001-2008 training, HCV training and Health and Safety Officer training. During this audit, he assigned to verify of Best Management Practices and OHS aspect.</li> <li><b>Ibnu Satria Prabudi (Auditor)</b> A Bachelor of Agriculture Majoring in Agro-technology, Agriculture Faculty of Instiper Yogyakarta. Currently he has been working with an independent certification agency as auditor. Training he has followed are: Lead Auditor RSPO, Auditor ISPO, Awareness HACCP certification, Awareness SQMS Mc Donald, In House Training Green House Gas and Lead auditor ISO 9001;2008. He has been working with an independent certification body as an auditor. He has followed several audit activities related to certification system of sustainable palm oil (RSPO and ISPO certification). During this audit, he assigned to verify of legality and manpower aspect.</li> <li><b>Sapto Hadi Winarno (Auditor).</b> Scholar of Forest Product, Faculty of Forestry, Bogor Agriculture Institute. He has work experience as air sensing photograph consultant since 1994 to 1997. He was working on company of plywood and he was appointed as IPK Manager of Palm Oil Company. He was also appointed as Company Operational Director of PMDN and PMA Manufacture Company on 1998 to 2005. He has certificates of assessor/ auditor/lead auditor on Forest Management and Wood Assurance Certificate since 2005 to recently. He has competence certificate for PHPL and VLK auditor. The professional experience he was dealing with was as the trainer of PHPL and SLK workshop for the Supervisor of Forest. He is now as professional consultant for forestry. In this audit, he conducted an assessment on Environmental aspect.</li> <li><b>Warsito (Auditor).</b> Bachelor of Forestry with Forest Management Major Study, Faculty of Forestry University of Nusa Bangsa, Bogor. Following training has been involved: Sustainable Forest Management Assessor Training (PHPL) and ISPO Auditor Training Course. Experienced and involved in several timber company for Environmental Monitoring and Management (RKL/RPL), Sustainable Forest Management Assessment (PHPL) and Ecolabeling Assessment, LEI scheme. During this assessment, he assigned to verify of Social and Workers Welfare.</li> </ol>
<b>2.3</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.3.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1</b>	Number of auditors : 5 auditor Number of days for <b>ASA-1</b> at site : 5 days Number of working days for <b>ASA-1</b> at site : 25 Working days

<b>2.3.2</b>	<b>Detail process of assessment</b>
<b>ASA-1</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the <b>PT PRIMA MITRAJAYA MANDIRI</b> and <b>PT TEGUH JAYAPRIMA ABADI (MP EVANS GROUP PLC)</b> to the requirements of Principle and criteria for Sustainable Palm Oil Production on April 2013 and supply chain Requirement for CPO Mill, November 2014.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-1</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-2</b>).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this <b>ASA-1</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-1</b>.</p> <p>The assessment program please find Appendix 2</p>
<b>2.3.3</b>	<b>Locations of Assessment</b>
<b>ASA-1</b>	<p><b><u>Mahakam Estate:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Division of Selatan Block N57.</b> Observation on spraying program and interview with the workers and foreman in term of the work procedure, provision, usage, and storage of PPE, waging system, the provided facilities, work accident insurance, labour union, complaint procedure, training of work procedure and first aid, medical check up, socialization in term of conservation area and the protected flora and fauna, socialization in term of the prohibiton for the pregnant and breastfeeding women to work close with agrochemicals.</li> <li>• <b>Division of Selatan Block N55.</b> Observation in term of the pest and disease control by using <i>Beneficial Plant (Turnera subulata, Casia cobanensis and Antigonon leptosus)</i>.</li> <li>• <b>Division of Selatan Block O54.</b> <ul style="list-style-type: none"> <li>- Observation in term of the soil conservation located on the slopy land by creating terrace and siltpit.</li> <li>- Observation on the harvesting program, according to the result of the interview, the harvesters have aware of the harvesting procedure, mature fruit criteria, safety work procedure, PPE usage, the implemented training program, the provided facilities, manpower and OHS implementation.</li> </ul> </li> <li>• <b>Division of Selatan Block N54/55.</b> Observation on manuring program and interview with the manuring work team in term of waging system, the provided facilities, work accident insurance, labour union, complaint procedure, training of work procedure and first aid, medical check up, socialization in term of conservation area and the protected flora and fauna.</li> <li>• <b>Division of Utara.</b> Interview with the peatland monitoring officer in term of the tasks and responsibilities over the peatland monitoring and water management.</li> <li>• <b>Emplasmnt of South Division.</b> Observation and interview about facilities that given to workers.</li> <li>• <b>Hazardous waste storage.</b> Observation hazardous waste management.</li> </ul> <p><b><u>Kaman Hilir Estate:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Block E31.</b> Observation on the sppraying program and interview with the workers and foreman in term of the work procedure, PPE usage and storing, waging system, the provided facilities, work accident insurance, labour union, complaint procedure, training of work procedure and first aid, medical check up, socialization in term of conservation area and the protected flora and fauna.</li> <li>• <b>Block E28.</b> .Observation on harvesting program, according to the result of the interview, the harvesters have aware of the harvesting procedure, mature fruit criteria, safety work procedure, PPE usage, the implemented training program, the provided facilities, manpower and OHS implementation.</li> <li>• <b>Block E24 dan F24.</b> .Observation in term of the water management and peatland management programs, there are installation of subsidence poles and piezometer.</li> <li>• <b>Nursery.</b> Observasi dan wawancara dengan mandor pembibitan terkait kegiatan opersional dipembibitan.</li> <li>• <b>Agochemicals Warehouse.</b> Observation in term of the chemicals usage and hazardous waste handling.</li> <li>• <b>Block E33.</b> Observation on boundary pole number TM 06</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Block H34.</b> Observation on boundary pole number PMM 136B</li> <li>• <b>Block E24.</b> Observation on boundary pole number PLM KH 005</li> <li>• <b>Block F24.</b> Observation on management action on the HCV area with natural vegetation and habitate of the endanger species.</li> </ul> <p><b><u>Benua Puhun Estate:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Block R 41 – 42.</b> Observation on the harvesting program, according to the result of the interview, the harvesters have aware of the harvesting procedure, mature fruit criteria, safety work procedure, PPE usage, the implemented training program, the provided facilities, manpower and OHS implementation. It is supported by the interview with the foreman in term of first aid and first aid kit medicine.</li> <li>• <b>Block Q 40 – 41.</b> Observation on <i>spraying</i> program, according to the result of the interview, the workers have aware of the harvesting procedure, mature fruit criteria, safety work procedure, PPE usage, the implemented training program, the provided facilities, manpower and OHS implementation. It is supported by the interview with the foreman in term of first aid and first aid kit medicine.</li> <li>• <b>Block 46, 47 dan 48.</b> Observation on manuring program, according to the result of the interview, the harvesters have aware of the harvesting procedure, mature fruit criteria, safety work procedure, PPE usage, the implemented training program, the provided facilities, manpower and OHS implementation. It is supported by the interview with the foreman in term of first aid and first aid kit medicine.</li> <li>• <b>Block O42, Block O45 and Emplacement of Benua Puhun Mill.</b> Observation on HCV area management in form of natural vegetation.</li> <li>• <b>Block P37.</b> Observation on boundary pole management of pole number PLM BP 01 and PLM BP 03</li> <li>• <b>Block P41.</b> Observation on boundary pole management of pole number PLM BP 26 and PLM BP 28</li> </ul> <p><b><u>Benua Puhun Mill:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Biogas Facility.</b> Observation and interview in term of management of POME used for fueling the electric generator device; waste management from biogas facility and OHS implementation.</li> <li>• <b>Grading.</b> Observation and interview in term of grading standard, employee welfare, OHS and complaint procedure.</li> <li>• <b>Hazardous Waste Storage.</b> Observation and interview in term of hazardous waste management, hazardous waste storage facility, emergency response to counterfeit the leakage.</li> <li>• <b>Composting Area.</b> Observation on empty fruit bunch management processed to be compost by using POME and waste management from the composting facility.</li> <li>• <b>WWTP Ponds.</b> Observation and interview related to the result of production, biogas facility and composting facility and POME utilization on estate.</li> </ul> <p><b><u>Konsultasi Stakeholder:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Government Institution of Kutai Kartanegara District (Plantation Agency and National Land Agency).</b> Interview in term of the company obligation over the plantation regulation and progress of land permit.</li> <li>• <b>Village around PT PMM and PT TJA (Benua Puhun, Bunga Jadi, Lebak Ulak, Muara Kaman Ilir).</b> Interview in term of company operational impact, contribution to communities and land dispute.</li> </ul>
2.4	<b>Stakeholder Consultation and Stakeholders Contacted</b>
2.4.1	<b>Summary of stakeholder consultation process.</b>
ASA-1	<p>Summary of stakeholder consultation process            Consultation of stakeholders for <b>PT PRIMA MITRAJAYA MANDIRI</b> and <b>PT TEGUH JAYAPRIMA ABADI (MP EVANS GROUP PLC)</b> was held by:</p> <ul style="list-style-type: none"> <li>• Public Notification at web mutucertification.com on March 20<sup>th</sup>, 2015</li> <li>• Public consultation meeting with local stakeholders conducted by visits to villages (Benua Puhun Village, Bunga Jadi Village, Lebak Ulak Village, Muara Kaman Ilir Village) on April 7<sup>th</sup>, 2015</li> <li>• Public consultation with government agency Kutai Kartanegara District (National Land Agency; Plantation Agency; Environment Agency, Manpower Agency) on April 7<sup>th</sup>, 2015</li> <li>• Public consultation with NGO (WWF, AMAN) by email on April 1<sup>st</sup>, 2015</li> </ul>

	Numbers of input from stakeholders were clarified by PT Prima Mitrajaya Mandiri and PT Teguh Jayaprima Abadi – MP EVANS GROUP
<b>2.4.2</b>	<b>Stakeholder contacted</b>
	<b>Please find appendix1</b>
<b>2.5</b>	<b>Determining Next Assessment</b>
	The next visit ( <b>ASA-2</b> ) will be determined one year after this <b>ASA-1</b> (April -2016).

**3.0. ASSESSMENT RESULT**

**3.1. Summary of Assessment Report of the RSPO Certification**

MUTUAGUNG LESTARI has conducted an assessment of Benua Puhun Mill – PT Prima Mitrajaya Mandiri & PT. Teguh Jayaprima Abadi, Evans Indonesia operation consisting of one (1) mill and seven (7) oil palm estates.

During the assessment, there were no Nonconformity were assigned against Major Compliance; no nonconformity were assigned against Minor Compliance and no nonconformance(s) against supply chain requirement for CPO mill and five (5) opportunity(s) for improvement were identified.

MUTUAGUNG LESTARI found that enua Puhun Mill – PT Prima Mitrajaya Mandiri & PT. Teguh Jayaprima Abadi, Evans Indonesia Group/Holding complied with the requirements of *RSPO Principle And Criteria For Sustainable Palm Oil Production On April 2013 And Supply Chain Requirement For CPO Mill, November 2014*.

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<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>
	<p>There are reports in term of management of environment, manpower, social and legal which are routinely reported to the associated agencies. The reports are composed regularly (each quarter, semester or annually). The company stored the documents which are routinely reported to the associated agencies during 2014. For example:</p> <ul style="list-style-type: none"> <li>- Report of environmental management and monitoring plan in 2<sup>nd</sup> semester of 2014.</li> <li>- Report of OHS Guiding Committee in 4<sup>th</sup> quarter of 2014.</li> <li>- Report of hazardous waste balance sheet in 4<sup>th</sup> quarter of 2014.</li> <li>- Report of statistic survey of estate on 2015.</li> <li>- Report of Investment Activities Report on 4<sup>th</sup> quarter 2014.</li> <li>- Report of plantation business development in 1<sup>st</sup> quarter of 2015.</li> <li>- Report of effluent application in 4<sup>th</sup> 2014.</li> </ul> <p>There are incoming letters sent by stakholders to the company. However, most of the incoming letters are the fund assistance proposal. There are several external letters in term of information request. For example:</p> <p><b>PT PMM</b></p> <ul style="list-style-type: none"> <li>- Recommendation letter sent by GAPKI in term of plan of research of (interview) CIFOR on July 23<sup>rd</sup> 2014. The interview has been conducted by the company management on August 22<sup>nd</sup> 2014.</li> <li>- Letter sent by Mulawarman Univeristy on December 29<sup>th</sup> 2014 in term of the research of college student named Abdul Basit. It has been responded on February 13<sup>th</sup> 2015 in form of research approval.</li> </ul> <p><b>PT TJA.</b></p> <ul style="list-style-type: none"> <li>- Assistance request letter in term of sewer construction sent by Bunga Jadi Village on May 7<sup>th</sup> 2014. It has been realized for 16 units for IDR 12,000,000 (supported by official record of goods handover and documentation).</li> <li>- Proposal of GPMII of Kutai Kartanegara trans region on May 5<sup>th</sup> 2014. It has been realized on May 26<sup>th</sup> 2014 for IDR 400,000 money assistance.</li> </ul>
	<b>Status: Comply</b>

**1.2**

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

The company has the list of document of transparency (No: REC/1.0/LLE/9/3, September 1<sup>st</sup> 2013). The type of the publicly accessed documents are 18 documents and the publicly-accessed documents (with conditions) are 14 documents. The publicly-accessed documents are the company policy, CSR document, EIA document, environmental management and monitoring plan document, company regulation, company organization structure, OHS Guiding Committee structure, OHS, list of stakeholders, attendance list, information request, etc. meanwhile, the publicly-accessed document (with conditions) are the document of permits, the company budget, wage payment, overtime data, finance production, PO, employee complaints, maps of company, data of compensation payment, finance assessment, report of internal and external assessment, report of visitation of SM, GM, and management, etc.

According to the SOP of consultation and communication number PMM/SOP/UMUM-20, the information requested by the locals/stakeholders are must be first discussed to the company management.

**Status: Comply**

**1.3**

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

MP Evans Plc has had commitment to maintain ethic behavior over entire transactions and business operations as described on the Anti-Bribery and Corruption Code of Conduct which was legalized by Philip Flercher (Managing Director) on July 29<sup>th</sup> 2013. The document describes:

- Definition of bribery and corruption.
- General anti-corruption and obligation over the bribery.
- Interaction between ethic code with the other regulations and statute.
- Personal and company finance usage.
- Authorities Officiala
- Payment facility.
- Emergency situation and personal security.

**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.**

The company has attempted to implement sustainable estate management by implementing the terms over the law and regulation in aspects of legal, environment, occupational health and safety.

**Legal**

The company has document of land acquisition and management in form of document of location permit, Land Use Title (HGU) which is still on progress of permit and plantation business permit.

**Manpower**

- The company has implemented minimum wage standard to the workers referring to the decree of East Kalimantan Governor number 561/K.870/2014 in term of Kutai Kartanegara District minimum wage standard on 2015. The determined minimum wage standard is IDR 2,295,804.-

**Environment**

- The company has the document of environment suitability for entire operational area. It refers the statute number 32 year 2009 and government regulation number 27 year 2012.
- The company stores the hazardous waste in the licensed hazardous waste storage. It refers the government regulation number 101 year 2014.

- Applying effluent on the soil. It refers the environment ministry regulation number 28 and 29 year 2003.

**Occupational Health and Safety**

The company has reported all programs of OHS Guiding committee including the report of work accident regularly (each quarter) to East Kutai District Manpower Agency referring the Manpower Ministry Regulation number 4 year 1987.

Management unit has information in term of the legal requirements that must be maintained on the document of “the list of the must-complied regulation” which consisted of:

- Plantation: 12 Statutes, 22 Government Regulations; 7 Decrees of Presidents; 15 Ministry Regulations
- Forestry: 6 Statutes; 4 Government Regulations; 4 Decrees of Presidents; 7 Ministry Regulations
- Manpower, OHS and environment: 26 Statutes; 14 Government Regulations; 4 Decrees of Presidents; 68 Ministry Regulations
- Ratification: 11 Statutes; 4 Government Regulations
- Others: 1 Ministry Regulation

In order to ensure the compliance over the regulation, the management unit has evaluated the compliance over the list of the composed regulation written on the document of “Compliance on Regulation and Statute”.

Management unit has had procedure to ensure the compliance over the legal regulation as described on the SOP of Statute implementation number TJA/SOP/Umm-01 dated January 1<sup>st</sup> 2011. The procedure describes:

- Legal/HR Manager must identifies and searches for the statute regulations which are able to be implemented on the operational of company.
- Legal/HR Manager communicates with the manager and staff of RSPO as needed to ensure that the information of the list informations and other regulations are updated.
- Manager of RSPO informs the president director / department manager if the changes on the statute or commitment over the other regulations which influence the RSPO management system.
- Manager of RPSO evaluates the most updated regulation or revision.
- Staff of RSPO ensures the list of statute regulations and other regulations have been implemented by all staff and contractor in the company.

**Status: Comply**

**2.2**

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

According to the result of document observation and interview with the management, the company is able to show the document of land legal, for example:

**Document of Location Permit**

- PT Prima Mitrajaya Mandiri is able to show the document of location permit issued by the regional government referring the applied statutes. The documents are:
  - a. Location permit referring the decree of Kutai Kartanegara Regent number 39/Dptn/UM-38/XII-2005 dated December 26<sup>th</sup> 2005 for ± 20,000 Ha of the land located in Muarakaman Sub-District, Kotabangun Sub-District, Muara wis Sub-District, Kutai Kartanegara District. The decree is valid for 12 months.
  - b. Extension on location permit referring the decree of Kartanegara Regent number 88/DPN.K/IL-84/XII-2006 dated December 29<sup>th</sup> 2006 for ± 20,000 Ha of the land (similar with location permit number 39/Dptn/UM-38/XII-2005 dated December 26<sup>th</sup> 2005). The decree is valid until December 26<sup>th</sup> 2006.
  - c. Revision on extension of location permit referring the decree of Kartanegara Regent number 47/DPN.K/IL-46/VI-2007 dated June 26<sup>th</sup> 2007. The decree is the revision of the decree of location permit number 88/DPN.K/IL-84/XII-2006 dated December 29<sup>th</sup> 2006. The hectarage of the granted permits is ± 21,500 Ha. The decree is valid until December 29<sup>th</sup> 2007.
- PT Teguh Jaya Prima Abadi Achieved the location permit referring the applied regulations. The hectarage of the area permitted to be cleared are ± 5,100 ha and ± 6,000 ha and then it is extended to 13,550 ha. The hectarage of the cleared area are located within the existed location permit.

- a. Location permit refers to the decree of Regent number 33/DPN.K/IL-31/VI-2006 on June 27<sup>th</sup> 2006 for ± 5,100 ha in Muara Kaman Sub-District.
- b. Location permit refers to the decree of Regent number 64/DPN.K/IL-62/X-2006 on October 9<sup>th</sup> 2006 for ± 6,000 ha in Muara Kaman Sub-District.
- c. Joint of the location permit refer to the decree number 69/DPN.K/IL-69/IX-2007 on September 6<sup>th</sup> 2007 for 13,550 ha in Kota Bangun and muara Kaman Sub-District.
- d. Extension on the location permit refer to the decree number 100/DPN.K/IL-100/X-2008 on October 27<sup>th</sup> 2008 for ± 13,550 ha in Kota Bangun and muara Kaman Sub-District.

**Document of Land Use Title**

The process of Land Use Title (HGU) progress is still being processed until Surveillance-1. The process of Land Use Title (HGU) for PT PMM has reached the stage of land inspection by committee B/panitia B that will be held on April, 15<sup>th</sup> 2015. Meanwhile, the for PT TJA also has reached on the stage of cadastral measurement.

**Document of Plantation Business Permit**

**PT Prima Mitrajaya Mandiri**

- There is a decree of Kutai Kartanegara Regent number 503/31/SK-DISBUN KUKAR/VII/2006 dated July 19<sup>th</sup> 2006 in term of plantation business permit on behalf of PT Prima Mitrajaya Mandiri for 20,000 Ha. The permit is valid for 30 years.
- There is a decree of Kutai Kartanegara Regent number 503/50/SK-DISBUN KUKAR/VII/2007 dated July 26<sup>th</sup> 2007 in term of the revision of the changes of plantation business permit hectarage number 503/31/SK-DISBUN KUKAR/VII/2006 dated July 19<sup>th</sup> 2006 on behalf of PT Prima Mitrajaya Mandiri di Sub-Districts of Kota Bangun, Muara Kaman and Muara Wis for 21,500 Ha. The permit is valid for 30 years.
- There is a decree of Kutai Kartanegara Regent number 503/002/IUP-P/SK-BUN/XI/2011 dated November 8<sup>th</sup> 2011 in term of Plantation Business Permit for Processing on behalf of PT Prima Mitrajaya Mandiri with capacity of 60 ton of FFB/hour.
- According to the description previously, PT PMM has had **Plantation Business Permit for Cultivation for 21,500 Ha and Plantation Business Permit for Processing with capacity of 60 ton of FFB/hour.**

**PT Teguh Jayaprima Abadi**

- There is a decree of Kutai Kartanegara Regent number 503/43/SK-DISBUN KUKAR/II/2007 dated January 15<sup>th</sup> 2007 in term of plantation business permit on behalf of PT Teguh Jayaprima Abadi for 6,000 Ha. The permit is valid for 30 years.
- There is a decree of Kutai Kartanegara Regent number 503/44/SK-DISBUN KUKAR/III/2007 dated March 13<sup>th</sup> 2007 in term of plantation business permit on behalf of PT Teguh Jayaprima Abadi for 6,300 Ha. The permit is valid for 30 years.
- There is a decree of Kutai Kartanegara Regent number 503/53/SK-DISBUN KUKAR/VII/2007 dated July 27<sup>th</sup> 2007 in term of revision of plantation business permit on behalf of PT Teguh Jayaprima Abadi for 5,100 Ha. The permit is valid for 30 years. The document is the revision of plantation business permit number 503/43/SK-DISBUN KUKAR/II/2007 dated January 15<sup>th</sup> 2007.
- There is a decree of Kutai Kartanegara Regent number 503/64/SK-DISBUN KUKAR/XII/2007 dated December 4<sup>th</sup> 2007 in term of plantation business permit on behalf of PT Teguh Jayaprima Abadi for 13,550 Ha. The permit is valid for 30 years.
- According to the description previously, PT TJA has had **Plantation Business Permit for Cultivation for 13,550 Ha.**

According to the result of document observation, the company is still processing the Land Use Title (HGU) achievement from the associated agency until surveillance-1. The company legal boundary is still based on the cadastral measurement conducted by the regional National Land Agency. According to the latest information, the cadastral measurement for PT PMM is 9,971.06 Ha (year 2011) and PT TJA for 4,360 hectare (year 2008).

According to the result of field visit, the legal boundary based on the cadastral map is demarcated obviously and well maintained. All the boundary poles are located on the proper coordinate as written on cadastral map.

**Status: Comply**

**2.3**

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

The company has had document of land compensation resolution. It involves the regional government. The land mapping is conducted by the team formed by the village administration government. The locals were also involved as well in order to avoid

the land compensation overlap.

The company conducts socialization before starting the operational. It has been supported by the villages nearby the company as written on the supporting letter to PT PMM from the locals (community of villages of Bukit Jering, Lebaho Ulaq, Lebak Mantan, Loleng and Lebak Matan). It was also witnessed by the head of Muara Wis Sub-District on April 22<sup>nd</sup> 2010. The supporting letter to PT TJA from the locals (Villages of Bunga and Rantau Hempang) on the estate establishment was witnessed by the head of Muara Kamam Sub-District on April 5<sup>th</sup> 2010. Furthermore, during the compilation of EIA, HCV identification, and SIA identification, the company was involving the impacted-community participation in form of FGD, questionnaire filling, and interview. Therefore, the locals shall aware of the future impacts caused by estate establishment.

The company has conducted approach to the locals on the process of estate establishment to prevent horizontal conflict. All the areas cultivated by the locals have been compensated by the company. There is a copy of plant compensation including the agreement. The company has compensated the plant for 17,042.80 Ha which consisted of PT PMM area for 13,201.26 Ha (consisted of 7 villages) and for PT TJA area for 3,841.80 Ha (consisted of 5 villages).

All the documents owned by the company (EIA, SIA, HCV, SOP, company policy, company regulation, reports, SOP, etc), are written on bahasa Indonesia. Therefore, it would be understood by the stakeholders who read it down. The company does not strict the locals to appoint lawyer to solve the law dispute. All the land disputes resolution are witnessed by the local government and are signed by all parties. The plant compensation is normally solved by sending the representatives of the locals to meet the company.

**Status: Comply**

**PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY**

**3.1**

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

Management unit has had long term plan and short term plan to reach economy feasibility. There are several management plants which are documented on the documents below::

- Long term plan for estate is written on the document of “Estimation of the Production Budget until 2030”. The document describes the production budget, such as:

Estate/ Division	Estimation of the Production Budget (Ton)					
	2015	2016	2017	2018	2019	2020
KHE/Utara	8,228	8,671	9,001	9,025	9,046	9,046
KHE/Tengah	15,176	16,907	18,104	18,607	18,948	19,105
MKE/Benua	13,837.54	18,197	20,872	22,651	23,936	25,123

- Annual plan for mill describes FFB process, CPO and PK. There is budget of mill for 2015, which describes:
    - FFB receive from own estate: 285,507.02 Ton
    - FFB receive from outgrower: 14,100 Ton
    - FFB process: 299,607.02 Ton
    - CPO: 74,901.50 Ton
    - PK: 13,781.88 Ton
  - Plan of annual programs are described on the “Annual Budget (MATURE UPKEEP COST)”. The document describes the plan of programs, volume, rotation, cost/ha, total of cost.
  - Plan of infrastructure construction is described on the document of “CAPITAL EXPANDITURE 2015-2023”.
  - Plan of production cost is described on the document of “BUDGET of HARVESTING”.
- There is no plan of replanting due to the oldest planting years of PMM and TJA is just started in 2007.

**Status: Comply**

**PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS**

**4.1**

**Operating procedures are appropriately documented, consistently implemented and monitored.**

Management unit has several procedures. For example:

- SOP of Agro which describes the land clearing, nursery, planting, soil and water conservation, weed and pest and disease control, manuring, harvesting and transport, heavy equipment and vehicle, compost application, POME application and replanting.
- SOP of OHS which describes the fire extinguisher, generator, welding machine, OHS Guiding Committee, first aid, medical check up, hazardous waste, PPE, etc.
- SOP of General which describes the statute regulation, gender committee, complaint, document maintenance, HCV, medical treatment, etc.
- SOP of Mill which describes the FFB receipt, grading, processing, CPO sample, dispatch, etc.

The company inspects the procedure implementation conducted by General Manager of Agronomy for region of East Kalimantan of Evans Indonesia Group, the inspection is conducted in each quarter. Meanwhile, the operational inspection at the mill is conducted in each semester.

The company has recorded and monitored the programs on the Monthly Progress Report which is composed monthly. The report describes all the operational programs, area statement, report of cost and materials, data of the workers until the manager's comments in term of the exist issue. The management unit also has the work program of division which describes the program plan and realization in the division for last 1 year.

According to the interview with the sprayers and manurer, those type of workers have aware of the work procedure and they have also been trained (work procedure training).

Benua Puhun Mill has recorded the origin or source of FFB sent by the third party. Benua Puhun Mill was receiving the FFB sent by PT Kutai Agro Jaya only during period of April 2014 – March 2015. Furthermore, PT PMM and PT TJA have also cooperating with the locals for the establishment of the locals (the estate is fully managed by the company).

**Status: Comply**

**4.2**

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

The company has a procedure of manuring (PMM/SOP/AGRO-09 dated January 1<sup>st</sup> 2011), the procedure describes that the manuring recommendation is composed by considering the result of leaf sample and soil capability to provide soil nutrient, the missing soil nutrient caused by water run off, plant condition, climate and the result of previous year manuring program. The SOP describes the procedure of manuring application, monitoring on manuring program and the management of fertilizer sack.

The management unit also has Monthly Progress Report which describes the recommended fertilizer usage and the data of usage per type of fertilizer. For example:

Estate	Type of Fertilizer							
	Urea (Ton)		RP (Ton)		TSP (Ton)		MOP (Ton)	
	Recommendation in 1 <sup>st</sup> Semester of 2015	Realization till February 2015	Recommendation in 1 <sup>st</sup> Semester of 2015	Realization till February 2015	Recommendation in 1 <sup>st</sup> Semester of 2015	Realization till February 2015	Recommendation in 1 <sup>st</sup> Semester of 2015	Realization till February 2015
Benua Puhun	182.61	98.42	257.16	-	25.75	13.32	252.24	52.51
Kaman Hilir	182.01	108.41	184.06	-	54.30	-	254.97	52.73

The company has the book of manual of palm oil plant cultivation which describes the procedure of manuring. The book also describes that the company is always analyzing the leaf annually and is always analyzing the soil once a 5 years. The leaf analysis has been conducted on July 2014 to analyze soil nutrient of N, P, K, Mg, Ca, B, Cu and Zn and the soil analysis has

been conducted on August 2009 as written on the document of Semi Detailed Soil Survey Report of PT PMM and PT TJA. The Semi-Detail Soil Survey Report describes the result of the soil nutrient on the soil such as N, P, K, Ca, Mg and etc.

The company describes the nutrient recycle by using empty fruit bunch applied by using composting method and the company is also applying POME. There are records of compost and POME usage. For example:

- Compost  
There is a recorded data of compost usage on the Monthly Progress Report which describes the recommendation and realization of its usage. For example, the compost usage was recommended on Kaman Hilir Estate for 8,146.23 ton on 1<sup>st</sup> semester of 2015. The realized usage until February 2015 was just reaching 4,482.05 ton.
- POME  
There is a data of POME application during period of 2014 in Benua Puhun Estate. The total of the realized POME was 115,256.84 m<sup>3</sup>.

According to the observation on the manuring program, the applied dosage refers to the recommendation. Furthermore, the foreman has had the manuring recommendation for period of 2015.

**Status: Comply**

**4.3**

**Practices minimise and control erosion and degradation of soils.**

Map of topography and soil type is attached on the document of semi-detail soil survey report of PT PMM and PT TJA on 2009 in scale 1:90,000, according to the map there are several land condition at the operational area of PT PMM and PT TJA such as flat (<0-2°), wavy (>2-6), hilly (>6-10°). The type of the soil within PT PMM and PT TJA operational area is consisted of Sapric Haplohemists, Typic Endoaquepts, Typic Fragiorthods, Typic Hapludults, Typis Plinthudults, Typic Dystrudepts and Kanhapludults.

The company has attempted to plant the slopy land, for example:

- Construction of individual terrace recorded on the data of individual terrace length. For example, the terrace length in block L35 Benua Puhun Estate is 7,368 meter.
- There is a data of *Muccuna bracteata* planting recorded on the data of planting in all Kaman Hilir Estate for 1,144.87 ha

Road maintenance is conducted by hardening the road, the road maintenance is conducted by using Road Grader. There are records of the road maintenance, for example:

Mahakam Estate

- There was a realization of road hardening on 2014 in block I53-54 for 759 meter.
- There was also realization of road repairmen by using Road Grader from May - October 2014 for 17,600 meter of the repaired road.

The company has managed peatland area. For example:

Kaman Hilir Estate

- Construction of trench with number of field drain (1X1 m) for along 86,720 meter, collection drain (2X2 m) for along 38,533 meter, Main drain (3X3 m) for along 9,531 meter.
- Installation of 15 units of piezometer to measure the water level from the soil surface. The monitoring is conducted weekly.
- Construction of 22 units of the dam to set the water level.
- Construction of pole to measure the peatland subsidence for 1 unit in block F24, the installation was conducted on December 2012. The pole monitoring is conducted annually. According to the result of the latest measurement (December 2014), there was peatland subsidence for 3 cm.

The company has the document of Semi Detailed Soil Survey Report of PT PMM and PT TJA on 2009. The document describes the land suitability class for entire company area. According to the data, there are several marginal area with low soil nutrient, sandy soil, floody area and peatland area. The company has attempted to improve the area by conducting several attempts. For example:

1. Organic manuring (EFB and POME) and anorganic manuring in entire area referring the recommendation of soil and leaf analysis.

2. Construction of terrace and LCC planting.
3. Construction of drainage and conducting water management in peatland and wetland area.

According to the field observation, the company has constructed terrace and siltpit on the slopy area. For example, on block O54 of Mahakam Estate. In order to manage the peatland area on blocks E24 and F24 of Kaman Hilir Estate, the company has constructed dam and installed *piezometer* to monitor water level on the peatland area. Furthermore, the company also has measured the subsidence of peatland area by installing subsidence poles which are monitored annually.

**Status: Comply**

**4.4**

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

In order to manage water and waterway nearby and within estate area, the company conducts several attempts to maintain the water quality and availability. The company shall not conduct manuring and other maintenance in the riparian area to restore the function as buffer zone referring the SOP of riparian area management (Document number; SOP/Uмум -15, dated January 1<sup>st</sup> 2011) and SOP of Paraquat and Glyphosate usage (Document number; SOP/Uмум-16, dated January 1<sup>st</sup> 2011) which describes that the prohibited area where the spraying program is not allowed are river, trench, etc.

Plan of water management and water source maintenance is described on the document of EIA and environmental management and monitoring plan. The result of water management and monitoring is documented on the report of environmental management and monitoring plan implementation which is composed regularly (each semester).

In order to protect waterway and wetland (including to protect and maintain riparian area and water buffer zone area). There are several attempts conducted by the company. For example:

- a. Planting erosion resistance plants (Cover Crop) such as *Mucuna bracteata* and Vertiver Grass.
- b. Constructing terrace on the high slope area.
- c. Planting hard-rod tree within conservation area, housing complex and enclave area.
- d. Testing water quality regularly (each quarter) referring the environment quality threshold as regulated on Government Regulation number 82 year 2001.
- e. Leaving the riparian area as conservation area with range 50 meter of the left and right of the river for the small river and 100 meter of the left and right of the river for the big river.

There is daily recording of effluent debit and pH as written on the Log Book of effluent daily recording. The company has tested the effluent quality routinely (monthly). It has been reported to the Environment Agency. The test was conducted by Sucofindo Samarinda Accredited laboratory (KAN LP-258-IDN). According to the result of the test, the BOD score was still below the quality threshold referring the Environment Ministry Regulation number 28 and 29 year 2003.

Benua Puhun Mill has daily-recorded data of water usage (M<sup>3</sup>) which is recapitulated monthly. The data is derived from the flowmeter data.

According to the data of water usage at mill during period of 2014, in order to process 240,271 ton of FFB, 282,531 m<sup>3</sup> water was needed. Therefore, the ratio of water usage per ton of FFB = 0.92 m<sup>3</sup> /FFB.

**Status: Comply**

**4.5**

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

The company has SOP of IPM (PMM/SOP/AGRO-07, dated January 1<sup>st</sup> 2013) and the book of manual of integrate pest management. According to the procedure, the early warning system is described. For example, the leaf eater pest regular detection is conducted once every 2 months, the rat census is conducted each quarter. The company is also controlling the pest attack by planting *Beneficial Plant* (*Turnera subulata* and *Casia cobanensis*).

The company has conducted early warning system by conducting census referring the applied procedure. All the result of the census is recorded on the report. For example, the report of the data of census and application of rat poison, recapitulation of

census of Ganoderma and Form of palm leaf eater detection.

The company has held training for the workers to implement IPM. There are evidence of the training. For example:

- Benua Puhun Estate: there is evidence of the training in term of type of the palm oil plant leaf eater and the method to detect the attack on June 14<sup>th</sup> 2014.
- Mahakam Estate: there is evidence of the training in term of type of the palm oil plant leaf eater and the method to detect the attack on September 18<sup>th</sup> 2014.

According to the field visit to Kaman Hilir Estate and Mahakam Estate, there are beneficial plants such as *Turnera subulata* and *Casia cobanensis* which are planted alongside the collection road and main road.

**Status: Comply**

**4.6**

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

The company has had the book of pesticide commission on 2013 which describes the entire type of pesticide, active substance, weed target or the controlled pest and the license number of the pesticide commission. According to the field visit to the spraying program in Mahakam Estate and interview with sprayer foreman, the pesticide implementation refers to the existed weed. Spraying program is conducted on block N57 by using active Glyphosate mixed with Metil Metsulfuron to maintain harvesting path and palm oil plant circle dominated by narrow leaf weed and a few wide lead weed.

The company has recorded the LD50 pesticide type used by the company on the report of LD50 routinely (monthly). The report describes the type of pesticide, active substance, total of pesticide usage, total of active substance usage, production and active substance/ton of FFB.

The company has minimized the control of pest and disease by using pesticide. For example:

- Conducting routine census or detection to monitor the level of pest and disease attack. Pesticide is used only when the attack reaches 5% of the total number of the censused plants.
- The company is also controlling the pest and disease attack by using biological agent such as *Turnera subulata* and *Casia cobanensis*.

According to the field visit to Kaman Hilir Estate and Mahakam Estate, there are beneficial plants such as *Turnera subulata* and *Casia cobanensis* which are planted alongside the collection road and main road.

The company has circular number SE/HOOA-Kaltim/01/2013/001 dated January 1<sup>st</sup> 2013 from the Head of Operational of Agronomy. The circular describes the commitment of the company to reduce the paraquat usage along the plant age. Furthermore, there is circular number SE/HoOA-Kaltim/01/2013/002 dated January 1<sup>st</sup> 2013 which describes the reduction oer the active substance for the agriculture operationals including type 1A and 1B WHO. According to the document review of the usage data for period of 2013 – 2014, there was active substance pesticide reduction for *Paraquat* and *Brodifakum*.

The company also has held training of pesticide application and handling for the active substance of Paraquat. The training program is cooperating with the pesticide producer and pesticide commission. For example, the training for entire unit of PT PMM and PT TJA on December 18<sup>th</sup> 2014. The company also conducts socialization to the sprayer in term of the function of PPE, PPE handling, until OHS training for the spraying program. For example, the socialization on Kaman Hilir Estate which was conducted on January 29<sup>th</sup> 2015.

According to the field visit and interview with sprayers of Mahakam Estate, Benua Puhun Estate and Kaman Hilir Estate, the workers have used proper PPE referring the identified risk analysis. Furthermore, the workers were able to describe the PPE (masker, aphron, gloves, glasses and boots) provided by the company. The regular training is also held routinely (at least annually).

According to the field visit to agrochemicals warehouse, the entire agrochemicals are stored separately from other materials. The warehouse has also been supported by PPE, OHS symbol, emergency shower and eye washer, Material Safety Data Sheet. Furthermore, it separates solid and liquid materials as well.

The company has SOP of hazardous waste management in document number PMM/SOP/K3-. The SOP is valid since January 2<sup>nd</sup> 2011. It describes the procedure of hazardous waste management as determined on the Environment Statute in order to prevent and handle the contamination or environment damage caused by hazardous waste. The procedure describes the classification of hazardous waste, hazardous waste handling, administration and PPE usage for the officer in charge of the hazardous waste. The pesticide hazardous waste handling are conducted by several method. For example:

- Conducting the amount of hazardous waste monitoring on the logbook and hazardous waste balance sheet.
- Placing the pesticide containers on the environment agency-licensed station.
- Sending the pesticide containers to the licensed collector.

The company has had analysis of risk assessment for all operational programs to minimize the risk. The risk analysis describes the work location, type of operational, description of operational, work accident potential, work accident risk, danger assessment, control and monitoring of the operationals.

According to the field visit on the spraying program, the company has applied pesticide by using *Knapsack*/spraying equipments (not spreaded from the air).

The company has held regular medical check up annually to the sprayer by examining their physic medical check up, rontgen and blood check up.

The company has circular number SE/HOO-A/03/2012/002 dated March 1<sup>st</sup> 2013 issued by the Head of Operational of Agronomy to all managers, staffs and employees of PT PMM and PT TJA. It describes the dangers of spraying work for the health, prohibition to the pregnant and breastfeeding women to work with chemicals and mutate them to the other safe station. According to the interview with the women workers who work with chemicals, they have aware of the policy.

**Status: Comply**

**4.7**

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

The company has policy of OHS. The policy was determined by K. Chandra Sekaran (President Director) on January 2<sup>nd</sup> 2011. The company has composed occupational health and safety plan as written on the work program of OHS Guiding Committee. The work program is composed annually, it contains monthly assembly, OHS monitoring implementation and reporting, OHS training, emergency response and the cleaning program on the housing complex.

The company is documenting the occupational health and safety program as written on the OHS Guiding Committee routinely (each quarter). It is reported to the Kutai Kartanegara District Environment Agency. It contains the several policies such as OHS policy, OHS procedure, organization structure of OHS Guiding Committee, the provided PPE, minutes of meeting of the assembly, data of work accident, OHS training and the inventory of fire extinguishers.

The company has had analysis of risk assessment for all operational programs to minimize the risk. The risk analysis describes the work location, type of operational, description of operational, work accident potential, work accident risk, danger assessment, control and monitoring of the operationals. Furthermore, the company has the procedure of environmental management and monitoring plan in procedure number PMM/MAN-01 on October 31<sup>st</sup> 2013. It was approved by the Group Manager. The objective of the procedure is to manage the structured system consistently to entire operational unit from its implementation to its monitoring by keep improving the occupational health and safety.

The company has conducted training over operationals. For example in Benuar Puhun, the training of Boiler Operational SOP training was held on March 11<sup>th</sup> 2015. It was attended by 7 workers. Furthermore, they have been trained to handle and apply pesticide (paraquat) by cooperating with pesticide producer and pesticide commission for all units of PT PMM and PT TJA. The training of pesticide handling and application was held on December 18<sup>th</sup> 2014.

PT PMM and PT TJA has had OHS Guiding Committee organization. It was legalized by Kutai Kartanegara District Manpower Agency in decree for PT. PMM number KEP.568/446/1.6.2/04/2015 and decree for PT. TJA in number 568/445/1.6.2/04/2015. The OHS Guiding Committee secretary is Hary Setiawan (OHS Oxpert) in decree of manpower ministry number 3844/M/DJPPK/XII/2012 dated December 11<sup>th</sup> 2012. The decree is valid for 3 years. The OHS Guiding Committee for PT TJA

is Irsan Hasibuan (OHS Expert) in decree of manpower ministry number 12060/M/DJPPK/III/2015 dated March 4<sup>th</sup> 2015. The decree is valid for 3 years.

The company has procedures in term of work accident and emergency situation as recorded on the procedure of emergency situation handling (PMM/SOP/Umum-10 dated January 1<sup>st</sup> 2011. It was approved by President Director) and the procedure of work accident handling which was approved by Senior Manager on March 3<sup>rd</sup> 2013.

The company has held first aid training for entire management unit of Benua Puhun Estate, Benua Puhun Mill, Mahakam Estate and Kaman Hilir Estate on December 4<sup>th</sup> 2014. It was taught by Dr. San Rio Tonapa in term of the basic principles of first aid, method of first aid for accident such as chemicals, injury caused by fire, insect and wounded and ankle fracture. The company has provided first aid kit in workplace. For example:

- Kaman Hilir Estate: there are 5 units of first aid kits in estate office, generator station, workshop and agrochemicals waste and 8 first aid kits brought by the foreman.

The company has registered all workers to BPJS insurance. There is evidence of insurance payment to BPJS on February 2015. The company has held regular medical check up annually to the sprayer by examining their physical medical check up, x-ray and blood check up. The latest medical check up was held on October 2014. There were suggestions and conclusion as follows:

- Benua Puhun Estate: Medical check up on behalf of M. Ian. He was declared fit to work with chemicals.
- Kaman Hilir Estate: Medical check up on behalf of Rediansyah. He was declared fit to work with chemicals

According to the interview with the sprayers, there are several facts. For example:

- The workers have been trained to properly use PPE and first aid kit routinely.
- The workers have used proper PPE referring the identified risk analysis.
- The workers have been registered to BPJS insurance.
- The medical check up is held regularly (annually).

The company has recorded the work accidents and calculated LTA by referring the decree of director general of industrial relation guidance and manpower monitoring in decree number 84/BW/1998. The company has calculated LTA, FR and SR. there are examples of the calculation for period of 2015. For example:

- Mahakam Estate: there was 1 work accident during period of 2015. It was the loader work accident which was causing 29 employees suffer light injury. There was LTA for 29 work days, FR 2.52 and SR 63.93.
- There is no work accident in management unit of Kaman Hilir Estate, Benua Puhun Estate and Benua Puhun Mill during period of 2015. Therefore, no FR and SR can be calculated.

**Status: Comply**

**4.8**

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

The company has composed training program for period of 2015 for staff and employee. The training is based on the work unit. The trainings are OHS training, conservation training, technique training, administration training. The trainer of the training programs are the internal and external staff. The program is composed based on the need and evaluation of previous year implementation.

The company is able to show the documentation of the record of the programs associated with the employee welfare and employee competence improvement. For example:

**Record of welfare**

- There is a record of employee cooperative unit establishment such as official letter of establishment, structure of the board and the facilities provided by the company.
- There is a record of wage system such as employee wage voucher (the wage is paid referring the minimum standard).
- There is a record of workers overtime and record of overtime payment referring the term and regulation of overtime payment.
- There is a record of estate and mill operational budget which describes the information in term of the company agenda to repair and construct the employee housing complex gradually.
- There is a record of registration as member of labour social assurance.

**Record of employee competence improvement**

- Record of IPM implementation training which was held on March 2014.
- Record of training for the loader and crane operator in mill and estate.
- Record of "ISPO Awareness" Training

According to the result of field observation, all workers have had labour social assurance program card (Jamsostek), the wage payment refers to the standard, housing complex is given to the employee including the electricity and clean water, the school transportation is given to the workers children and the workers have received the cultivation technique and mill operational training (the workers are able to describe the work technical properly).

**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 mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.**

Benua Puhun Mill, PT PMM and PT TJA has had EIA document which was legalized by Kutai Kartanegara Regent on 2010 and 2008. The EIA document contains the possible impact caused by estate and mill operationals. It is described on the document of environmental management and monitoring plan specifically on the matrix of environmental management and monitoring plan. In order to conduct environmental management and monitoring plan implementation, the company appoints manager of S&C Kaltim who responsible on the plan and implementation on the environmental management and monitoring plan. The officer in charge is responsible for coordinating the personnel in charge in level estate for Evans Grup in Kalimantan Timur.

The EIA of Benua Puhun Mill covers the hectarage of the business plan and/or the POM construction for  $\pm$  46.05 Ha, bulking tank of CPO and specific pier for  $\pm$  28 Ha in Benua Puhun Village and Rantau Humpang Village, Muara Kaman Sub-District, KUKAR District. The EIA of PT PMM covers 21,500 Ha meanwhile for PT TJA covers  $\pm$  5,100 Ha (Rantau Humpang Estate) and  $\pm$  13,550 Ha (Mahakam Estate).

According to the document of EIA, the company has the report of environmental management and monitoring plan in 1<sup>st</sup> semester of 2014 (January – June 2014) and in 2<sup>nd</sup> semester of 2014 (July – December 2014). The report contains the implementation of environmental management and monitoring plan. The aspect of environment is monitored based on its period (monthly, quarterly, semester, and annually).

**Status: Comply**

**5.2**

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

PT PMM and PT TJA has conducted HCV identification. It was conducted by Aksenta and Envirologic Consulting on 2011 – 2012. The HCV identification was conducted by RSPO Approve Assessor which using HCV Toolkit Indonesia on June 2008 and it was involving the locals, (Benua Puhun, Rantau Humpang, Loleng) enclave owner and land compensation team. According to the result of identification, the HCV area is determined for 1,411 Ha in PT PMM and 440.60 Ha in PT TJA. There was also the identified species of RTE, for example, rhinoceros, hornbill and borneo ironwood.

The management unit has composed the Management and Monitoring Plan of HCV. It was composed on September 2012. The stages to protect RTE and HCV area:

- Guarding the vegetation over the threat.
- Conducting the protected vegetation inventory training and its monitoring.
- Installing and maintaining the signboard.
- Mapping the location of HCV signboard and conservation plank. There is a map of HCV signboards in each estate: there are 2 signboards in Kaman Hilir Estate.
- Reforestating the open conservation area.

- Training of animal conflict mitigation.
- Monitoring species of flora and fauna.
- Identifying the threat and source of threat.
- Socializing the HCV area to the locals and employees routinely.
- Inspecting the workplace of staff and workers to recognize the existence of the protected animals routinely.
- Drawing the flowchart of the procedure of the protected animals.

The management unit has shown the evidence of the implementation of Management and Monitoring Plan of HCV, for example:

- Annual vegetation monitoring. The result of monitoring on March 2015 in 4 locations (Mahakam Estate Block N 39, Block O/P 55; Block O54/ Block H/I 50) shows that there are 25 type of the flora but there is no protected RTE vegetation.
- Annual animal monitoring. According to the result of monitoring on March 4<sup>th</sup> – 6<sup>th</sup> 2014 in entire conservation area in central and south division, there are 110 type of birds and 23 type of animals. The protected animals found are Muller Bornean Gibbons (*Hylobates muelleri*) and *Felis planiceps*.
- Conducting routine patrol on the HCV area. According to the result of monitoring on March 2015 in Mahakam Estate, the HCV area is safe.
- Socialization is conducted annually. The socialization on November 20<sup>th</sup> 2014 was attended by 6 participants of the manuring team of Kaman Hilir Estate. The taught materials were ISPO/RSPO, gender committee, OHS Guiding Committee, building fire, work accident, lightning impact accident, HCV, OHS, human rights policy, anti-corruption policy, complaint procedure, SOP of manual.
- Reforestation. According to the field visit to Mahakam Estate, block O54, there are HCV information signboard, hunting prohibition signboard, hard-rod planting like borneo ironwood.

Management unit also has reviewed the management plan annually on the document of “Report and Action Plan Review”. According to the result of review of action plan of HCV in Mahakam Estate for Period of September 2013 – August 2014, the composed management plan has been implemented, the level of fauna biodiversity is high and there is no conflict between the human and the animals.

According to the result of document review, the determined HCV area has been compensated. The management unit has shown the evidence of the agreement of land compensation for HCV area. For example:

- Evidence of compensation on behalf of Saini which is located in Block N26/27, O25/26 for 16.43 Ha.
- Evidence of compensation on behalf of Sukni which is located in Blok K/L 24/25 for 8.7 Ha.

**Status: Comply**

**5.3**

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

The company has several SOP in term of the utilization of mill effluent, compost production using BAR Formula (Biologic Aerobic Respiration Technologi). According to the SOP, the raw materials of the compost production are the EFB and POME generated by Benua Puhun Mill. Furthermore, there are several SOP in term of waste management which are the SOP of domestic waste management (office and housing complex waste), SOP of hazardous waste management, SOP of air quality pollution handling and SOP of manuring.

Type of the identified and documented waste are the chemicals containers, domestic waste, used battery, used oil, effluent, empty fruit bunch, shell, fiber and solid decanter. The identified waste is based on the place, type of pollution and pollution source. It is written on the “form of identification of waste type, waste sourc and waste handle criteria”.

The generated hazardous waste is stored at the licensed hazardous waste storage. The company has had the permission of the hazardous waste storage referring the decree of Kutai Kartanegara Regen number 660.1/SK-145/B.1.2/BLHD/VI/2013 on June 24<sup>th</sup> 2013. The licensed hazardous waste storage is located in Rantau Humpang Estate, Mahakam Estate and Benua Puhun Mill. The hazardous waste is then transported by CV Sumber Agung (the licensed hazardous waste collector).

The company has handled the waste referring the procedure of the result of identification. For example:

- According to the result of field visit to Mahakam Estate, Kaman Hilir Estate and Benua Puhun Estate, the domestic waste

is disposed to the landfill by separating the organic and anorgic waste.

- According to the result of field visit to Benua Puhun Mill hazardous waste storage, the hazardous waste is placed on the licensed station. The stored hazardous waste are the used oil, hazardous waste containers, rage, used filter, and used battery, etc.

**Status: Comply**

**5.4**

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

The company has utilized the renewable energy resource from the *methane capture* and solid waste burning (shell and fiber) on the boiler. The utilization of renewable energy resource has reduced the use of petroleum fuel. The company has data of petroleum usage monitoring which is documented routinely (monthly). For example, the diesel fuel usage of Benua Puhun Mill on 2014 was 0.36 liter/ Ton of FFB.

**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.**

The company has had SOP of land clearing (PMM/SOP/AGRO-02) on January 1<sup>st</sup> 2011 which describes the land clearing system mechanically (Zero Burning).

The land clearing on PT PMM land is conducted by contractor. There is a cooperative agreement letter with the contractor such as cooperative agreement letter number PMM/KHE/12/2014/188 dated December 5<sup>th</sup> 2014 which describes that the contract on land clearing and road construction. According to the point 7.6, the contractor is not allowed to burn the land (Zero Burning).

**Status: Comply**

**5.6**

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

The company has tested the air quality pollution routinely (each semester). It has also been reported to the Environment Agency. The test was held by Environment Laboratory (accredited by Samarinda Accreditation Body: KAN No. LP-060-IDN). According to the result of boiler and generator emission test on December 12<sup>th</sup> 2014, the all tested parameters were complying the environment quality threshold.

PT PMM and PT TJA have inventory of the GHG emission source and they have calculated the GHG emission as written on the "RSPOPalmGHG Summary Report". According to the result of inventory on 2014, the GHG emission generated by estate operational was 0.59 tCO<sub>2</sub>e/t FFB and the GHG emission generated by mill operational was 0.05 tCO<sub>2</sub>e/t FFB.

**Status: Comply**

**PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS**

**6.1**

**Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.**

The company has analysed the social impact on June 2012. It was analyzed by PT Aksenta Gagah Dinamika. The final report was composed on October 2012. The SIA analysis has involved the locals and the employees as the source of information. It is conducted on form of FGD, questionnaire, and the interview. There were attendance list, list of the informant for 94 participants and other attachments which were stating that the document was composed by involving the locals. Furthermore, there was also photographs of the event during the assembly with the locals.

The company has composed plan to avoid or reduce the negative impacts and increase the positive impacts and monitored the identified impacts with the consultation with the impacted parties. The documents cover:

- **Management System** covers: training, manpower, stakeholder consultation, environment management, partnership of objective and the objective of management.

- **Management Strategy** covers: potential threat, plan implementation, monitoring implementation, responsibilities and accountability.

There is a table of strategic plan to manage social impact. It covers:

- **Description of program:** socialization of agronomy to the member of the scheme smallholders, socialization and training of cooperative unit supervisor competence improvement, etc.
- **Plan of Implementation**
- **Guidance of Implementation**
- **Event Person in Charge.**

The company has a document of monitoring action plan which is composed annually. There is a monitoring action plan on 2013 and 2014. The described actions on the table are:

- Improving the competence by holding training to the cooperative unit board in term of the account administration through discussion during letter of recognition debt which is held monthly.
- Cooperating with the nearby clinic and hospital to handle the occupational health and safety of the employees of the farthest estate. It was held on March 2014.
- Inspecting routine administration and account of the cooperative (monthly).
- Extending the daycare establishment in each estate referring the number of children in each estate. It was conducted on February 2014.

The estimation of social and environment on the scheme smallholder establishment has been discussed on the document of EIA and SIA (positive and negative impact). The company has appointed the person in charge on the document of EIA and SIA (Mr Andreas Tarigan as Pemitra Manager) in decree number 001/SPK-PKWT.M-Pemitra/PMM-HR/I/2015.

**Status: Comply**

**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.**

The company has had SOP of communication and consultation number PMM/SOP/Umum-22 which has been implementing since January 1<sup>st</sup> 2013. The document contains the guidance to communicate and consult with the locals in order to maintain good relation and to discuss the issues transparently and openly. The procedure describes the relation between the company and the stakeholders, government, NGO, and the company-opposing party and the women as well.

The company has appointed officer in charge over the social issues (Manager of Pemitra) with decree number 001/SPK-PKWT.M-Pemitra/PMM-HR/I/2015. There is a list of the stakeholders on 2014. There are 81 stakeholders according to the data of PT PMM and there are 25 stakeholders according to the data of PT TJA. The stakeholders are supported with telephone number and address. Those are the chief of village, chief of hamlet, community figure, cooperative unit, police, fire brigade, hospital, government agencies, supplier and contractor.

The company has documented entire communication with the stakeholders. For example:

- Assembly between the Mitra Tanah Sama Cooperative Unit and the company in term of monthly socialization of recognition debt letter and plan of cooperative unit work plan of March 2015 on March 2<sup>nd</sup> 2015.
- Assembly between the stakeholder and the village administration government of Labaho Ulaq, Loleng, Muara Kamam Ilir, Lebak Mantan, Bukit Jering and Benua Puhun which was attended by chief of village, village forum, LPM, youth organization, and community figure on September 29<sup>th</sup> 2014 to October 3<sup>rd</sup> 2014.

**Status: Comply**

**6.3**

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

The company has had procedure of complaint written on the SOP of internal and external complaint in document number PMM/SOP/Umum-05 which has been implementing since January 1<sup>st</sup> 2011. The flow chart of the complaint is started from the complaint book filled with the complaint of the employees. The book is available in estate office, the resolution is shall be conducted at least 2 weeks by coordinating with SM and GM, Legal, HR and then the documentation of the resolution result.

According to the document review, there is no dispute occurred with the locals, specifically in term of land compensation / plant

compensation. The process of land compensation is conducted in forum to reach an agreement with the locals. There is evidence of the process of land compensation resolution started from the operational to the assessment, the company has maintained all documents associated with the land compensation / plant compensation process. There is a document of the complaint expressed by the locals, most of the complaints are about the village road maintenance and the religious feast fund assistance and independence day celebration fund assistance. For example, the assistance request sent by the Head of Maura Kamam Sub-District to the GM of PT PMM on November 17<sup>th</sup> 2014 in term of the road hoarding assistance. It has been responded by the company in form of the official record of road hoarding on November 18<sup>th</sup> 2014. It is supported with event photographs.

Furhtermore, there is also internal complaint. It is written on the log book of employee complaint. For example, the complaint sent by Mr Angga (estate employee of Benua Puhun Mill) on February 7<sup>th</sup> 2015 about the leaking roof, overflow trench, full capacity of septic tank. The complaint has been responded on March 3<sup>rd</sup> 2015.

**Status: Comply**

**6.4**

**Any negotiations concerning compensation for loss of legal, customary or user 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.**

The company has composed the SOP of land acquisition in document number PMM/SOP/Umum-19 dated January 1<sup>st</sup> 2009. The document is supported with the flow chart of land acquisition. According to the legal division information, there is no land conflict between the company and the locals. Overall, the planted area have been compensated and there is no planting conducted before the compensation process.

As for the anticipation of land conflict, the company has composed the SOP of internal and external complain in document number PMM/SOP/Umum-05 Revision 01 dated January 21<sup>st</sup> 2013. It describes the process of resolution of the complaint expressed by the internal or external party including the land complaint. The resolution is conducted in forum. However, if the forum does not reach agreement, the resolution is shall be solved in court.

There is SOP of communication and consultation number PMM/SOP/Umum-20 dated September 16<sup>th</sup> 2013. The document contains the guidance to communicate and consult with the locals in order to maintain good relation and to discuss the issues transparently and openly. The procedure describes the relation between the company and the stakeholders, government, NGO, and the company-opposing party and the women as well.

The company achieve Land Use Title (HGU) with no conflict with the locals appears. It is caused by the approach of the company by using forum to reach the compensation agreement. According to the result of the interview with the locals and the regional government, there is no land dispute, the uncleared land is still on the progress of resolution between the company and the locals. The company has documented entire process of land compensation / plant compensations since the early of operational to the assessment. The land conflict resolution document is signed by all land dispute associated parties.

**Status: Comply**

**6.5**

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

The implementation of the wage standard in the company is based on the district minimum wage standard of the Decree of East Kalimantan Governor number 561/K.870/2014 in term of Kutai Kartanegara District minimum wage standard implementation on 2015. The determined minimum wage implementation is IDR 2,295,804. According to the document observation of the list of employee, there is no temporary daily workers working on the company operational. According to the document observation on the document of the employee wage voucher in mill and estate per March 2015 has been adjusted to the determined minimum wage standard. For example:

- The received wage for daily workers of division of Benua Puhun Tengah (workers ID: G03374) is IDR2,295,804,-
- The received wage for monthly workers as Accounting (ID Pekerja: S0001) is IDR 2,414,054,-

The company is able to show several documents in term of the manpower. For example, probation workers contract (sprayer)

with PT PMM and PT TJA. The document contains the rights and obligation of the workers such as wage, workers obligation, overtime, day off (specifically to the women workers in term of menstruation and pregnant leave), things which is causing work contract termination, insurance for the workers, etc.

The company has provided public facility for the workers such as housing complex, place of worship, warehouse, daycare and sport facility. According to the result of field visit to Mahakam Estate and Hilir Estate emplacement, the facilities provided by the company are well maintained. Furthermore, the company is also facilitating the company to establish cooperative unit. The function of the cooperative unit is to provide grain.

**Status: Comply**

**6.6**

**The employer respects the rights 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.**

The company has policy in term of the freedom of the workers union. It was legalized by the President Director. The company has formed the organization for the workers (Bipartite Cooperative Institution). The bipartite cooperative institution has been registered to the Manpower Agency in the registration number 567/82/1.5.3/07/2012 dated July 23<sup>rd</sup> 2012 for PT TJA and in registration number 567/81/1.5.3/07/2012 dated July 23<sup>rd</sup> 2012 for PT PMM.

According to the result of interview with bipartite cooperative institution board, the workers representative are routinely (monthly) conducting the assembly with the industrialist. The company is able to show the evidence of the record of bipartite cooperative institution assembly for period of January – March 2015.

**Status: Comply**

**6.7**

**Children are not employed or exploited.**

The company has policy to not to employ the underage workers as written on the circular (Memorandum) from HRD Departement number: E/HO-A/03/2012/001, dated March 1<sup>st</sup> 2012. It states that the company is not allowed to hire the underage workers (under 18 years old). According to the document observation of the list of Benua Puhun Estate and Kaman Hilir Estate employee for period of February 2015, there is no underage workers empowered by the company. The board of bipartite cooperative unit shows the fact that the workers have aware of the policy as well.

**Status: Comply**

**6.8**

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

The company has had policy to give equal job opportunity for entire future workers. The policy was legalized by President Director. According to the document observation, the recruited workers are constituted by several differents education, tribes and religions. According to the result of interview with the Managers of Benua Puhun Mill, Benua Puhun Estate, Kaman Hilir Estate and Mahakam Estate, the workers recruitment is based on the company policy regardless the tribes, religions, race, and group. All future employees have equal opportunity based on the educational background and the company needs.

The company has had SOP of non-staff employee selection and recruitment (Document number: PMM/SOP/Ummum-25) dated January 1<sup>st</sup> 2011. The policy describes:

- a. The workers recruitment must be based on the annual workers recruitment approved by te President Director.
- b. Minimum workers age is 18 years old.
- c. Other requirements are the application letter; CV; copy of identity; the latest education certificate; copy of reference and other certificates.
- d. The worker is declared by the company-appointed clinic doctor as healthy.

According to the document review and interview with the workers, the employee recruitment has been conducted by referring the procedure.

	<b>Status: Comply</b>	
<p><b>6.9</b> <b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b></p>		
<p>The company has had sexual harassment policy which was legalized by the President Director on January 2<sup>nd</sup> 2011. The policy describes the commitment of the company to create harmonic work condition (no sexual harassment and other violence).</p> <p>The company also has reproduction right protection policy which was legalized by President Director on September 2<sup>nd</sup> 2013. The policy describes that the company's commitment to give reproduction right protection such as specific dispensation for the pregnant or menstruation workers to leave their job for a certain period and socializing and guiding the women workers in term of the healthy reproduction which is taught by the paramedics of the company. In order to support the policy, the company forms gender committee. According to the result of the interview with the gender committee and women workers, the company has respected the reproduction right and make stands against the sexual harassment.</p> <p>The company is able to show the procedure of employee's complaint as written on the SOP of internal and external complaint in document number PMM/SOP/Umum-05. It was legalized by President Director on January 1<sup>st</sup> 2011.</p>		
	<b>Status: Comply</b>	
<p><b>6.10</b> <b>Growers and millers deal fairly and transparently with smallholders and other local businesses.</b></p>		
<p>PT PMM and PT TJA are cooperating with the local contractor or other company. According to the interview with the FFB transport contractor, civil contractor and compost transport contractor, the cooperative agreement letter has been read and analyzed before the signature is put on the paper. Furthermore, the payment of the contract is shall be given on time.</p> <p>According to the result of the document review and interview with the representative of the Benua Puhun Mill management, the mill is also receiving the external FFB (sent by the outside party). However, they do not receive FFB sent by the smallholders. The FFB pricing is determined by the agreement signed by both parties as described on cooperative agreement letter.</p> <p>The management unit has shown the evidence of the documentation in term of the contractor payment referring the agreed negotiation. For example, cooperative agreement letter number TJA/MKE/01/2015/004-Angkut TBS dated December 28<sup>th</sup> 2014 between PT TJA and CV Sri Utami for the project of FFB transport and loosen fruit transport for 6 months (June 30<sup>th</sup> 2015). The payment is conducted monthly. There is payment voucher for the CV Sri Utami for transporting the FFB and loosen fruit from Mahakam Estate to Benua Puhun Mill on April 4<sup>th</sup> 2015. Official record of the work inspection was conducted on March 31<sup>st</sup> 2015.</p>		
	<b>Status: Comply</b>	
<p><b>6.11</b> <b>Growers and millers contribute to local sustainable development where appropriate.</b></p>		
<p>The company has commitment to distribute the assistance to the locals in form of CSR program. The CSR Program on 2015 covers the aspect of education, religion, sport, infrastructure, culture and health, etc. the survey and socialization are first conducted before composing the CSR program. There is an evidence of the socialization of the CSR program on 2015. The socialization was conducted on October 2014.</p> <p>The realization on the CSR program of PT PMM on 2014 was IDR 143,351,946 which covers the sectors of economy, education, religiosity and socio-cultural. Meanwhile the realization on CSR program of PT TJA on 2014 was IDR 70,667,000 which covers the sectors of infrastructure, education, religiosity, and socio-culture.</p> <p>Furthermore, the company is also establishing the estate for the locals with full-management system by the company. Therefore, there is no scheme smallholders system.</p>		
	<b>Status: Comply</b>	
<p><b>6.12</b> <b>No forms of forced or trafficked labour are used.</b></p>		

Entire workers who work within PT PMM and PT TJA has had collective labour agreement agreed by all parties.

The company is able to show the document of the foreign workers empowerment:

- Decree of the director general of the workers placement in term of the foreign workers empowerment on PT Prima Mitrajaya Mandiri for 10 positions with foreign workers up to 13 foreign workers.
- Decree of the director general of the workers placement in term of the foreign workers empowerment on PT Teguh Jayaprima Abadi for 10 positions with foreign workers up to 13 foreign workers.

**Status: Comply**

**6.13**

**Growers and millers respect human rights.**

According to the result of interview with the workers, the company has respected the human right. For example, the right to live, to have faith, freedom and right to have family, etc.

**Status: Comply**

**7.1**

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

PT PMM and PT TJA has establishing estate since 2007 – 2015. In order to minimize negative impact caused by the company operational, the company has conducted social and environmental impact assessment as written on criteria 5.1 and 6.1. The document of the assessment has described entire area managed by PT PMM and PT TJA.

**Status: Comply**

**7.2**

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

The company has conducted soil survey on 2009. The suitability is based on the soil type, topography/slope, climate and soil nutrient. For example on PT PMM:

Actual	Limitation/hazard	Improvement	Potential	Extent (Ha)
S2-nr, oa	Low nutrients and drainage	Water management, fertilizer and liming	S2	4,049.29
S2-rc,nr,s	Rooting condition, low nutrients and slope	Fertilizer, soil management	S2	3,507.01
S3-rc,oa, fh	Peath depth, drainage, flood	Water management and liming	S3	2,103.33
S3-s,rc,nr	Slope, rooting condition and low nutrient	Fertilizer, soil management (terracing)	S3	2,801.91
N-rc	Rooting condition (sandy)	Fertilizer, soil management	S3	421.88

The company has realized program to improve the area by several attempts. For example:

1. Organic manuring (EFB and POME) and anorganic manuring for the entire of the recommended area based on the result of soil and leaf analysis.
2. Construction of terrace and LCC planting.
3. Construction of drainage and water management in peatland area or wetland.

Map of topography and soil type is attached on the document of semi-detail soil survey report of PT PMM and PT TJA om 2009 in scale 1:90,000, according to the map there are several land condition at the operational area of PT PMM and PT TJA such as flat (<0-2°), wavy (>2-6), hilly (>6-10°). The company has constructed terrace for planting palm oil plant in slopy area and the company also has constructed drainage on the floody and peatland area.

**Status: Comply**

**7.3**

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

PT PMM and PT TJA has conducted environment and social Assessment before the land clearing program as written on the document of Environmental and Social Assessment of Oil Palm Developments PT PMM and PT TJA by Environmental Management & Monitoring Pty Ltd. It was conducted by Charlie Rosson April 2007. According to the document, there are several facts. For example:

- The land at the project are has been logged and relogged since the 1970s. in recognition that the commercial timber resource has been exhausted, the government has changed the land planning classification from production forest non-forested for agriculture or *Kawasan Budidaya Non Kehutanan* (KBNK).
- Field inspection of the project area and the use of a satellite image confirmed that the original forest has been removed. The vegetation at the concession areas (Section 2) is dominated by secondary regrowth, open grassland and wet grassland. Secondary forest accurs on only a small part of the area. There is clear evidence that intact primary forest no longer exists within or adjacent to the palm oil development.

According to the result of the document review and interview, the land clearing has been conducting since April 2007.

Management unit has had document of HCV area management and monitoring plan as written on the criteria 5.2.

Has all ready conducted NPP by CUC on February 26<sup>th</sup>, 2013.

**Status: Comply**

**7.4**

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

Map of topography and soil type is attached on the document of semi-detail soil survey report of PT PMM and PT TJA om 2009 in scale 1:90,000, according to the map there are several land condition at the operational area of PT PMM and PT TJA such as flat (<0-2°), wavy (>2-6), hilly (>6-10°), and the soil type map on the PT PMM and PT TJA operational area consisted of Sapric Haplohemists, Typic Endoaquepts, Typic Fragiorthods, Typic Hapludults, Typis Plinthudults, Typic Dystrudepts and Kanhapludults.

The company has realized program to improve the area by several attempts. For example:

1. Organic manuring (EFB and POME) and anorganic manuring for the entire of the recommended area based on the result of soil and leaf analysis.
2. Construction of terrace and LCC planting.
3. Construction of drainage and water management in peatland area or wetland.

According to the observation on the manuring program, the applied dosage has referred to the recommended dosage and the foreman has has manuring recommendation for period of 2015. The company has construced terrace and siltpit on the slopy land such as in block O54 of Mahakam Estate and for the peatland management such as in block E24 and F24 of Kaman Hilir Estate. The company has constructed a dam and also has had *piezometer* to monitor water level on the peatland area. Furthermore, the company also has measured the peatland subsidence by installing subsidence monitoring pole which is monitored routinely (annually).

**Status: Comply**

**7.5**

**No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.**

PT PMM and PT TJA has planting palm oil plant since 2007 – 2015. The entire of the managed area have been compensated. There is a copy of land compensation / plant compensation process including the negotiation of the plant compensation. The company has compensated 17,042.80 Ha area until March 2015. It consisted of the land of PT PMM for 13,201.26 Ha consisted of 7 villages and the lanf of PT TJA for 3,841.80 Ha consisted of 5 villages. The process of compensation is directly compensated to the authorize party

The company maintains all the records of evidence of the compensated land in case to deal with the future conflict.

	<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>	
<p>The company has composed the SOP of land acquisition in document number PMM/SOP/Umum-19 dated January 1<sup>st</sup> 2009. The document is supported with the flow chart of land acquisition. According to the legal division information, there is no land conflict between the company and the locals. Overall, the planted area have been compensated and there is no planting conducted before the compensation process.</p> <p>As for the anticipation of land conflict, the company has composed the SOP of internal and external complain in document number PMM/SOP/Umum-05 Revision 01 dated January 21<sup>st</sup> 2013. It describes the process of resolution of the complaint expressed by the internal or external party including the land complaint. The resolution is conducted in forum. However, if the forum does not reach agreement, the resolution is shall be solved in court.</p> <p>The SOP describes the requirements to get land/plant compensation. The company has compensated 17,042.80 Ha area until March 2015. It consisted of the land of PT PMM for 13,201.26 Ha and the lanf of PT TJA for 3,841.80 Ha. The process of compensation is directly compensated to the authorize party. There is record of the party who receive the compensation. The compensation is based on the normal price of the local government and the result of the survey. There is a document of the copy of the agreement on the compensation process started from the operation until 2015.</p> <p>The locals who have received the land compensation also have opportunity to work in the company regarding the competence. Furthermore, the estate is also established for the locals whose the area is considered within HCV area of the company and the locals have also opportunity to conduct contract project at the company.</p>	
	<b>Status: Comply</b>
<b>7.7</b>	
<b>No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
<p>The company has had SOP of land clearing (PMM/SOP/AGRO-02) on January 1<sup>st</sup> 2011 which describes the land clearing system mechanically (Zero Burning).</p> <p>The land clearing on PT PMM land is conducted by contractor. There is a cooperative agreement letter with the contractor such as cooperative agreement letter number PMM/KHE/12/2014/188 dated December 5<sup>th</sup> 2014 which describes that the contract on land clearing and road construction. According to the point 7.6, the contractor is not allowed to burn the land (Zero Burning).</p>	
	<b>Status: Comply</b>
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
<p>The company has identified the GHG house in mill and estate. On the process of land clearing, the emission sources are the peatland, diesel fuel usage and agrochemicals application.</p> <ol style="list-style-type: none"> <li>On the stage of nursery, the transportation, chemicals usage and manuring.</li> <li>On the mature and immature plant, diesel fuel usage for transportation, land fire, chemicals usage and manuring.</li> <li>On the compost application.</li> <li>On the land application in form of anorganic fertilizer.</li> </ol> <p>GHG inventory on mill, the mill emission sources are the generator, boiler and power plant.</p> <p>Several attempts to minimize the GHG emission are for example:</p> <ol style="list-style-type: none"> <li>Avoiding high carbon stock area.</li> </ol>	

	<ul style="list-style-type: none"> <li>b. EnrichingHCV</li> <li>c. Improving carbon sequestration (<i>carbon sequestration</i>).</li> <li>d. Petroleum fuel usage reduction.</li> <li>e. Implementation of zero burning.</li> <li>f. Utilization of the biomass fuel optimally as the mill source of energy.</li> <li>g. Implementing water management system by creating peat subsidence and monitoring the water level.</li> <li>h. Socialization of the burning prohibition.</li> <li>i. Beneficial plant planting as the effort to reduce pesticide usage.</li> <li>j. Calculation of the GHG generated by company operationals.</li> </ul>	
	<b>Status: Comply</b>	
<b>PRINCIPLE 8: COMMITMENT TO CONTINUAL 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 continual improvement in key operations.</b>		
<p>PT PMM and PT TJA are always monitor and evaluate the entire operationals such as:</p> <ul style="list-style-type: none"> <li>• Monitoring the air quality in work location and settlement.</li> <li>• Monitoring the emission quality from the generator and boiler.</li> <li>• Monitoring the river water quality within operational area.</li> </ul> <p>Furthermore, the company has conducted several programs. For example:</p> <ul style="list-style-type: none"> <li>- Conducting methane capture at Benua Puhuh Mill.</li> <li>- The company has identified social impact on the process of its compilation by involving the associated stakeholders. The impacts have also been monitored as well as the schedule. The company has composed report of the monitoring annually.</li> <li>- The company has conducted consultation with the locals in term of the CSR program compilation refer to the need of the locals.</li> <li>- The company has reduced paraquat and brodifakum usage for period of 2013 – 2014 (proven) and the company also has the policy in term of the company commitment to reduce paraquat and brodifakum usage (criteria 4.6).</li> </ul>		
	<b>Status: Comply</b>	

3.2. Summary of Assessment Report of Supply Chain Requirement

Clause	(Module E) CPO Mills - Mass Balance Requirements
E.1	Definition
<p><b>E.1.1</b>  <b>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.</b></p> <p>The management unit has described the definition of the supply chain system used on the SOP of RSPO Sustainability for Estate No. PMM/MAN-03A dated October 31<sup>st</sup> 2013.</p> <p><b>Status: Comply</b></p>	
E.2	Explanation
<p><b>E.2.1</b>  <b>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&amp;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.</b></p> <p>The certification body has recorded the mill-generated CPO and PK estimation of the certified mill. It has been informed on the report of audit result.</p> <p><b>Status: Comply</b></p>	
<p><b>E.2.2</b>  <b>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).</b></p> <p>The management unit of Benua Puhun Mill has been registering to the organization which is managing the RSPO supply chain (etrace).</p> <p><b>Status: Comply</b></p>	
E.3	Documented procedures
<p><b>E.3.1</b>  <b>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:</b></p> <ol style="list-style-type: none"> <li><b>Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><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.</b></li> </ol> <p>The company has had SOP of RSPO Sustainability for Estate No. PMM/MAN-03A dated October 31<sup>st</sup> 2013. The procedure describes the officers in charge of the all SCCS procedure.</p> <p><b>Status: Comply</b></p>	
<p><b>E.3.2</b>  <b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b></p> <p>The company has had SOP of RSPO Sustainability for Estate No. PMM/MAN-03A dated October 31<sup>st</sup> 2013. The procedure describes:</p> <ul style="list-style-type: none"> <li>All of the incoming FFB (to the mill) must follow the procedure and terms referring the SOP/4.1/13.</li> <li>The incoming FFB is recorded and recapitulated daily and the certified and the non-certified FFB is should be separated.</li> </ul>	

Benua Puhun Mill has the documented procedure of the RSPO-certified and non-certified FFB receipt and processing which is the SOP of RSPO Sustainability for Estate No. PMM/MAN-03A dated 31<sup>st</sup> 2013. Point (3) of Supply Chain Verification describes:

- The FFB sent to the mill must be attached with the FFB covering letter which contains the information of Estate Name/Division/Block, date of the delivery, origin of FFB, transportation and vehicle police number, estimation of the volume of FFB and actual volume (if there is weigher in estate).
- Record of the weigher for the sustainable FFB is stamped with Certification code, Mill name, Model of Supply Chain.
- The inspection on FFB covering letter and other letters is conducted by the security officer. It will be then weighted by the weighbridge operator and the weighbridge ticket is then printed and it will be saved on the computerized system which contains the information of the origin of the FFB (estate origin/division/block/, vehicle police number, type of vehicle, quantity of the FFB, weight of the FFB, date, time when the FFB is received, number of FFB covering letter, Total Certified Product).
- The weighbridge operator is ensuring the incoming FFB to be stamped with certified or non-certified regarding the FFB covering letter and it will be returned to the estate.
- FFB quality inspection is conducted by method of grading. The sorted FFB is will be then processed referring the applied procedure. The output of the processing stage in form of CPO and Kernel is attached on the report of daily production.

**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.**

Verification and documentation of the certified and non-certified FFB volume received by the mill. It is proven by the stamp of RSPO-certified for the certified estate and the non-certified FFB from the non-certified estate is shall not be stamped. Benua Puhun Mill has recorded the record of the RSPO-certified FFB and the non RSPO-certified FFB daily and it will be recapitulated monthly.

Month	Receive of FFB (Ton)		
	Certified	Non-Certified	Total
June 26 <sup>th</sup> – 30 <sup>th</sup> 2014	2,013.09	165.64	2,178.73
July 2014	10,668.01	864.78	11,532.79
August 2014	21,656.44	1,481.46	23,137.90
September 2014	22,730.03	1,033.20	23,763.23
October 2014	27,975.74	1,116.43	29,092.17
November 2014	23,955.44	2,085.47	26,040.91
December 2014	22,335.96	2,348.70	24,684.66
January 2015	17,399.64	1,944.31	19,343.95
February 2015	14,218.01	1,262.94	15,480.95
March 2015	19,345.99	1,056.38	20,402.37
April 1 <sup>st</sup> – 8 <sup>th</sup> 2015	4,867.52	521.48	5,389
Total	187,165.87	13,880.79	201,046.66

**Status: Comply**

**E.4.2**

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

According to SOP of RSPO Sustainability for Estate No. PMM/MAN-03A dated October 31<sup>st</sup> 2013 on point 8.0 in term of the certificate valid period, Benua Puhun Mill shall informd the certification body regarding the overproduction exceeding the projected production and they shall ask for the volume addition.

Since they achieve the certificate (June 26<sup>th</sup> 2014) until the assessment (April 8<sup>th</sup> 2014) the production of CPO and PK did not exceeding the issued RSPO certificate.

Production on June 26<sup>th</sup> 2014 – April 8<sup>th</sup> 2014:

- Processed FFB: 182,298.35 Ton →projected for 185,000 Ton
- CPO: 48,124.66 Ton →projected for 57,614 Ton
- PK: 7,985.16 Ton → projected for 9,910 Ton

**Status: Comply**

**E.5 Record keeping**

**E.5.1**

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

Records are maintained by Benua Puhun Mill and controlled by the document control unit. The documents are:

- List of the FFB supplier
- FFB Covering Letter / SPB (FFB delivery ticket)
- Weighbridge ticket (*weighbridge ticket*)
- Product delivery official letter
- Report of daily production (*daily report*)
- Report of product quality analysis

According to the result of document review, Benua Puhun Mill is able to shw the document of the implementation of the supply chain which is well recorded and maintained. According to the observation on Benua Puhun Mill, the management unit is able to demonstrate the document provision in term of the supply chain for the specific period. For example, the data of the weighbridge ticketduring January 2014. According to the interview with the document controller, the document maintaining period is regulated for 10 years in archieve room.

Benua Puhun Mill has recorded the volume of the monthly-generated CPO and PK and the RSPO-certificate product sales (via etrace and green palm)

Month	Production of the RSPO-Certified Product (Ton)		RSPO-Certified Product Delivery via Etrace (Ton)		RSPO-Certified Product Sales (Ton) via Green Palm	
	CPO	PK	CPO	PK	CPO	PK
June 26 <sup>th</sup> – 30 <sup>th</sup> 2014	473.87	0.52	-	-	-	-
July 2014	2,539.96	375.34	-	-	-	-
August 2014	5,652.32	990.40	-	-	-	-
September 2014	6,020.59	1,040.17	-	-	-	-
October 2014	7,354.62	1,392.70	-	-	-	-

November 2014	6,235.25	1,006.93	-	-	-	500
December 2014	5,590.31	988.83	-	-	-	700
January 2015	4,337.45	642.43	-	-	5,235	57
February 2015	3,517.55	573.97	-	-	18,180	1,194
March 2015	4,983.89	973.87	-	-	10,589	86
April 1 <sup>st</sup> – 8 <sup>th</sup> 2015	1,418.85	271,68	-	-	-	-
Total	48,124.66	7,985.16			34,004	2,537

There is no sales of the RSPO-Certified product physically (via etrace)

**Status: Comply**

**E.5.2**

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

Benua Puhun Mill is no cooperating with the independent KCP.

**Status: Comply**

**3.3. Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-1</b>	Since the RSPO certificate achieved on June26th 2014, PTPrima Mitrajaya Mandiri and PT Teguh Jayaprima Abadi have neither use the certificate logo whether on-productoroff-product yet.	√
	<b>Status: NA</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-1</b>	Since the RSPO certificate achieved on June26th 2014, PTPrima Mitrajaya Mandiri and PT Teguh Jayaprima Abadi have neither use the certificate logo whether on-productoroff-product yet.	√
	<b>Status: NA</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ASA-1</b>	Since the RSPO certificate achieved on June26th 2014, PTPrima Mitrajaya Mandiri and PT Teguh Jayaprima Abadi have neither use the certificate logo whether on-productoroff-product yet.	√
	<b>Status: NA</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-1</b>	Since the RSPO certificate achieved on June26th 2014, PTPrima Mitrajaya Mandiri and PT Teguh Jayaprima Abadi have neither use the certificate logo whether on-productoroff-product yet.	√
	<b>Status: NA</b>	

**3.4. Summary of RSPO Partial Certification.**

<b>Total management unit yang diobservasi:</b>		
<ol style="list-style-type: none"> <li>1. PT Gunung Pelawan Lestari</li> <li>2. PT Simpang Kiri Plantation Indonesia</li> <li>3. PT Evans Lestari</li> </ol>		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	<p><b>PT Gunung Pelawan Lestari</b></p> <ul style="list-style-type: none"> <li>• The company obtained the Izin Lokasi dated October 27th 2004 from the Bupati Bangka.</li> <li>• Izin Usaha Perkebunan (IUP) dated September 20th 2004 from the Bupati Bangka</li> <li>• AMDAL was received on March 28th 2008 from the Bupati Bangka.</li> <li>• The Izin Lokasi was subsequently renewed and approved on May 5th 2010 and again on April 8th 2013 from the Bupati Bangka.</li> </ul> <p><b>PT Simpang Kiri Plantation Indonesia</b></p> <ul style="list-style-type: none"> <li>• HGU: 37/HGU/DA/88 for 1,504 Ha was obtained on April 19th 1988</li> <li>• HGU: 83/HGU/BPN/97 for 1,150 Ha was obtained on July 23rd 1997</li> </ul> <p><b>PT Evans Lestari</b></p> <ul style="list-style-type: none"> <li>• Izin Lokasi dated October 30th 2012 from the Bupati Musi Rawas for approximately 20,000 Ha was obtained.</li> <li>• Izin Usaha Perkebunan (IUP) dated November 21st 2012 from the Bupati Musi Rawas was obtained.</li> <li>• AMDAL dated February 14th 2013 from the Bupati Musi Rawas was obtained. There are no current plans to commission a mill for this location.</li> </ul>	
	<b>Status: Comply</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	<p><b>PT Gunung Pelawan Lestari</b></p> <ul style="list-style-type: none"> <li>• The company obtained the Izin Lokasi dated October 27th 2004 from the Bupati Bangka.</li> <li>• Izin Usaha Perkebunan (IUP) dated September 20th 2004 from the Bupati Bangka</li> <li>• The Izin Lokasi was subsequently renewed and approved on May 5th 2010 and again on April 8th 2013 from the Bupati Bangka.</li> </ul> <p><b>PT Simpang Kiri Plantation Indonesia</b></p> <ul style="list-style-type: none"> <li>• HGU: 37/HGU/DA/88 for 1,504 Ha was obtained on April 19th 1988</li> <li>• HGU: 83/HGU/BPN/97 for 1,150 Ha was obtained on July 23rd 1997</li> </ul> <p><b>PT Evans Lestari</b></p> <ul style="list-style-type: none"> <li>• Izin Lokasi dated October 30th 2012 from the Bupati Musi Rawas for approximately 20,000 Ha was obtained.</li> </ul>	
	<b>Status: Comply</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>
	<p>There are a few open cases currently being dealt between the company and the respective Dinas Ketenagakerjaan (Manpower Department) for the respective operational units.</p> <p>The company has implemented standard operation procedures (SOPs) to handle such matters. A documented process in resolving labour disputes was reviewed. Evidence of complaints lodged,</p>	

	reviewed, and closed by mutual agreement were sighted. Interview with the local labour union and gender committee representative for the Benua Puhun operations, revealed that there was no labour dispute during the audit period with the exception of a few on-going complaints that's being handled through the established process	
	<b>Status: Comply</b>	
<b>6.4</b>	<b>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.</b>	<b>X or√</b>
	The company already have SOP Land Compensation	
	<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>X or√</b>
	<p>The audit team sighted documents housed in the PT Evans Indonesia head office in Jakarta. Document and interviews confirm the following actions were completed:</p> <ul style="list-style-type: none"> <li>• NPP Notification: PT Evans Indonesia – PT Teguh Jayaprima Abadi (PT TJA) was done on February 26 to March 25, 2013 with no negative comments.</li> <li>• NPP Notification: PT Evans Indonesia – PT Prima Mitrajaya Mandiri (PT PMM) was done on February 26 to March 25, 2013 with no negative comments.</li> </ul> <p>Status of other land holdings:</p> <p><b>PT Gunung Pelawan Lestari</b></p> <ul style="list-style-type: none"> <li>• The company obtained the Izin Lokasi dated October 27th 2004 from the Bupati Bangka.</li> <li>• Izin Usaha Perkebunan (IUP) dated September 20th 2004 from the Bupati Bangka</li> <li>• AMDAL was received on March 28th 2008 from the Bupati Bangka.</li> <li>• The Izin Lokasi was subsequently renewed and approved on May 5th 2010 and again on April 8th 2013 from the Bupati Bangka.</li> <li>• The company has plans in place to commission a 3rd palm oil mill in 2014, known as PKS Tuing with a target RSPO certification for 2015.</li> <li>• HCV assessments were carried out in May 2013 by Aksenta.</li> </ul> <p><b>PT Simpang Kiri Plantation Indonesia</b></p> <ul style="list-style-type: none"> <li>• There is currently 1 operational estate with 2,654 Ha</li> <li>• HGU: 37/HGU/DA/88 for 1,504 Ha was obtained on April 19th 1988</li> <li>• HGU: 83/HGU/BPN/97 for 1,150 Ha was obtained on July 23rd 1997</li> <li>• There are no current plans to commission a mill for this location as all existing crop is being sold to an external mill not owned by PT. Evans Indonesia.</li> </ul> <p><b>PT Evans Lestari</b></p> <ul style="list-style-type: none"> <li>• Izin Lokasi dated October 30th 2012 from the Bupati Musi Rawas for approximately 20,000 Ha was obtained.</li> <li>• Izin Usaha Perkebunan (IUP) dated November 21st 2012 from the Bupati Musi Rawas was obtained.</li> <li>• AMDAL dated February 14th 2013 from the Bupati Musi Rawas was obtained. There are no current plans to commission a mill for this location.</li> <li>• HCV assessment by Fakultas Kehutanan Institut Pertanian Bogor was carried out in March 2013.</li> <li>• See also 2.3.6 above</li> </ul> <p>Proposed plans for future NPP notifications to take place for 2013/2014:</p> <ul style="list-style-type: none"> <li>• PT. Evans Lestari</li> <li>• PT. Gunung Pelawan Lestari</li> </ul>	

	Both NPP is forecasted to take place either Q4, 2013 or Q1, 2014	
	<b>Status: Comply</b>	
7.5	<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>	X or ✓
	<p>No negative stakeholder comments were received during the 30-days consultation period either by CUC or the auditee prior to this main assessment or during the audit. However, the audit team has captured and followed up on 3 issues.</p> <p><b>Issue #1</b> In PT. Gunung Pelawan Lestari, no issues were recorded from any intrested parties during the ASA1 audit in PKS Pangkatan in August 2013. However the Koperasi Gunung Muda Sejahtera, not in favour for oil palm cultivation even the compensation process activated. The company is currently engaged in an on-going negotiation with the Koperasi to idenfied solutions.</p> <p><b>Issue #2</b> A grievance complaint against the parent company, MP Evans Group PLC, that was published on the RSPO website. The grievance was filed on February 13, 2013 and posted on the RSPO grievance and complaint website. See link: <a href="http://www.rspo.org/en/status_of_complaint&amp;cpid=34">http://www.rspo.org/en/status_of_complaint&amp;cpid=34</a> The nature of the complaint: <b>Alleged breach of Principle 2.</b> Synopsis of compliant, that the company has:</p> <ul style="list-style-type: none"> <li>• Carried out illegal logging on 540 Ha.</li> <li>• Planted on land outside the concession area.</li> <li>• Planted on land outside the HGU.</li> </ul> <p>The audit team sighted several key correspondences with the regard to this complaint as described below. The member had met with the RSPO on 26th July 2013 and the relevant documents pertaining to these allegations were made available. The member had officially responded to RSPO on several occasions between March 2013 to August 2013, providing clarification concerning their land holdings and steps taken to ensuring compliance with local regulatory requirements. The last communication to RSPO, dated August 13th 2013, explains its position and progress made.</p> <p><b>Background and History</b> Several estates make up this main assessment audit for PKS Benua Puhun. These estates went through the NPP notification under 2 groups:</p> <ul style="list-style-type: none"> <li>• PT Teguh Jayaprima Abadi (PT TJA) Rantau Hempang Estate, Mahakam Estate</li> <li>• PT Prima Mitrajaya Mandiri (PT PMM) Bukit Jering Estate, Kaman Hilir Estate, Loleng Estate, Benua Puhun Estate, Muara Wis Estate</li> </ul> <p>Both PT TJA and PT PMM obtained their respective "Izin Lokasi (IL)", "Izin Usaha Perkebunan (IUP)" and AMDAL as follows:</p> <p><b>PT TJA</b> Izin Lokasi: Obtained June 27th 2006 for 5,100 Ha's and September 6th 2007 for 13,550 Ha from the Bupati Kutai Kartanegara</p> <ul style="list-style-type: none"> <li>• Izin Usaha Perkebunan: Obtained January 16th 2007 and December 4th 2007 from the Bupati Kutai Kartanegara.</li> <li>• AMDAL: Obtained September 24th 2008 and March 16th 2009 from the Bupati Kutai</li> </ul>	

	<p>Kartanegara.</p> <p><b>PT PMM</b></p> <ul style="list-style-type: none"> <li>• Izin Lokasi: Obtained June 26th 2007 for 21,500 Ha's from the Bupati Kutai Kartanegara.</li> <li>• Izin Usaha Perkebunan: Obtained July 26th 2007 from the Bupati Kutai Kartanegara.</li> <li>• AMDAL: Obtained September 24th 2008 from the Bupati Kutai Kartanegara.</li> </ul> <p>All these documents had approved concession areas as KBNK (Kawasan Budidaya Non-Kehutanan), meaning Non-Forest Land.</p> <p>However, in 2011, the Forestry Ministry came out with a new map, zoning forest areas. There was a conflict with the governmental regulations between the local government (Kalimantan Timur Province) and the central government (Forestry Ministry of Republic Indonesia) over different map zoning of forest areas by the respective authorities.</p> <p>Based on survey done by the Forestry authorities in 2011, some of the land area that make-up PT. TJA and PT. PMM are not classified as non-forest area and are now within forest areas or Hutan Produksi (HP) as opposed to the IL, IUP and AMDAL listed above. The company was advised by Central Government Forestry Ministry authorities that approximately 1,140 Ha's are in forest area. The company had followed up the matter with the Forestry Ministry (Kementerian Kehutanan) and was advised that there are several stages in the process before the land is finally classified as forestland.</p> <p>On 6th July 2012, The President of The Republic of Indonesia issued the amendment of The Peraturan Pemerintah no. 10 year 2010, namely Peraturan Pemerintah no. 60 year 2012.</p> <p>From the flow chart of PP no. 60 of 2012, any company affected by this, differences in map zoning of forest areas, has a limited time to initiate forestland release through a process, starting with an application.</p> <p>On September 10th 2012, the company proactively made their application based on PP no. 60/2012 for both PT. PMM and PT. TJA for 1,140 Ha. A partial approval for 616 Ha's was received followed by another revised application dated March 20th 2013 for the remaining area.</p> <p>On September 19th, the RSPO has written back to the member, MP Evans, with recommendations from the Grievance Panel.</p> <p>At the time of this audit, the process for land swap according to PP No. 60 year 2012 is still an on going process. However, the audit team sighted an official document from the Forestry Ministry, dated August 2nd 2013, where approximately 276,240 Ha's in Kalimantan Timur has been classified as "Perubahan Fungsi Kawasan hutan". Under this category, there is approximately 199,402 Ha's or Hutan Produksi (HP) which is forestland, has been converted to HPK (Hutan Produksi Konversi) which is forestland that is allowed to be converted. The concession areas that make-up PT. TJA and PT. PMM fall under this category.</p> <p>The company had subsequently made the necessary application for the entire 1,140 Ha on August 29th 2013; confirmed receipt by the Forestry Ministry on August 30th 2013. The application is a process to help change the status of HPK (Convertible Forest Area) to APL (Areal Penggunaan Lain) or "Area for Other Land Use" for the 1,140 Ha's and is currently under review.</p> <p><b>Note:</b> Non-Forest Areas are typically called APL or KBNK.</p> <p>In addition, the audit lead to a meeting with RSPO Indonesia office, Ibu Kusumadewi, who had also reviewed the documents presented by MP Evans Group PLC and believed the latest information favours the company in addressing the recommendations made by the grievance panel.</p> <p>The management will be officially responding to RSPO's letter dated September 19th 2013 and it is hoped the evidence provided, will help close the grievance complaint.</p> <p><b>Issue #3</b></p> <p>Also, in 2012, during the main assessment for PKS Pangkatan, the audit team identified a complaint that involved the minority shareholder partner.</p> <p>The local partner lodged the complaint to RSPO, local authorities and the police. The complaint highlights that the company's East Kalimantan operations (PT Prima Mitrajaya Mandiri) was planted on forest area, impacting approximately 762 Ha's.</p>	
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	<p>This compliant, closely follows the compliant received by RSPO in February 2013 discussed above. Although the izin (permit) provided did not fall into forest category, MP Evans has taken the 762 ha's in question out of their application for HGU and is not part of PT Prima Mitrajaya Mandiri (PT. PMM). The Kadastral map of HGU for PT Prima Mitrajaya Mandiri shows the exclusion of the forest areas which are logged over / degraded forests and amounts to about 762 ha's. Again, this area although included in the Ijin Lokasi map but has been excluded from HGU.</p> <p>Given the latest information and findings in Issue #2, the company's actions in making the necessary application to the Forestry Ministry dated August 29th 2013, where it is clear that 1,140 Ha's between PT. TJA and PT. PMM is now categorized as HPK land, will help address both complaints (Issue #2 and Issue #3).</p> <p>In addition, based on sighted correspondences and interviews, the company is in the process of closing the complaint and concerns raised by the minority partner.</p> <p>The audit team concluded that significant progress has been made in resolving and closing this particular grievance complaint and the established process in resolving such matters is working. The progress of this issue will be reviewed during the next surveillance audit in 2014.</p>	
	<p><b>Status: Comply</b></p>	
<p><b>7.6</b></p>	<p><b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b></p>	<p><b>X or√</b></p>
	<p>The company already have SOP Land Compensation</p>	
	<p><b>Status: Comply</b></p>	

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at ST2 Assessment

NCR No	Ref Std	Temuan	Area	Grade	Batas Waktu	Tindakan Koreksi	Observasi	Status	Tanggal Closed
2014.01	6.5	<p>Evidence of non-conformity: According to Bupati Kutai Kartanegara; minimum wage is Rp 1908146; ref to 1/REK.BUP/HK/2013 Sample worker Sprayer [Sinweni] &amp; Fertilizer Applier [Yusran].</p> <p>Based on the contract for both workers sighted that total working day is Monday to Saturday. However company has ask workers to taken leave either Friday or Saturday. However for this leave has been treated as unpaid leave. It is noticed that as per normal OT calculation; 40hrs * 52 weeks / 12 months [ 173 ] and give an amount of Rp 11029; is still be used to calculate OT for workers who were asked to take leave; instead of 35hrs * 52 weeks / 12 months [151] and give an amount of Rp 12636.</p> <p>The auditor has taken into consideration of to reduce this Major to Minor non-conformance to due</p> <ol style="list-style-type: none"> <li>1. Immediate action taken by Management to overcome these issues.</li> <li>2. Collected data of employee synchronizing the to-date age.</li> <li>3. Yearly Plan to Reduce the Aged employee to give way for younger</li> </ol>	Kebun	Minor	Surveillance-1		<ul style="list-style-type: none"> <li>• <b>Root cause:</b></li> <li>• <b>Corrective Action:</b> Doing the calculation of overtime in accordance with applicable regulations.</li> <li>• <b>Preventive Action:</b> Informing to the workers about overtime calculations.</li> <li>• <b>Auditor Verification:</b> Based on a document review of and interviews with workers shows that wages were given in accordance with related regulations both of salary and overtime.</li> </ul>	Closed	7 April 2015

		generation to work fully 4. Optional New Employment Contract for Non-Harvester indicating 5 days work week and usage of 35hrs * 52 weeks / 12 months [ 151 ] for OT calculation with further consultation with HQ and Dinasker if necessary FPIC activities for the above issue`s							
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**3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1 Assessment**

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
		During surveillance-1 conducted, Benua Puhun Mill and it estate supplier has shown the implementation over the RSPO standard. Therefore, no nonconformity found.							

**3.5.3 Opportunity for Improvement**

No	Ref Std	Descriptions
1	<b>Major 2.1.1</b>	The company should considers the promotion of the contractual workers who have work for more than 3 years (to be permanent workers) referring the work achievement and evaluation.
2	<b>Minor 4.3.5</b>	The company needs to re-ensure the reference over the standard of peatland subsidence referring the applied regulation.
3	<b>Major 4.7.3</b>	The company is able to review the provision of the boots for the high risk workers referring the reviewed risk level.
4	<b>Major 5.1.1</b>	The company is better be consistence on the compilation on the compilation of the report of environmental management and monitoring plan implementation referring the required matrix ( <b>Observation</b> ).
5	<b>Major 6.3.2</b>	The company should documents the incoming complaint from the stakeholders including the employees.
6	<b>P.8</b>	The company should attaches the source / reference of the regulation on the composed procedure.

**3.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1.	-	The company has commitment to implement sustainable estate principles.
2.	-	The company has high quality human resource who competence in each division.
3.	-	The company has unit Biogas Plant to utilize the waste to produce electricity.

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

<p><b>Tuesday, April 7<sup>th</sup> 2015</b></p>		
<p><b>Kutai Kartanegara District National Land Agency</b></p> <p>The team did not meet the competent personnel to describe the land status over the PT PMM and PT TJA.</p> <p>Auditor team met only the staff of the National Land Agency who work in cadastral division. However, the personnel did not know about the status of land right acquisition over PT PMM and PT TJA. The received information are:</p> <p><b>Land Status of PT PMM</b></p> <ul style="list-style-type: none"> <li>The land measurement (cadastral) of PT PMM has been measured for 9,971.06 Ha (smaller than the granted location permit for ± 20.000 Ha based on the area hectarage of PT PMM (which has been planted or compensated). It has been adjusted with the spatial of Kutai Kartanegara District. It is not included with the mining complex and forest area according to the decree of forest and water area appointment of East Kalimantan Province.</li> <li>The committee B is shall be formed and the direct observation to the land that has been measured (Cadastral).</li> </ul> <p><b>Land Status of PT TJA</b></p> <ul style="list-style-type: none"> <li>The cadastral measurement for the land owned by PT TJA is not yet conducted. The land ownership of PT TJA is still be based on the document of location permit and letter of Secretary of Kutai Kartanegara District.</li> </ul>	<ul style="list-style-type: none"> <li>The process is shall be continued until the company achieves Land Use Title (HGU)</li> <li>The committee B has conducted visitation on April 15<sup>th</sup> 2015 and according to the result of committee B assembly, they have agreed that the Land Use Title (HGU) to be continued.</li> <li>The process is shall be continued until the company achieves Land Use Title (HGU)</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 2.1 and 2.2</li> <li>It has complied the criteria 2.1 and 2.2</li> <li>It has complied the criteria 2.1 and 2.2</li> </ul>

<ul style="list-style-type: none"> <li>The team to measure the area (cadastral) is shall be formed.</li> </ul>	<ul style="list-style-type: none"> <li>The process is shall be continued until the company achieves Land Use Title (HGU).</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 2.1 and 2.2</li> </ul>
<p><b>Kutai Kartanegara District Plantation Agency</b> (Staff of Business Monitoring and Assessment)</p> <ul style="list-style-type: none"> <li>The assessment of plantation business revenue of PT PMM has been conducted on 2012 with predicate of Class III (modest). The assessment is shall be conducted on 2015.</li> <li>The company has had plantation business permit: <b>PT PMM</b> The company has had plantation business permit for 21,500 Ha (refer to the decree of Kutai Kartanegara Regent number 503/50/SK-DISBUN KUKAR/VII/2007) with the mill capacity for 60 ton of FFB per hour (refer to the decree of Kutai Kartanegara Regent number 503/002/IUP-P/SK-BUN/XI/2011) and it valid for 30 years referring the government regulation of Kutai Kartanegara District number 35 year 2000 in term of the implementation and procedure of plantation business permit granting.</li> </ul> <p><b>PT TJA</b> The company has had plantation business permit for 13.500 Ha (refer to the decree of Kutai Kartanegara Regent number 503/64/SK-DISBUN KUKAR/XII/2007) and it valid for 30 years referring the government regulation of Kutai Kartanegara District number 35 year 2000 in term of the implementation and procedure of plantation business permit granting</p>	<ul style="list-style-type: none"> <li>The management shall attempts to improve and keep the existed estate class</li> <li>The management is trying to complete the permit of estate and mill legality</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 2.1</li> <li>It has complied the criteria 2.1 and 2.2</li> </ul>

<ul style="list-style-type: none"> <li>The company has reported the report of plantation business development routinely (each semester).</li> <li>The company has binded partnership with the locals with full-managed system.</li> </ul>	<ul style="list-style-type: none"> <li>The company shall keep the compliance over the obligation of PUP reporting</li> <li>The company attempts to give social contribution to the locals with scheme smallholder program.</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 2.1</li> <li>It has complied the criteria 6.11</li> </ul>
<p><b>Benua Puhun Village (Chief of Village)</b></p> <ul style="list-style-type: none"> <li>There is no horizontal conflict with the locals.</li> <li>There is no comprehensive CSR program since 2013 till now. The only assistance is just the school bus operational.</li> <li>The expectation of the local businessman to be involved on the company project such as replanting and road maintenance. The locals can also use to rod to transport the community's FFB.</li> <li>The brilliant students are expected to be concerned by the company in form of the scholarship assistance. The women can also be empowered on the creative economy training (handycraft, etc).</li> </ul>	<ul style="list-style-type: none"> <li>The good relation with the locals nearby estate is shall be maintained.</li> <li>CSR programs are shall be evaluated and improved.</li> <li>Ongoing / on progress</li> <li>On the planning process</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 2.2; 2.3 and 7.6</li> <li>It has complied the criteria 6.11</li> <li>It has complied the criteria 6.10 and 6.11</li> <li>It has complied the criteria 6.1 and 6.11</li> </ul>
<p><b>Bunga Jadi Village (Chief of Village)</b></p> <ul style="list-style-type: none"> <li>Many of the locals become the employee of the company.</li> <li>There is no environment issue due to the fact that the village is located away from the POM.</li> <li>There is assistance of the company to maintain the trench nearby the estate of the locals so the water can easily flow.</li> </ul>	<ul style="list-style-type: none"> <li>The company has had commitment to give job opportunity to the locals referring the potential and competence needed by the company</li> <li>The company shall maintain the environment management and prevent the contamination.</li> <li>The good relation with the locals nearby estate is shall be maintained.</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 6.8 and 6.11</li> <li>It has complied the criteria 5.1 and 6.1</li> <li>It has complied the criteria 6.1</li> </ul>

<p><b>Lebak Ulak Village (Chief of Village)</b></p> <ul style="list-style-type: none"> <li>• One of the benefit of KKPA/Associated Smallholder is that the increase of the family income between IDR 800,000 – IDR 1,000,000/month from the FFB production.</li> <li>• The CSR program used to be conducted was the village road maintenance.</li> <li>• Proposal of village mosque parking lot is not yet realized and even more, there is no respons.</li> </ul>	<ul style="list-style-type: none"> <li>• It will be maintained and it is expected to be improved.</li> <li>• It will be maintained</li> <li>• The company shall concern the future</li> </ul>	<ul style="list-style-type: none"> <li>• It has complied the criteria 6.1 and 6.11</li> <li>• It has complied the criteria 6.1 and 6.11</li> <li>• It has complied the criteria 6.1 and 6.11</li> </ul>
<p><b>Muara Kamam Ilir Village (Community Figure)</b></p> <ul style="list-style-type: none"> <li>• The benefit of the company is felt by the locals.</li> <li>• The locals is expecting the promise of replanting from the company over the burned land to increase the FFB production.</li> </ul>	<ul style="list-style-type: none"> <li>• The good relation with the locals nearby estate is shall be maintained.</li> <li>• It will be realized this year</li> </ul>	<ul style="list-style-type: none"> <li>• It has complied the criteria 6.1</li> <li>• It has complied the criteria 6.1 and 6.11</li> </ul>
<p><b>Bipartite Cooperative Institution</b></p> <ul style="list-style-type: none"> <li>• The relation between the company and workers is well maintained.</li> <li>• The representative of bipartite cooperative institution conducts socialization in term of the complaint delivery procedure in every morning briefing in writing.</li> <li>• Bipartite cooperative institution hold monthly assembly and it is participated by the management representative.</li> <li>• There is issue of land conflict or claim.</li> <li>• The provided public facilities are well maintained.</li> <li>• The wage offered and paid by the company refer to the minimum wage standard.</li> <li>• The company has held socialization in term of the prohibition to cut down the tree, poisoning the animals and hunting the animals down.</li> </ul>	<ul style="list-style-type: none"> <li>• The good relation between the management and the workers is shall be maintained</li> <li>• Socialization is will be continued</li> <li>• The company supports the assembly of Bipartite Cooperative institution continuously.</li> <li>• It will be maintained</li> <li>• It will be maintained</li> <li>• Akan terus dipertahankan</li> <li>• Socialization is will be continued</li> </ul>	<ul style="list-style-type: none"> <li>• It has complied the criteria 6.1</li> <li>• It has complied the criteria 6.2 and 6.3</li> <li>• It has complied the criteria 6.6</li> <li>• It has complied the criteria 2.2; 2.3 and 7.6</li> <li>• It has complied the criteria 6.5</li> <li>• It has complied the criteria 6.5</li> <li>• It has complied the criteria 5.2</li> </ul>

<ul style="list-style-type: none"> <li>The employees are guaranteed with BPJS insurance.</li> </ul>	<ul style="list-style-type: none"> <li>It will be mainted</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 4.7</li> </ul>
<b>Gender Committee</b>		
<ul style="list-style-type: none"> <li>The company has given the reproduction right to the women workers such as menstruation and pregnant day off.</li> <li>The pregnant and breastfeeding women are not allowed to work with chemicals.</li> <li>The gender committee holds routine programs such as religious sect rituals, maternal and baby clinic, socialization about reproduction, the living pharmacy garden, cooking demo and etc.</li> <li>The complaint is shall be informed to the bipartite cooperative institution to be discussed on the monthly assembly.</li> </ul>	<ul style="list-style-type: none"> <li>It will be maintained</li> <li>It will be maintained</li> <li>It will be maintained</li> <li>It will be maintained</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 4.6 and 6.9</li> <li>It has complied the criteria 4.6</li> <li>It has complied the criteria 6.5</li> <li>It has complied the criteria 6.3</li> </ul>
<b>Local Contractor (Construction, FFB Transport, Compost transport)</b>		
<ul style="list-style-type: none"> <li>PT PMM and PT TJA has contracted the contractor transparently. The contractor is explained about the content of the contract first and the contract is negotiable.</li> <li>The contractor received the copy of the contract.</li> <li>The company is always checking the working requirements such as driving license type B for the truck driver and vehicle official letter for the vehicle.</li> <li>The company has paid the contractor refer to the agreement.</li> <li>There is no complaint from the contractor. The relation has been well maintained.</li> </ul>	<ul style="list-style-type: none"> <li>It will be maintained</li> <li>It will be maintained</li> <li>It will be maintained</li> <li>It will be maintained</li> </ul>	<ul style="list-style-type: none"> <li>It has complied the criteria 6.10</li> <li>It has complied the criteria 6.10</li> <li>It has complied the criteria 2.1</li> <li>It has complied the criteria 6.10</li> <li>It has complied the criteria 6.10</li> </ul>

<ul style="list-style-type: none"> <li>• The company has held training in term of the work safety practice and <i>safety driving</i></li> <li>• The company has held socialization in term of the prohibition to cut down the tree, poisoning the animals and hunting the animals down in HCV area.</li> </ul>	<ul style="list-style-type: none"> <li>• It will be maintained</li> <li>• Socialization is will be continued</li> </ul>	<ul style="list-style-type: none"> <li>• It has complied the criteria 4.8</li> <li>• It has complied the criteria 5.2</li> </ul>

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <p>PT. Prima Mitrajaya Mandiri 8 PT. Teguh Jayaprima Abadi Mp Evans Group PLC Head of Operation Agronomy</p> <p> <u>Sivabalan Sivabalan</u> Monday, 11 May 2015</p> <p></p> <p>Mutuagung Lestari Lead Auditor</p> <p> <u>Ardiansyah</u> Monday, 11 May 2015</p>

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

No	Institusi/LSM/Masyarakat	Alamat	Telepon/Email	Bentuk komunikasi	Tanggal	Respon	
						Ya	Tidak
1	National Land Agency	Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
2	Plantation Agency	Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
3	Environment Agency	Kutai Kartanegara District, Kalimantan Timur Province	-	-	April 7 <sup>th</sup> , 2015		√
4	Manpower Agency	Kutai Kartanegara District, Kalimantan Timur Province	-	-	April 7 <sup>th</sup> , 2015		√
5	Head of Benua Puhun Village	Benua Puhun Village, Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
6	Head of Bunga Jadi Village	Bunga Jadi Village, Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
7	Head of Lebak Ulak Village	Lebak Ulak Village, Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
8	Community leader of Muara Kaman Ilir Village	Muara Kaman Ilir Village, Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
9	Cooperative institution	Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
10	Gender committee	Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
11	Local contractor	Kutai Kartanegara District, Kalimantan Timur Province	-	Interview	April 7 <sup>th</sup> , 2015	√	
12	WWF	Jakarta, Indonesia	<a href="mailto:indonesia@wwf.or.id">indonesia@wwf.or.id</a>	email	April 1 <sup>th</sup> , 2015		√
13	AMAN	Jakarta, Indonesia	<a href="mailto:rumahaman@cbn.net.id">rumahaman@cbn.net.id</a>	email	April 1 <sup>th</sup> , 2015		√

**Appendix 2. Assessment Program**

Date/ Tanggal	06 – 11 April 2015					
PROGRAM	PROSES / HAL YANG DIAUDIT	AUDITOR				
		ISP	ARD	MR	WST	SH
<b>Monday, 06 April 2015</b>						
06.00 – 08.00 08.30 – 12.00 15.00 – 16.00 16.00 – 17.00	<b>JAKARTA → BALIK PAPAN</b> <b>BALIK PAPAN → SITE</b> <b>OPENING MEETING</b> <b>Verification finding ST-2 RSPO</b>	✓	✓	✓	✓	✓
<b>Tuesday, 07 April 2015</b>						
08.00 – 12.00	<ul style="list-style-type: none"> <li>• <b>Stakeholders consultation</b> to Related Government Institution</li> <li>• <b>Stakeholders consultation</b> to Nearest village and community leader</li> <li>• <b>Document Review</b> of Legal Requirement and <b>Review of Previous Visit Non-conformance (ST-2 RSPO)</b></li> </ul>	✓	✓	✓	✓	✓
12.00 – 14.00	<b>BREAK</b>	✓	✓	✓	✓	✓
14.00 – 17.00	<ul style="list-style-type: none"> <li>• <b>Clarification of Public Consultation and field observation</b></li> <li>• <b>Stakeholders consultation</b> to Labour union (SPSI), Gender Committee and local contractor</li> </ul>	✓	✓	✓	✓	✓
<b>Wednesday, 08 April 2015</b>						
08.00 – 12.00	<b>Field Observation MAHAKAM ESTATE</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material (LB3) and Hazardous Material (B3) management</li> <li>• Legal operational and Conservation Area</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Land Fire facilities, Storage, ect.</li> </ul>	✓	✓	✓	✓	✓
12.00 – 14.00	<b>BREAK</b>	✓	✓	✓	✓	✓
14.00 – 17.00	<b>Continue Field Observation to MAHAKAM ESTATE and field observation clarification</b>	✓	✓	✓	✓	✓
<b>Thursday, 09 April 2015</b>						
08.00 – 12.00	<b>Field Observation KAMAN HILIR ESTATE &amp; BENUA PUHUN ESTATE</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, best agricultural practices</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Hazardous Waste Material (LB3) and Hazardous Material (B3) management</li> <li>• Worker facilities (housing, health clinic, clean water, etc) and</li> <li>• Land Fire facilities, Storage, ect..</li> <li>• Legal operational and Conservation Area</li> </ul>	✓	✓	✓	✓	✓

12.00 – 14.00	<b>BREAK</b>	✓	✓	✓	✓	✓
14.00 – 17.00	<ul style="list-style-type: none"> <li>Continue Field Observation to <b>KAMAN HILIR ESTATE &amp; BENUA PUHUN ESTATE</b> and field observation clarification</li> </ul> <b>Field Observation BENUA PUHUN POM:</b> <ul style="list-style-type: none"> <li>Operational, OHS</li> <li>WWTP, WTP Hazardous Waste Material (B3) management and Warehouse.</li> <li>Supply Chain</li> </ul>	✓	✓	✓	✓	✓
<b>Friday, 10 April 2015</b>		<b>ISP</b>	<b>ARD</b>	<b>MR</b>	<b>WST</b>	<b>SH</b>
08.00 – 12.00	Continue field observation and clarification of <b>BENUA PUHUN POM, MAHAKAM ESTATE, KAMAN HILIR ESTATE &amp; BENUA PUHUN ESTATE</b>	✓	✓	✓	✓	✓
12.00 – 14.00	<b>BREAK</b>	✓	✓	✓	✓	✓
14.00 – 15.30	Continue checklist and audit finding preparation	✓	✓	✓	✓	✓
15.30 – 17.00	<b>CLOSING MEETING</b>	✓	✓	✓	✓	✓
<b>Saturday, 11 April 2015</b>						
08.00 – 12.00	<b>SITE → BALIK PAPAN</b>	✓	✓	✓	✓	✓
13.00 – .....	<b>BALIK PAPAN → JAKARTA</b>	✓	✓	✓	✓	✓

**Appendix 3. Glossary**

AMAN	:	Aliansi Masyarakat Adat Nasional/ alliance of National indigenous people
ASA	:	Annual Surveillance Assessment
BAR	:	Biologic Aerobic Respiration Technologi
BOD	:	Biological oxygen demand
BPD	:	<i>Badan Permusyawaratan Desa/ deliberative village body</i>
BPJS	:	<i>Badan Penyelenggara Jasa Sosial/ Social Insurance Agency</i>
CIFOR	:	Center for International Forestry Research
CPO	:	Crude palm oil
CSR	:	Corporate social responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Assessment
FFB	:	Fresh Fruit Bunch
FGD	:	Focus group discussion
FR	:	Frequency Rate
GAPKI	:	<i>Gabungan Pengusaha Kelapa Sawit Indonesia</i>
GHG	:	Green House Gases
GM	:	General Manager
GPMII	:	<i>Gereja Persekutuan Misi Injil Indonesia/ Chuch confederation</i>
HCV	:	High conservation value
HGU	:	<i>Hak Guna Usaha/ Land Use Title</i>
HR	:	Human Resources
IPM	:	Integrated Pest Management
ISPO	:	Indonesia Sustainable Palm Oil
IUP	:	<i>Izin usaha perkebunan/ Plantation Business License</i>
JAMSOSTEK	:	<i>Jaminan Sosial Tenaga Kerja/ Worker Social Insurance</i>
KKPA	:	<i>Kredit Kepada Koperasi Primer untuk Anggotanya/ Associated smallholder</i>
LA	:	Land Application
LCC	:	Land Cover Crop
LPM	:	<i>Lembaga Pemberdayaan Masyarakat/ Community development Agency</i>
LTA	:	Lost Time Accident
MOP	:	Muriate Of Potash
NGO	:	Non-Governmental Organizations
NPP	:	New Planting Procedure
OHS	:	Occupational Health and Safety
OT	:	Over Time
PK	:	Palm Kernel
PMM	:	Prima Mitrajaya Mandiri
POME	:	Palm oil mill effluent

PPE	:	Personal Protective Equipment
PUP	:	<i>Perkembangan Usaha Perkebunan/</i> Development Plantation Business
RKL	:	<i>Rencana kelola lingkungan/</i> Environment Management Plan
RP	:	Rock Phospate
RPL	:	<i>Rencana pemantauan lingkungan/</i> Environment Monitoring Plan
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened, Endangered
SIA	:	Social Impact Assessment
SM	:	Senior manager
SOP	:	Standard Operation Procedure
SPB	:	<i>Surat Pengantar Buah/</i> FFB delivery ticket
SPK	:	<i>Surat perjanjian kerjasama/</i> agreement letter
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia/</i> labour union
SR	:	Severity Rate
TJA	:	Teguh Mitrajaya Abadi
TSP	:	Triple Super Phosphate
WHO	:	World Health Organization
WWF	:	World Wild Fund