

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

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

Plantation Management/Owner : **PT DJUANDA SAWIT LESTARI a Subsidiary of
GOLDEN AGRI RESOURCES Holding Ltd**

Plantation Name : **Muara Kandis Mill; Muara Kandis Estate and
Muara Tawas Estate**

Location : **Village Of Lubuk Pandan, Subdistrict of Muara
Lakitan, District of Musi Rawas, Sumatera
Selatan Province, Indonesia**

Certificate Code : **MUTU-RSPO/059**

Date of certificate issue : **18 May 2015**

Date of expiry of certificate : **17 Mei 2020**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Review by	Approve by
ST-1	09 – 13 Juni 2014	Bukti Bagja (LA); Moh. Arif Yusni Trismadi Nurbayuto	Ganapathy Ramasamy	Taufik Margani
ST-2	31 August – 5 Sept 2014	Bukti Bagja (LA); Moh. Arif Yusni, Steve Mualim, Yohannes Hardian; Panggading Hariara		

Assessment	Approved by MUTUAGUNG LESTARI on:
ST-2	18 Mei 2015-

Mutuagung Lestari • Raya Bogor Km 33,5 Number 19 • Cimanggis • Depok 16953 • Indonesia

Telephone (+62) (21) 8740202 • Fax (+62) (21) 87740745/6

Email : agri@mutucertification.com • www.mutucertification.com

MUTU Certification • Accredited by Accreditation Services International on March 12th, 2014

TABLE OF CONTENT

FIGURE

Figure 1. Operational Map of Muara Kandis Estate	1
Figure 2. Operational Map of Muara Tawas Estate	2
Figure 3. Location Map of Muara Kandis Estate	3
Figure 4. Location Map of Muara Tawas Estate	4

1.0 SCOPE of the SURVEILLANCE ASSESSMENT

1.1 Assessment Standard Used	5
1.2 Organization Information	5
1.3 Type of Assessment	5
1.4 Location of Plantations, Mill and Area Statement	5
1.5 Description of Supply Base	6
1.6 Planting Year and Cycles	7
1.7 Approximate Tonnage Certified	7
1.8 Other Certifications	8
1.9 Time-Bound Plan	8

2.0 ASSESSMENT PROCESS

2.1 Certification Body	10
2.2 Assessment Team	10
2.3 Assessment Methodology, Assessment Process and Locations of Assessment	10
2.4 Stakeholder Consultation and Stakeholders Contacted	12
2.5 Determining Next Assessment	13

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification	14
3.2 Summary of Assessment Report of Supply Chain Requirement	48
3.3 Conformity Checklist of Certificate and Logo Use	51
3.4 Summary of RSPO Partial Certification	52
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	53
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	57

4.0 CERTIFIED ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Signing of Assessment Findings	64
---	----

APPENDICES

1. List of Stakeholders Contacted in the RSPO Certification Process	65
2. Assessment Program	67
3. Glossary	69

Figure 1. Operasional Map of Muara Kandis Estate

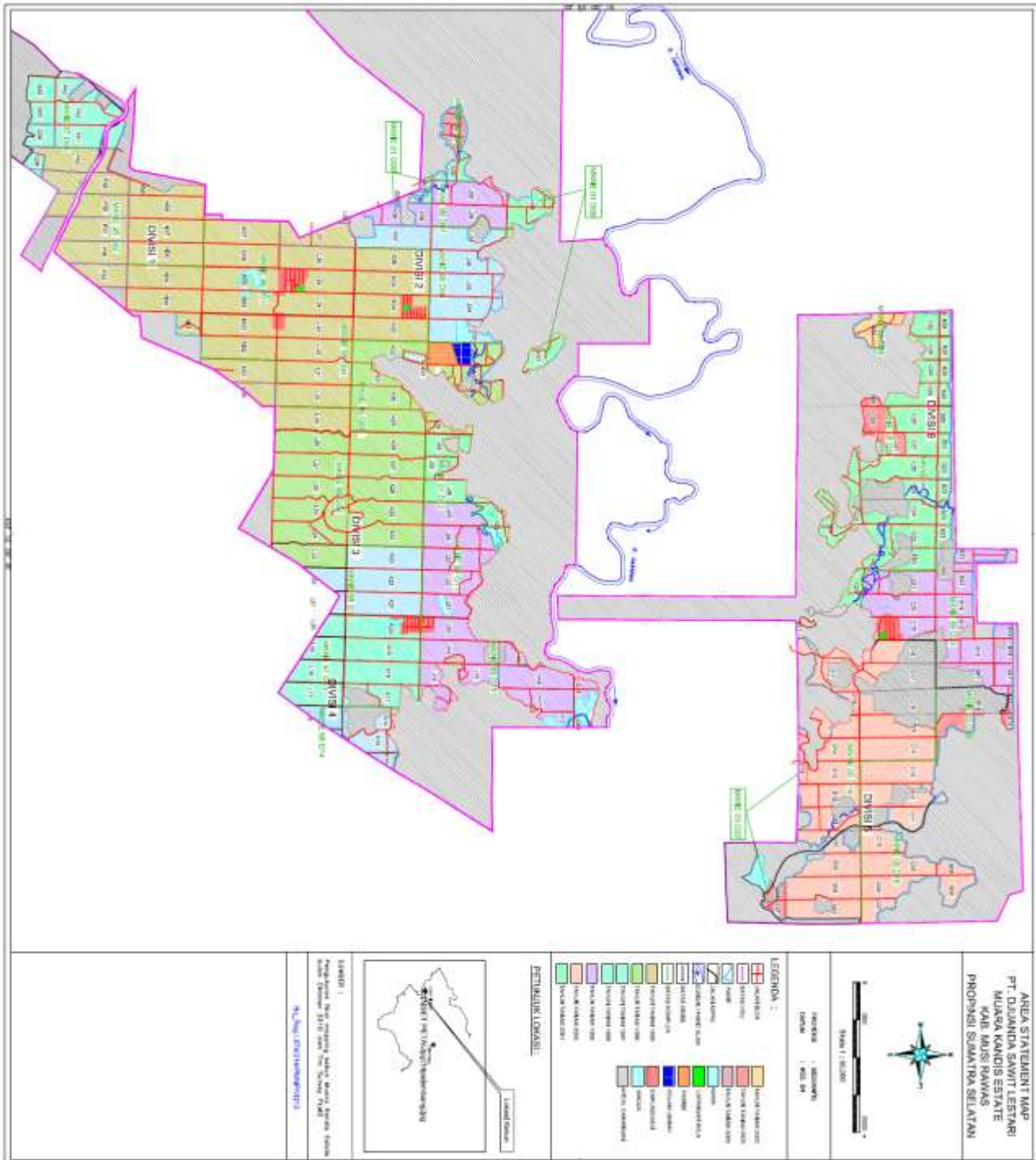


Figure 2. Operasional Map of Muara Tawas Estate

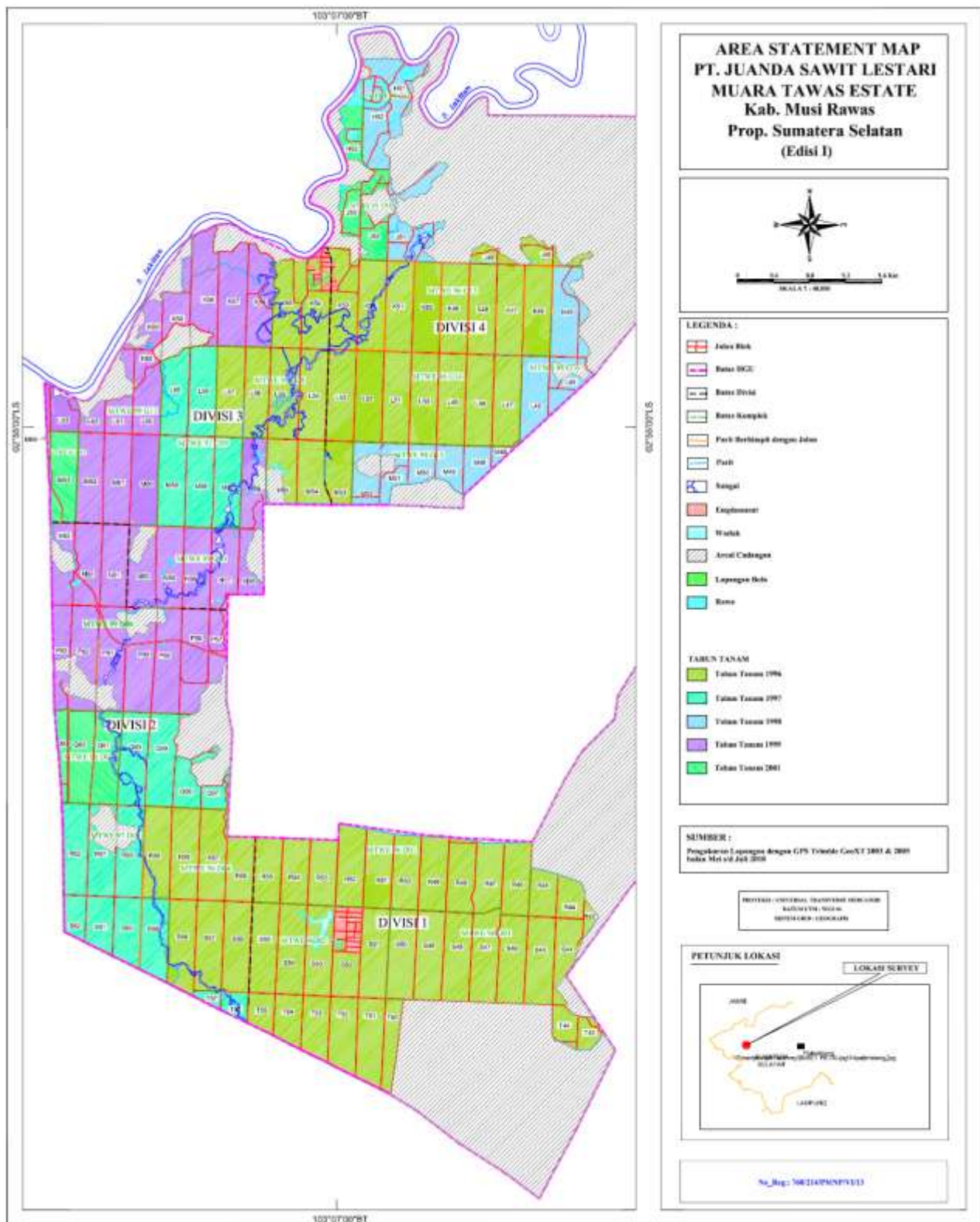
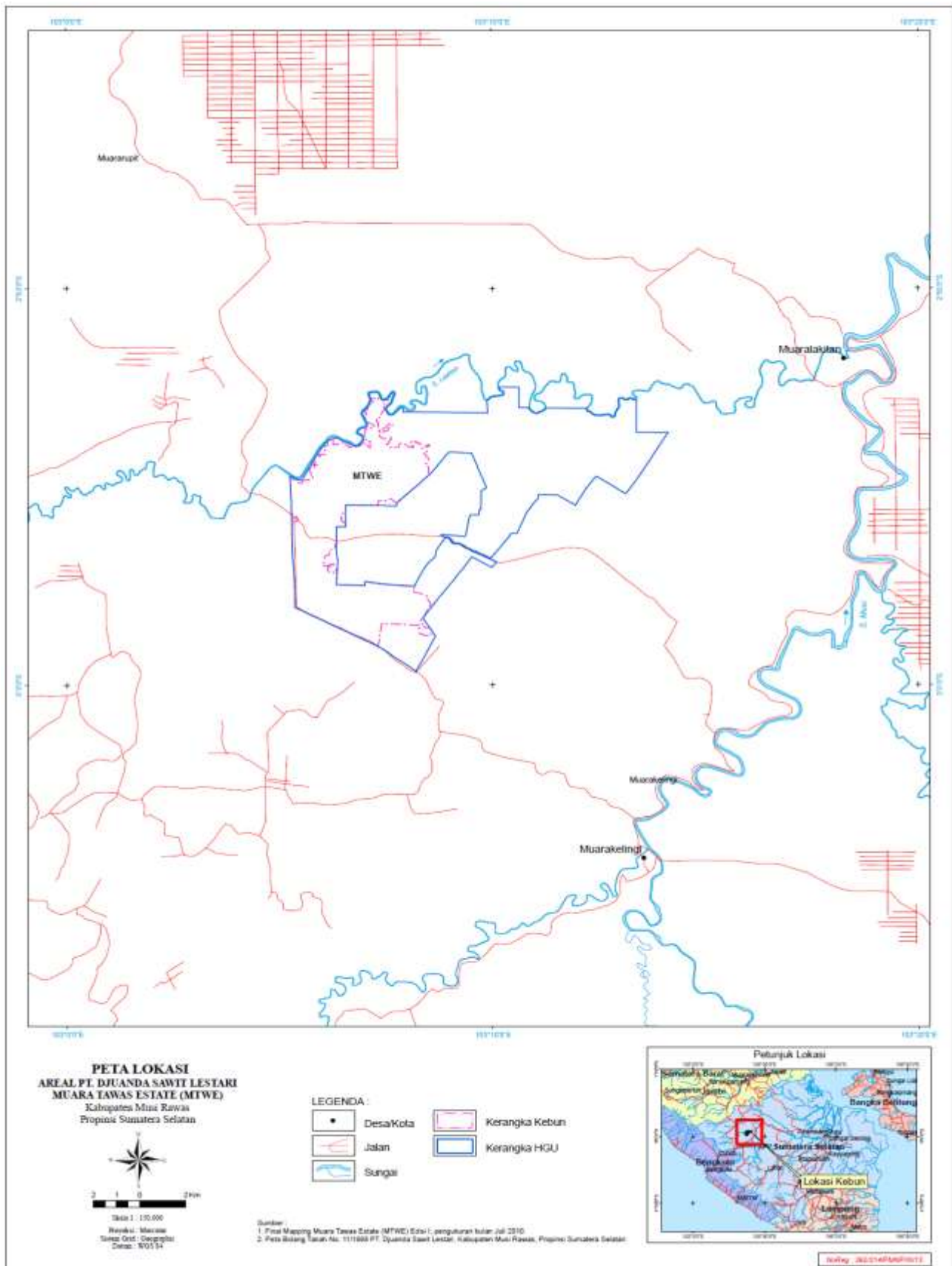


Figure 4 Location Map of Muara Tawas Estate



1.0	SCOPE OF THE CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011 for CPO Mill.	
1.2	Organization Information		
1.2.1	Company name	PT Djuanda Sawit Lestari - Golden Agri Resources Holdings Ltd (GAR)	
1.2.2	Contact person	Richard Kan	
1.2.3	Company address and site address	RSPO registered company: <ul style="list-style-type: none">108 Pasir Panjang Road, #06-00 Golden Agri Plaza Singapore; Singapore 118535: Liaison Office: <ul style="list-style-type: none">Plaza BII Tower 2, 30th Floor; JL. MH Thamrin No 51 Kav 22, Jakarta 10350 Indonesia	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	ismu-zulfikar@smart-tbk.com	
1.2.7	Web page address	www.goldenagri.com.sg	
1.2.8	Company status	Swasta	
1.2.9	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Departement)	
1.2.10	Registered as RSPO member	1-0096-11-000-00 – 31 March 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of management unit	Palm Oil Mill and supply base Muara Kandis Mill; Muara Kandis Estate and Muara Tawas Estates	
1.3.2	Type of certificate	Single	
1.3.3	Company names listed in the certificate	PT Djuanda Sawit Lestari - Golden Agri Resources Holdings Ltd (GAR)	
1.4	Locations of Mill, Plantations and Area Statement		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Muara kandis Mill	Village Of Lubuk Pandan, Subdistrict of Muara Lakitan, District of Musi Rawas, South Sumatra Province, Indonesia	2° 54' 01' S103° 10' 39' E
1.4.2	Location of Supply Base		
	Name of Supply Base	Location	Coordinate

				Latitude	Longitude
	Muara Kandis Estate	Village Of karya Sakti, Subdistrict of Muara Kelingi, District of Musi Rawas, South Sumatra Province, Indonesia		2 ^o 55' 09,74' S	103 ^o 10' 15,88' E
	Muara Tawas Estate	Village Of karya Mukti, Subdistrict of Muara Kelingi, District of Musi Rawas, South Sumatra Province, Indonesia		2 ^o 58' 02,80' S	103 ^o 07' 07,19' E
1.4.3	Tenure				
	• State		10,958.4 Ha		
	• Community		Ha		
1.4.4	Area Statement				
	• Total area		10,958.40 Ha		
	• Mature area		6,372.47 Ha		
	• Immature area		- Ha		
	• Mill/ Emplasmment/ Infrastructure		288.70 Ha		
	• Drain / Swamp		84.70 Ha		
	• Occupation		Ha		
	• Others area / Enclave		426.70 Ha		
	• Reserve Area		3,785.83 Ha		
	• HCV		385.56* Ha		
	*HCV area includes in mature area and reserve area				
1.5	Description of Supply Base				
1.5.1	Description of Mill				
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/ year)	CPO Out put (tonnes)	Palm Kernel Extraction (%)
	Muara Kandis Mill	60	226,540.25	50,480.83	22.28
	*Source Production Data on August 2013 – July 2014				
1.5.2	Description of Certified Estates				
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Muara Kandis Estate	7,098.67	3,301.11	77,199.21	23.37
	Muara Tawas Estate	3,859.73	3,069.36	66,163.62	21.56
	TOTAL	10,958.40	6,372.47	143,362.83	22.50
	*Source Production Data on August 2013 – July 2014				
1.5.3	FFB description from other source				
	Name of sources	Members	Location		Supplied to Mill
	KKPA Pandawa (KUD Sadar Sejahtera)	PT Djuanda Sawit Lestari *Non Certified	Subdistrict of Muara Lakitan, District of Musi Rawas, South Sumatra Province, Indonesia		FFB (tonnes/year)
	Pandawa Plasma	PT Djuanda Sawit	District of Musi Rawas, South Sumatra		%
					70,582.820
					-
					7,119.770
					-

	(KUD Pandawa Sakti	Lestari *Non Certified	Province, Indonesia		
	Kelompok Tani Mandiri	Kelompok Tani Individu *Non Certified	Subdistrict of Muara Lakitan, District of Musi Rawas, South Sumatra Province, Indonesia		5,474.830 -
	TOTAL				83,177.42 -
	*Source Production Data on August 2013 – July 2014				
1.5.4	Product categories		FFB / CPO / PK		
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage			
		Muara kandis Estate (Ha)	Muara Tawas Estate (Ha)	Total (Ha)	
	1995	826.54	-	826.54	
	1996	506.37	1,635.02	2,141.39	
	1997	243.49	390.23	633.72	
	1998	312.05	141.89	453.94	
	1999	638.69	756.94	1,395.63	
	2000	453.92	-	453.92	
	2001	237.72	145.28	383.00	
	2002	18.14	-	18.14	
	2003	40.19	-	40.19	
	2005	26.00	-	26.00	
	TOTAL	3,303.11	3,069.36	6,372.47	
1.6.2	New Planting area after January 2010		Ha		
1.6.3	Planting Cycle		1 st /2 nd Cycle Years		
1.7	Approximate Tonnage Certified (Will Be Verified during Surveilllance 1)				
1.7.1	Past Annual Claim Certified Product		Previous Certificate Claim (tonnes/year)	Actual certified product (tonnes/year)	
	• FFB Production		-	-	
	• CPO Production		-	-	
	• Palm Kernel (PK) Production		-	-	
1.7.2	Claim Certified of FFB				
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Muara Kandis Estate	7,098.67	3,303.11	81,831	24.79
	Muara Tawas Estate	3,859.73	3,069.36	70,133	22.85
	TOTAL	10,958.40	6,372.47	151,964	23.85

1.7.3	Claim Certified of Palm Product						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Muara kandis Mill	60	151,964	34,724	22.85	8,358	5.5
1.8	Other Certifications						
	ISO 9001:2008			-			
	ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	ISCC			- Sertifikat ISCC since 20 Januari 2014			
	Others						
1.9	Time Bound Plan						
1.9.1	Time Bound Plan for Other Management Units						
	Unit Manajemen		Estate (Supply Base)	Rencana Tata Waktu	Lokasi	Status	
	Pabrik	Tata Waktu					
	Pangkalan Panji	2013	PT Sawit Mas Sejahtera	2014	South Sumatera	Certified	
	Bumi Sawit	2013	PT Bumi Sawit Permai	2014	South Sumatera	Certified	
	Sungai rungau	2013	PT Sumber Indah Perkasa and PT Binasawit Abadi Pratama	2013	Central Kalimantan	Certified	
	Bukit Perak	2013	PT Bumi Permai Lestari	2013	Bangka Belitung	Certified	
	Tanjung Kembiri	2013	PT Forestalestari Dwikarya	2013	Kab. Belitung	Certified	
	Sungai Buaya	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified	
			Smallholder (KKPA Gedung Aji Lama)	2014	Lampung	Certified	
			Smallholder (KKPA Mesuji)	2014	Lampung	Certified	
	Sungai Merah	2014	PT Sumber Indah Perkasa	2014	Lampung	Certified	
			Smallholder (KKPA Gedung Aji Baru)	2014	Lampung	Certified	
	Kasuari	2015	PT Sinar Kencana Inti Perkasa	2015	Papua	ST-1	
			Smallholder (KKPA Sungai Panci)	2015	Papua	ST-1	
			PT Sumber Indah Perkasa (Mambruk Estate)	2015	Papua	ST-1	
	Senakin	2015	PT Purimas Sasmita & PT Sinar Kencana Inti Perkasa (Senakin Estate)	2015	South Kalimantan	ST-1	
	Pekawai	2015	PT Agrolestari Mandiri	2015	West Kalimantan	-	
			Smallholder (Kayung Plasma)	2015	West Kalimantan	-	
	Kenanga	2015	PT Kencana Graha Permai	2015	West Kalimantan	-	
			PT Cahaya Nusa Gemilang	2015	West Kalimantan	-	
Smallholder (Kencana Plasma)			-	West Kalimantan	-		

			Smallholder (Kenanga Plasma)	-	West Kalimantan	-
1.9.2	Ketayang	2015	PT Mitra Karya Agrindo	2015	Central Kalimantan	ST-1
			PT Agrolestari Sentosa	2015	Central Kalimantan	ST-1
			PT Aditunggal Mahajaya	2015	Central Kalimantan	ST-1
	Perdana	2015	PT Binawit Abadi Pratama	2015	Central Kalimantan	ST-1
	Kuayan	2015	PT Agrokarya Prima Lestari	2015	Central Kalimantan	ST-1
			PT Buana Adhitama	2015	Central Kalimantan	ST-1
	Belian	2015	PT Paramitra Internusa Pratama	2015	West Kalimantan	-
			PT Bangun Nusa Mandiri	2015	West Kalimantan	-
			PT Kartika Prima Cipta	2015	West Kalimantan	-
			PT Persada Graha Mandiri	2015	West Kalimantan	-
			PT Buana Artha Sejahtera	2015	Central Kalimantan	-
	Sungai Kupang	2015	PT Sinar Kencana Inti Perkasa Sungai Kupang Estate Sungai Kupang KKPA	2015	South Kalimantan	ST-1
	Golden Agri Resources Ltd run 17 mill and 54 estates in Indonesia and has achieved RSPO certified for 1 (one) mill and supply base in Indonesia. Golden Agri Resources Ltd has informed the Time Bound Plan progress, MUTUAGUNG has considered that Golden Agri Resources Ltd is comply with the RSPO requirement for Time Bound Plan.					
	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	In regard to other FFB sources against the certification standard for the company under one management following the time bound plan that has been determined by the company. Meanwhile, for the smallholder scheme, the certification body will ensure that the smallholder KKPA Pendawa (KUD Sadar Sejahtera) and Pendawa Plasma (KUD Pendawa Sakti) has obligation to do certification process within 3 years after Muara Kandis POM is RSPO certified.					

2.0	ASSESSMENT PROCESS
2.1	Certification Body
	PT Mutuagung Lestari Jl. Raya Bogor Km 33,5 No. 19, Cimanggis - Depok 16953 Telp. +62-21-8740202; Fax +62-21-87740745/46 Website: www.mutucertification.com Email : agri@mutucertification.com
2.2	Assessment Team
ST-2	<ol style="list-style-type: none"> Bukti Bagja (Lead Auditor) Master of Science majoring environment, Indonesia University. He had involved in RSPO assessment and HCV for GIS. The training he has followed i.e. ArcGIS, MAPInfo, Global Mapper, ER MAPPER, ERDAS Imagine, Indonesian Sustainable Palm Oil auditor and Awareness RSPO, and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During this ST-2 audit, he assigned to verify of legal and conservation aspect. Moh. Arif Yusni (Auditor). A bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course certification of ISO 9001:2008 Quality Management System (QMS), Lead Auditor RSPOm Training IHT Awareness RSPO, Training QMS 19011, IHT Awareness 17011 and 17065 and RSPO Lead Auditor Training. Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an observer and auditor. During this ST-2 audit, he assigned to verify of legal and conservation aspect. Panggading Hariara (Auditor).. Bachelor of Social and Political Science. Experience as social activist in Indonesia and the Common wealth Commission on Child Protection. Attended training including ISO9001:2008 Auditor, Social Accountability 8000, Indonesian Sustainable Palm Oil (ISPO) Auditor and has attended several times the related audit system of sustainable palm oil certification as an auditor. During this ST-2 audit, he assigned to verify of workers and social aspects. Steve Mualim (Auditor).. Master in Environmental and natural resources management, Bogor Agricultural University. He has worked as afreelance in several consultant in the Environmental Impact Assessment. He has followed training of Lead Auditor training ISPO, RSPO awareness, Ecological Risk Assessment, Asian Network Update and Carbon, and Climate Change Mitigation and Adaptation for Agricultural Productivity and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During this ST-2 audit, he assigned to verify of waste management and environmental aspect. Yohanes Hardian (Auditor).. Diploma on forest resources conservation, Bogor Agricultural University. Specialist for environment and wildlife, has attended conservation assessment training and high conservation value assessment for several plantation company, RSPO awareness, dan ISO 9001:2008 training. He also has worked as environmental staff in plantation company. During this ST-2 audit, he assigned to verify environmental and conservation aspect.
2.3	Assessment Methodology, Assessment Process and Locations of Assessment
2.3.1	Figure of person days to implement assessment
ST-2	Number of auditors : 5 auditor Number of days for ST-2 at site : 4 days Number of working days for ST-2 at site : 20 Working days
2.3.2	Detail process of assessment
ST-2	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the P PT Djuandasawit Lestari to the requirements of National Interpretation of the Republic of Indonesia from RSPO Principles and Criteria for Sustainable Palm Oil Production (RSPO INA-NIWG, May 2008 and Supply Chain Requirement for CPO Mill</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the</p>

	<p>information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results ST-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase.</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ST-2 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MAL) and part of Surveillance 1 (S-1)</p> <p>The assessment program please find Appendix 2</p>
2.3.3	Locations of Assessment
ST-2	<p>Muara Kandis Mill</p> <p>Location 1 – Muara Kandis Mill. The Auditor team conducted observation related to effluent treatment facility, material warehouse, Hazardous Waste warehouse, water treatment plant, First Aid facility and OHS implementation, and POM operational started from FFB processing to CPO.</p> <p>Location 2 – Waste Water Treatment Pool (ETP). Observation of POM-processed waste management, treatment, utilization, and records. Interview with WWTP officer in term of (inflow) and (outflow) current setting in order to avoid uncontrolled overflow effluent.</p> <p>Muara Kandis Estate</p> <p>Location 1 – Workshop. Observation related to hazardous waste treatment. Workers competences and providence of emergency response facility.</p> <p>Location 2 – Chemials Warehouse. Observation related to hazardous waste management and provide of emergency response facility.</p> <p>Location 3 – Washing Place of Used Chemicals Packaging. Observation related to hazardous waste management of used chemicals packaging and used washing water treatment.</p> <p>Location 4 – Temporary hazardous waste storage. Observation related to hazardous waste management and provide of emergency response facility.</p> <p>Location 5 – Clinic. Observation related to infectious medical waste management, and provide of emergency response facility.</p> <p>Location 6 – Workers Housing in Division 1. Observation related to housing sanitation, domestic waste management and company-provided facilities.</p> <p>Location 7 - Blok L37. Observing National Land Agency 123 boundaries poles which in good condition while poles 122 cannot be founded.</p> <p>Location 8 - Temani River in Blok H23. There is a limitation of chemicals usage in riparian area in form of poles (100 meters) and signboard of prohibition for spraying and poisoning fishes in riparian area. There are vertiver grass to avoid erosion and a permanent spot for fauna monitoring.</p> <p>Location 9 - Blok L17-18. Observing National Land Agency 48 boundaries poles (National Land Agency poles cannot be founded).</p> <p>Location 10 - Lakitan River in Blok H18. There is a limitation of chemicals usage in riparian area in form of poles (50 meters to the right and left of the river) and signboard of prohibition for spraying and poisoning fishes in riparian area. There is vertigrass to avoid erosion.</p> <p>Location 11 – Morning Briefing. The auditor team followed and conducted observation related to morning briefing activity before plantation operational like harvesting and spraying are started. Spraying team for example has been given socialization in term of spraying prohibition in riparian area and importance of using PPE for work activity.</p> <p>Location 12 – Herbicide Implementation Activity in Blok L33 division 2. Spraying workers has been equipped with proper PPE likes helmet, mask, apron, gloves, and boots. Spraying workers are well recognizing their spraying target and weeds they must terminate. No breastfeeding and pregnant workers who are appointed for conducting spraying activity. In term of wages, workers admitted that their wages has been regulated according to minimum wage regulation. Workers admitted that they have been given periodic medical treatment.</p> <p>Location 13 - Land Application in Blok L32 division 2. According to observation, effluent application conducted in the permitted blok with 3 times a year rotation and no indications of environment contamination caused by effluent application.</p> <p>Location 14 - Harvesting Activity in Blok K33 division 2. According to field observation, harvesting activity</p>

	<p>has been conducted in accordance with valid SOP. Harvesters have recognized the valid proper OHS procedures, harvest basic and valid waging system.</p> <p>Location 15 – Empty Fruit Bunch Application Blok L24 division 2. Field observation showed that EFB application has been conducted in accordance with the valid procedure. Dosage per ha is 60 ton/ha which is stacked in one layer with twice rotations a year.</p> <p>Location 16 – Owl Box in Blok K33 division 1. The auditor team conducted observation related to natural rats control using <i>Tyto alba</i>. According to observation result, providence of owl nest ratio has been conducted and improved by company.</p> <p>Muara Tawas Estate</p> <p>Location 1 – Workshop. Observation related to hazardous waste management, workers competences and providence of emergency response facility.</p> <p>Location 2 – Chemicals Warehouse. Observation related to hazardous waste management and providence of emergency response facility.</p> <p>Location 3 – Used Chemicals Boxes Washing Place. Observation related to hazardous waste of the used chemicals containers and treatment for the used water of washing chemical container.</p> <p>Location 4 – Hazardous Waste Warehouse. Observation related to hazardous waste treatment and providence of emergency response facility.</p> <p>Location 5 – Clinic. Observation related to infectious medical waste management, and provide of emergency response facility.</p> <p>Location 6 – Workers Housing Division 1 and Division 2. Observation related to housing sanitation, domestic waste management and company-provided facilities.</p> <p>Location 7 - Blok 58-57. Estate boundaries areas are marked by creating huge drainage and embankment to avoid FFB theft.</p> <p>Location 8 - Petanang River in Blok L53. There is limitation of chemical usage in riparian area in form of poles (50 meters to the right and left of the river) and signboard of prohibition for spraying and poisoning fishes in riparian area. There is vertigrass to avoid erosion.</p> <p>Location 9 - Lakitan River in Blok L63&L53. There is limitation of chemicals usage in riparian area in form of poles (50 meters to the right and left of the river) and signboard of prohibition for spraying and poisoning fishes in riparian area, there is vertigrass to avoid erosion.</p> <p>Location 10 - Blok R62 Observing NLA 93 boundary poles.</p> <p>Location 11 - Blok S60 Observing NLA 89 boundary poles</p> <p>Location 12 - Petanang River Upstream in Blok T55. There is a limitation of chemicals usage in riparian area in form of poles (50 meters to the right and left of the river) and signboard of prohibition for spraying and poisoning fishes in riparian area. There is vertigrass to avoid erosion.</p> <p>Location 13 – Harvesting Activity of Blok R59 division 2. According to field observation, harvesting activity has been conducted in accordance with valid SOP. Harvesters have recognized the valid proper OHS procedures, harvest basic and valid waging system..</p> <p>Location 14 – Herbicide Application in Blok S52 division 1. Spraying workers has been equipped with proper PPE likes helmet, mask, apron, gloves, and boots. Spraying workers are well recognizing their spraying target and weeds they must terminate. No breastfeeding and pregnant workers who are appointed for conducting spraying activity. In term of wage, workers admitted that their wage has been regulated according to minimum wage regulation. Workers admitted that they have been given periodic medical treatment.</p> <p>Location 15 – Owl Nest in Blok S53 divisi 1. The auditor team conducted observation related to natural rats control using <i>Tyto Alba</i>. According to observation result, provide of owl nest ratio has been conducted and improved by company.</p> <p>Location 16 – Erosion Poles in Blok L58 division 1. The auditor team conducted erosion poles monitoring observation. Observation result showed that poles condition are good, routine monitoring conducted monthly. Monitoring result in period of August showed position of 0.</p>
2.4	Stakeholder Consultation and Stakeholders Contacted
2.4.1	Summary of stakeholder consultation process.

ST-2	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Djuandasawit Lestari was held by:</p> <ol style="list-style-type: none"> 1. Public Notification 30 days on RSPO Website before assessment has been conducted 2. Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and interviews with local peoples. On 01, 02 and 03 September 2014 3. Email To NGO on 26 August 2014 <p>Numbers of input from stakeholders were clarified by PT Djuandasawit Lestari and part of ST-2 report</p>
2.4.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.5	Determining Next Assessment
	The next visit (ASA-1) will be determined one year after certificate issued

3.0. ASSESSMENT RESULT

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Muara Kandis Mill, PT Djuandasawit Lestari, Golden Agri Resources operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were one (1) Nonconformities were assigned against Major Compliance Indicator, one (1) nonconformity were assigned against Minor Compliance Indicators and four (4) opportunities for improvement were identified.

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

MUTUAGUNG LESTARI found that Muara Kandis Mill, PT Djuandasawit Lestari, Golden Agri complied with the requirements of RSPO Principles & Criteria and *National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Republic of Indonesia - RSPO INA-NIWG, May 2008 and RSPO Supply Chain Certification Standard November 2011 for CPO Mill.*

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Issued**

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.	
	<p>Company has commitment for transparency as shown by SOP of Request and Information Response number SOP/SPO/SMART/LH-01 Juli 1st 2010 which regulates proper and transparent information procedures given to stakeholder in accordance with valid regulation and statue. As for realization, information request records are attached to logbook document entitled "Information Request Book" which contains list of information requests and responses for each estate and mill is available.</p> <p>Record of information response is attached on logbook documents entitled "Information Request Book" which contains list of information responses and requests for each estate. Several information/ report which is periodically delivered on the 1st semester of 2014 as request compliance of regulation and statues are:</p> <ul style="list-style-type: none"> - Report of work accident to Labour Social Assurance each time work accident occurred. - Report of monthly Labour Social Assurance premium to Labour Social Assurance. - Report of Investment for year 2013 which is delivered on March 24th 2014 to Centre of Investment Coordinating Board. - Report of waste contamination control at 1st quarter of 2014 to Musi Rawas Environmental Agency. - Report of Hazardous Waste control at 1st quarter of 2014 to Ministry of Environment and Local Environmental Agency on April 28th 2014. - Report of Hazardous Waste manifest to Ministry of Environment on March 3rd 2014. - Report of OHS Guiding Committe at 1st quarter of 2014 to Labour Agency on April 28th 2014. - Report of fire prevention and handling activity at 1st quarter of 2014 to Musi Rawas Labour Agency. - Delivery letter number. 1067/KP-LLNO/12/2013 in term of Report of Big Private Company Development at 1st semester of 2013 to Musi Rawas District Plantation Agency on December 4th 2013. 	

- Report of Environmental Management - Monitoring Plan Implementation for period of 2 year 2013 to Ministry of Environment on March 3rd 2014, South Sumatera Province Environmental Agency on March 4th 2014, and Musi Rawas Environmental Agency on March 27th 2014.
- Reporting evidence of Muara Kandis Estate and Muara Tawas Estate Labour Report Obligation year 2012 to Musi Rawas District Labour Agency on June 10th 2013.

Company has defined storing documents period in accordance with the interest which is regulated on Procedure of Documents and Records Storing (Number. Dokumen SOP/SMART/LH-02 January 2nd 2014). Company operational documents including information requests and responses in general has 10 years storing period. After the documents is considered expired, documents will be considered to be destroyed after the responsible officer approves.

Status: Comply

1.2

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

Document access regulation which is conducted through SOP in term of information for Stakeholder. List of Information Types for Djuandasawit Company Stakeholder covers.

1. Number of Employees and list of employees basic salary for Governmental Bodies (Village, Sub-District, Labour Agency) and Labour Social Assurance
2. Taxpayer ID Number and Land and Building Tax for Tax Office
3. Local Tax Payment / Retribution for Local Income Agency
4. Environmental Documents for Environment Agency, Ministry of Environment, and NGO
5. Establishment and the changes of Official Documents, area and production data and manuring activity data for Plantation Agency, Central Bureau of Statistics, and Integrated Permits Agency
6. Evidences of Land Ownership like Land Use Title for Governmental Agencies and NGO.
7. Report of HCV asessment for Governmental Agencies and NGO
8. Report of Social Impact Asessment for Government Agencies and NGO
9. Report of community empowerment for Governmentl Agencies and NGO
10. Report of OHS Guiding Committe to Labour Agency
11. Document of sustainable improvement program for Governmental Agencies

For the unattached information on the list, hence, there should be approval from top management by first consulting with relevant department.

Company has defined the period of storing documents in accordance with its interest which regulated by Procedures of Documents and Records Storing (Number. Dokumen SOP/SMART/LH-02 January 2nd 2014). Company operational documents including information requests and resposnes generally has 10 years storing period. After considered expired, documents will be considered to be destroyed after the responsible officer gives an approval.

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.

According to documents verification and field visit, company has complied all law requirements which valid locally, nationally, related to plantation land legality aspect, environmental aspect, manpower aspect, and agronomy aspect. Related to land legality, company has owned legality evidence in form of: location permit, Land Use Title Certificate and Land Compensation for the community.

Related to Environmental aspect, environmental documents in form of: EIA, Periodic report of Environmental Management - Monitoring Plan implementation, Land Application, License of Hazardous Waste Temporary Tanks, and evidences of Hazardous Waste annihilation in accordance with the valid regulations, waste monitoring, and other.

Related to Manpower and OHS aspect, company showed compliance to the regulation such as: Hyperkes certificate for

doctors and medical assistants, OHS certificate for boiler operator, engine operator, forklift operator, electric engineer, welding expert, and others.

Company showed effort for the adjustment toward changes on valid plantation regulations such as: Compliance of OHS requirements in order to comply Government Regulation 50 year 2012 in term of OHS such as the adjustment to minimum wage in accordance with new Governor Decree, involvement on ISPO scheme in accordance with Regulation of Ministry of Agriculture number 19 year 2011.

Company is able to show record of law requirements list which must be complied by company with its compliance evaluation, as shown by records:

- 1) procedure which set up regulation and law requirements monitoring the company must comply
- 2) list of law requirements the company must comply and its compliance evaluation.

Evaluation process results are available on document of compliance evaluation to Statute Regulation and Other Requirements on the aspects of Environmental, Permits, Health, and Manpower. Result of Evaluation at 1st quarter of 2014 showed that in general entire statute regulation requirements and requests has been complied.

The valid law requirements compliance evidences are available and related to:

1. Regulation compliance related to land legality
 - Evidences of the valid land acquisition legality in form of Land Use Title certificate number 5 and 6 year 1999 for 10,958.4 hectares
 - Evidences of the valid land acquisition legality in form of the Approval of Republic of Indonesia Ministry of Agriculture Principal year 1995 for 14,000 hectares
 - Evidence of Land Use Title pole maintenance in form of SOP and periodic monitoring result
 - Evidence of Land Compensation process for acquiring right for the land
2. Compliance of regulations related to environment
 - Owning environmental documents in form of EIA contains entire aspects of environment including waste management
 - Owning evidences of EIA implementation periodic reporting
 - Owning evidences of land application permits
 - Owning evidences of hazardous waste landfills permits and implementation of hazardous waste management
3. Compliance related to manpower and OHS

Company has compliance commitment to all valid laws and regulations related to Occupational Health and Safety. For example:

- Company has complied obligation of Ministry of Labour Regulation Number 01 Year 1976 by involving doctor to follow hyperkes training.
- Company has complied obligation of Ministry of Labour Regulation Number 01 Year 1979 by involving medical assistants to follow hyperkes training.
- Company has complied obligation of Ministry of Labour Regulation Number 01 Year 1988 by involving boiler operator to follow OHS training for steam machine operator.
- Company has complied obligation of Labour Ministry Regulation Number 09 Year 2010 by involving crane operator, crane grapple, backhoe loader, well loader, tractor, and motor grader to follow OHS training for lifter and container machine operator.
- Company has complied obligation of Labour Ministry Regulation Number 04 Year 1985 by involving generator operator to follow OHS training for power and production machine operator.
- Company has complied obligation of Labour Ministry Regulation Number 02 Year 1982 by involving welding expert to follow OHS training for welding expert.

Company has information system documentation of law requirements that must be complied by plantation company on:

- 1) SOP which regulates monitoring of regulation and law requirements that must be complied by plantation which is covered on the document
- 2) List of law requirements that must be complied by company on the document of Compliance Evaluation to Act Regulation and other requirements in Environmental Aspect, Permits aspect, and Health and Manpower aspect. The documents contains 46 Statute Regulations related to permits, 46 statute regulations related to Health and OHS, and 29 statute of regulations related to permits along with clause descriptions which relevant

to the plantation.

Result of regulation compliance evaluation is attached on the document of Compliance Evaluation to Act Regulation and Other requirements in Environmental Aspect, Permits aspect, and Health and Manpower aspect. Result of 2nd semester evaluation year 2013 showed that in general most of regulation statue has been complied. In Health and OHS aspect, compliance percentage reached 85%, in environment aspect compliance percentage reached 91.27%, and in permits aspect percentage reached 100%. Expired date evaluation form for the entire permits in estate and mill is available.

Status: Comply

2.2

The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights

Company has legality of land acquisition in form of: 1) Location permits from local government for 15,900 hectare on 1993 – 1996, 2) there are two Land Use Title Document covers 2,222.7 hectare and 8,735.7 Ha year 1999 with valid period till 35 years since it was legalized. Company has land acquisition document as well in form of: 1) Permits of Plantation Business Principle from Republic of Indonesia Agriculture Ministry year 1995 for \pm 12,000 Ha, and 2) Plantation Business Permits from Republic of Indonesia Agriculture Ministry year 1995 for \pm 12,000 Ha.

Document verification showed that company has demarcation procedure (SOP) of company area legal boundaries as shown by:

- 1) Map of company legal boundaries in form of National Land Agency measurement result map supported by information of location and Land Use Title poles number
- 2) Land Use Title/Building Use Title pole maintenance SOP on SOP no. SOP/SMART/CERS-ESHDS/SADV/II/004 January 2nd 2014
- 3) Pole maintenance (maintaining, painting, and visual monitoring) program and report of monitoring result
- 4) Report Form of Land Use Title poles monitoring result.

However, according to field observation in Muara Kandis Estate and Muara Tawas Estate showed that several Land Use Title that should be maintained and exist according to Land Use Title from National Land Agency still unmaintained, like observation on Land Use Title poles sample number 122 and 48 in Muara Kandis Estate. Company must shows legal demarcation and maintenance according to SOP and Government valid regulation. **According to the description, nonconformity 2014.01 with major category is raised.**

Auditor Observation

(February 27th 2015):

Company has identified the position of Land Use Title Pole referring to the Map of Land Use Title period of 1999 from National Land Agency and has corrected the legal demarcation boundary by installing the missing Land Use Title Pole refer to the Map of Land Use Title, specifically pole number 48 and 122. Hence, **Nonconformity 2014.01 is closed**

In Land Use Title Area, company records four land claims by community which were occurred in last few years. In general claims are in form of land reclaim compensated in past or demand on government free land that has not cultivated by community yet. From four land disputes, three land disputes were solved using community conference, while one land dispute (in the name of Harun) is still in resolution progress in accordance with valid SOP which the field verification was involving government.

Based on *Free and Prior Informed Consent* implementation, records of compensation process are available in form of:

- 1) Records of legal process to gain Land Use Title including National Land Agency committee 'B' investigation
- 2) Records of Land compensation process from the community voluntarily through: land compensation negotiation and socialization, report of meeting and socialization to nearby community, plant-owned community inventory, meeting for discussing compensation, declaration letter for voluntarily leasing the land which is signed by land owner, and compensation payment document.

There is 4,212.53 Ha of PT DSL's Land Use Title area that can not be occupied by the company. This area is located in

Muara Kandis Estate and Muara Tawas Estate. The caution of the condition is due to the community does not want to lease its land own right. In regard to the area, the Company has stated the area as the reserved area and keep the respect community right by not forcing the occupation of the land unless in the future there is an agreed compensation process by both parties.

The company has provided the document of statement letter from community who occupies the land within PT DSL's Land Use Title area, dated July 15, 2014. The statement letter was signed by both parties witnessed by Chief of Village. The letter explains the occupation of the concerned land has been agreed by both parties and there is no conflict between the company and the community who occupy the land.

According to the interview with local figures and Chief of Village from 5 nearby village, it was revealed that there are no land disputes with community plantation.

Participative disputes resolution procedure and involving all willing parties, as shown by Land Compensation SOP Number. SOP/NP/SMART/VII/D&L002 Juli 1st 2010 by purpose to assure that plantation land /mill are free from other parties ownership claim, therefore, the company is able to conduct business activity in their land without being interrupted.

Documents that shows legality of land acquisition and land control are available as well in form of:

- Location permits from South Sumatera Governor year 1993 for 15,900 hectare, location permits from Head of Musi Rawas District Land Agency year 1996 for \pm 4,000 Ha which consisted of 1,800 Ha for nucleus plantation and 2,200 Ha for smallholder plantation.
- Document of Land Use Title for 10,958.4 hectare, through Land Use Title Certificate Number 5 year 1999 on March 8th 1999 for 2,222.7 Ha and Land Use Title Certificate Number 6 year 1999 on March 8th 1999 for 8,735.7 Ha. Land Use Title is valid for 35 years since it was first legalized.
- **Plantation Business Principle Permits through** Decree of Republic of Indonesia Ministry of Agriculture year 1995 for \pm 12,000 Ha (Netto) more than reserve land for 14,000 Ha.
- **Plantation Business Permits through** Decree of Republic of Indonesia Ministry of Agriculture year 1995 in term of Plantation Business Principle Approval for palm oil plantation in Muara Lakitan Sub-District and Muara Kelingi Sub-District for \pm 12,000 Ha (Netto) more than reserve land for 14,000 Ha.

Company has legal demarcation evidence of legal boundaries area in form of Land Use Title pole map in accordance with Land Use Title Certificate number 05 year 1999 and map of Land Use Title pole points in accordance with certificate number 06 year 1999. The map is supported by Land Use Title main and supporting poles coordinate points table.

Company also has Land Use Title / Building Use Title maintenance SOP in SOP number SOP/SMART/CERS-ESHDS/SADV/II/004 January 2nd, 2014 which describes procedures of pole maintenance, reporting, and document storing. As the implementation of evidence, document of pole maintenance program (maintaining, painting, and visual monitoring) and report of pole condition monitoring and monitoring result report form is available.

Company has document of socialization and negotiation of land compensation with community-owned land for plantation, and payment evidences of compensation in accordance with negotiation is conducted till 2003. From entire Land Use Title Area owned by company, 4,862.6 hectare land has been voluntarily sold. For the community-owned land, company still respect community's right by not cultivating land that has not been sold yet due to the refusal of the land owner to accept compensation.

On the company's own land that has been develop as plantation area, the company's records showed that there are four land disputes claimed by community. Most of the claims occurred on the land that has been compensated, or claim on state land that at the early plantation development has not been occupied by the community. Two out of four land disputes has been solved through discussion and two others are still in progress of discussion. Complete evidence of land dispute resolution through discussion and dialogue to determine compensation payment between company and claiming party and agreement documentation for the resolved cases are available.

According to report document of land inspection by committee "B" (on Land Use Title Process), it was revealed that areas planned to be Land Use Title are: 1) State uncultivated land (\pm 7,300 hectare), and 2) community-cultivated land masyarakat (3,295 hectare).

For the community land compensation, company has conducted land compensation socialization and negotiation, as shown by records:

1. Meeting and socialization to community of Karya Sakti, Petrans Jaya and Karya Mukti, Muara Kelingi Sub-District, Musi Rawas District, June 30th 1994 led by Head of Muara Kelingi Sub-District and was attended by Commander of Sub-District Military Base, Head of Sectoral Police, Chief of Village, Company Representatives, and Community Figures (attendance list evidence is available).
2. Process and result of community growing plant inventory to area-made plantation by Company, from Head of Muara Lakitan Sub-District to entire related village administrators and Sub-District Staffs.
3. Official Records of Djuandasawit Lestari Inventory and Land Buy Out team in Muara Lakita Sub-District and Megang Sakti Sub-District on November 13th 1996 which was attended by: Head of Muara Lakitan Sub-District, Head of Megang Sakti Sub-District, Commander of Muara Lakitan Sub-District Military Base, Head of Muara Lakitan Sectoral Police, Chief of Lubuk Pandan Village, Chief of Muara Megang Village, Djuanda Sawit Lestari Company.
4. Declaration letters to lease the land which was signed by land owner and witnessed by related Village Chief and Head of Sub-District.
5. Document of complete compensation payment in form of: growing plant inventory result letter supported by map, declaration letter to voluntarily lease the land, compensation payment receipt, payment process photographs, Right Admission Letter which was signed by land owner and Chief of Village and witnesses, Right acquisition official documents issued by related Head of Sub-District.

In order to resolve disputes related to land, Land Compensation, availability of SOP (SOP/NP/SMART/II/D&L002) on Juli 1st 2010 which regulates work procedure of conflict resolution through systematic, conference, negotiation, and court if the agreement is not reached is available.

Status: Comply

2.3

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

According to the available documents, there is no traditional right in form of communal right or other costum communal rights in location for plantation area. The documents showed the facts which are:

1. Result of Land inspection by Committee "B" from South Sumatera National Land Agency on August 11th, 1998 which states that land purposed as Land Use Title is a State free land and individual cultivated land belong to the community. No land considered sacred, graveyard, or communal land
2. SIA document which describes nearby community profile consisted of newcomer and local community. In general, no identification of effective costum institution and no area considered as costum land. The entire land ownership are in form of individual land gained by hereditary or purchase and sell activity
3. Documents of note taking of plantation socialization and cultivate land inventory on the early stage of estate establishment which showed that entire cultivate land are individual land. Negotiation and compensation payment has been conducted to those individual lands in accordance with indicator 2.2.1.

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.

Work Plan of company management are briefly described below:

- 5 Years Economy Feasibility Assessment of Djuanda Swait Lestary year 2014 – 2018 was compiled on June 7th 2014 by Director with general assumption: Rupiah Currency Value toward USD Currency, Rupiah and USD inflation level, POM production capacity, Maximum of processed FFB for a year, Maximum of processed Palm

- Kernel for a year, Extracts (CPO&PK), Price (CPO and PK in Rupiah), and Management Fee.
- Example of profitability which contains plan of FFB Production Inti, CPO production, Revenue (CPO, PK, PKO, and PKM), Cost Estate, Mill Cost, Operating Expense, Profit/Loss for example in year 2014, mature budgeted for 6,372 Ha with FFB Inti production for 154,332 Ton and FFB process budgeted for CPO production for 36,268 Ton, OER for 23.50%, PK 8.102 ton, KER 5.25%.
- Document of EIA and Environmental Management / Monitoring Plan. The documents is a documents for guidelines to conduct management plan and environment monitoring.
- Company has had SOP document in plantation (started from land preparation to harvesting) and mill (started from receiving FFB to CPO dispatch)
- Annual plan (budget 2014) of each unit, as annual detail plan which become the guidelines for each unit is available.
- Result of Finance audit in 2013 by Public Account Body (Tanubrata Sutanto Fahmi and Partners) which published on February 14th 2014 (the financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards (SAK), which comprise the statements and interpretations issued by the Board of Financial Accounting Standards of Indonesian Institute Accountants)
- Financial Risk Management: considering that the implementation of good risk management practices could support the performance of the company better, hence the risk management would always be an important supporting element for the company in running its business. The target and main purpose of the implementation of risk management practices in the company is to maintain and protect the company through managing the risk of losses, which might arise from its various activities as well as maintaining risk level in order to match with the direction already by the management of the company.
- MKNE Budget year 2014 covers Harvesting, transport to mill, mature upkeep, manuring, estate overhead, dan estate depreciation with production budget 101,161.00 ton.
- MTWE Budget year 2014 covers Harvesting, transport to mill, mature upkeep, manuring, estate overhead, dan estate depreciation with production budget 78,890.11 ton.
- MKNM Budget year 2014 MKNM covers FFB Intakes tones, extract palm oil budget, extract palm kernel budget, palm kernel budget. Total cost general admin, total cost manufacture. While for FFB intake tones budget year 2014 is 264.364,12 ton.

According to long term plan summary of Djuandasawit Lestari Company 2014-2018 it was revealed that there is no replanting activity for next 5 years.

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

According to document review, the company has had all procedures related to plantation and processing in POM best management practice. The procedures was described on SOP:

- Standar Operational Procedure (SOP) of plant cultivation on document of Management Komite Agronomy and Research (MCAR) on September 1st 2012 which discussed palm cultivation aspects such as : New Area Planting Plan (SOP/SMART/MCAR/I/TA-PPA), Replanting Plan (SOP/SMART/MCAR/II/TA-PRP), Seeding (SOP/SMART/MCAR/III/TA-BBT), New Land Clearing (SOP/SMART/MCAR/IV/TA-PLB), Planting (SOP/SMART/MCAR/V/TA-TNM), penyesipan, replanting (SOP/SMART/MCAR/VI/TA-RPL), Plant Disease Control (SOP/SMART/MCAR/II/TA-PHT), Treatment (SOP/SMART/MCAR/VIII/TA-PGM), Manuring (SOP/SMART/MCAR/IX/TA-PPK) Treatment of immature plant (SOP/SMART/MCAR/X/TA-PTB).
- Standard Operational Procedure (SOP-PENGOLAHAN/REVIEW MCMD#1/2010/1/85) to process plantation outcome on the document of Management Committee for Mill Development (MCMD) Revision IV. Operational activities which are set up are: FFB input process, sterilization, threshing, press, clarification, sub stasiun clarification oil recovery tank, SOP of recycling oil tank storage, nut and kernel, boiler and engine room, water treatment, final effluent and washing storage tank and Standard Operasional Procedure for Palm Oil Mill Laboratory; CPO and PK quality measurement guidelines.

Inspection activity and operational activity monitoring conducted twice in a year. For the estate, it consisted of

Operational Internal Audit activity and Agronomy Audit & Advisory, while in POM consisted of Operational Internal Audit and Mill Audit & Advisory, for example :

Muara Kandis Estate :

Report of OIA audit trip for Muara Kandis Estate for example in division 1 blok M37 there are 14 unoptimally harvested plants and 2 empty fruit bunch caused by in progress of pruning rotation 2, improvements activity which has been commissioned are by conducting pruning and circle maintenance on the same day. The recent OIA activity conducted on May 16th – 17th 2014.

Muara Tawas estate :

Report of OIA audit trip for Muara Tawas Estate for example in division 1 blok R55 there are 2 unoptimally harvested and 6 rottent empty fruit bunch, improvement activity which are commissioned are re-harvesting fruits left on the plant and deliver it to POM on May 12th 2014. The recent OIA activity conducted on May 9th 2014.

Muara Kandis POM

While in mill, there are internal audit inspection twice in a year that covers production, planning and processing of power and consumable usage, control process, (oil losis, kernel losis) quality control, maintenance (maintenance, safety equipments, grading, laboratory. The recent OIA activity was conducted on March 2nd – 7th 2014, like improvement of making of lory plate number which is adjusted with MCMD that has been conducted on April 30th 2014.

Records of daily activity in form of foreman activity book which is made by foreman and witnessed by assisstant. Records of operational activity is available on SAP (*Product Application System and Processing*) program, the report is input dailly from foreman work report, the SAP showed all activity items which are conducted dailly in division, like working day (HK) usage, production, raw materials usage, labour position. Record of Muara Kandis POM is available in form of dailly production report, for exampe production report on August 30th 2014. It is informed on the report that total of received FFB are 883,93 ton, yesterday restan 266,59 ton, Processed FFB 892,54 ton, CPO Production 188.24, Kernel Production 45.66 ton, OER 21.09 %, KER 5.12%, FFA 4.44, moisture 0.17, dirt 0.029, CPO yesterday stock 2,330.49 ton, total stock CPO 2,518.73 ton, Kernel stock 844.23 ton, effective processing hour 14.16, throughout 63.03 ton/hour.

Status: Comply

4.2

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

One of an effort conducted by management unit to maintain soil fertility are periodic analysis of soil, leaves, and visual such as:

Soil Analysis

- **Muara Kandis Estate** For Example: Record of soil analysis on June 10th 2014 with total 150 samples, for example sample code 15-30 PR : water substance 4.53%, pH 4.46, C organic 7.75 %, N total 0.08%, P 26.2 ppm, K 66.8 ppm, Mg 25 ppm, KTK 6.71 me/100 g is available
- **Muara Tawas Estate** : For Example: Record of soil analysis on May 26th 2014 with total 72 samples, for example sample code P-58 : water substance 1.66 %, pH 5.95, C organic 0.98 %, N total 0.05, P 182 ppm, K 309 ppm, KTK 4.57 me/100g is available

Leaf Analysis

- **Muara Kandis Estate**, For Example: Record of leaf analysis on April 30th 2014 in blok Q42 is: KA Substance 1,25 %; N 2,55%; P 0,161%, K 0,82%, Mg 0,23%, Ca 0,46% , B 12 ppm, Cl 12 ppm. Sampling conducted on 6 divisions with total 200 samples.
- **Muara Tawas Estate**, For Example: Record of leaf analysis on April 30th 2014 in blok S50 is: KA Substance 1,49 %; N 2,52%; P 0,148%, K 0,87%, Mg 0,28%, Ca 0,60% , B 17 ppm, Cl 0.52 %. Sampling conducted on 4 divisions with total 76 samples.

Visual Analysis

- **Muara Kandis estate** On June 5th 2014, for example. Record of visual analysis activity on blok D-23 plating year 2001 type of seed Kosta Rika, deficiency type P and K is available. Monitoring conducted on 7 bloks sampling.
- **Muara Tawas Estate** On June 6th 2014, for example. Visual analysis activity on blok S-57 planting year 1996, type of seed Kosta Rika, deficiency type K is available. Monitoring conducted on 4 bloks sampling.

According to descriptions which are mentioned previously, procedure to maintain soil fertility is that manuring according

to dosage and recommendation from SMARTRI (document of plantation manuring recommendation period 2014 is available), Empty Fruit Bunch application and land application from POM effluent. Entire mentioned activities is monitored and notified, for example:

Manuring

- **Muara Kandis Estate** blok L34 width area 34 ha, MOP application with dosage 2.5 kg/pokok and total application 8.8 ton for the 1st semester, period of 2014.
- **Muara Tawas Estate** blok R46 width area 24.40 ha, urea application with dosage 1.5 kg/pokok and total application 4.3 ton for 1st semester period of 2014.

Empty Fruit Bunch Manuring Application and Program year 2014

It is one of description of Manuring Recommendation Document year 2014. For example on blok L34 width area 30.19 ha, until period of August 2014, empty fruit bunch realization for 30.19 ha (Empty Fruit Bunch Application only conducted on MKNE)

Land Application

Described on document of Manuring Recommendation which described land application plan consisted of dosage 125 M3/Ha/Rotation and conducted 3 times in a year. While land application realization is recorded on land application document. For example division 2 blok M30 MKNE for width area 23.97 ha with dosage of 375 ton/ha, until August 2014 liquid application realization is 71.91 ha. (LA only conducted on MKNE)

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

Document review and field observation showed that there is no peatland area in company operational area. Company has had map of soil and land suitability which described Land Suitability Class issued by *Plantation Monitoring And Planing Division* (PMNP) with scale 1: 60,000 year 2007, which contains description of soil type, land topography, soil texture, drainage condition, land suitability class, and boundary factor. According to survey result, soil dissemination classified as marginal like soil type ocaquults in MKNE for 505.89 ha with drainage boundary factor and soil type endaquults with drainage boundary factor for 420.96 ha in MTWE are described.

SOP of new area planting (No. dok SMA/SMART/MCAR/I/TA-PPA) (No. LAMP/I/TA-PPA/02-) describes slope and terrace need classification which are:

Slopes		Information
<9%	<5	Planted with standard range, does not need terrace and individual terrace platform
9-14 %	5 – 8	Conservation terrace width is minimum 2.0 m with interval 35 – 50 m
15-21 %	9 -12	Terrace width 4.5 – 4 m
22 – 40%	13 – 22	Terrace width is minimum 3.0 m, depends on soil condition and soil deepness.
>40 %	>22	Does not recommended to be planted

According to field observation in blok L58 division 1 MKNE, procedure that has been conducted by company to minimize erosion are:

- Set Up of Frond Arrangement: Frond arranged orderly spread on inter row and between trees, and frond arrangement form alphabet-like L, where frond put between trees on the line. It purposed to avoid erosion and maintain humidity.
- Creating Silt – Pit and Individual terrace Platform

As importants programs to ensure operational activity runs well, company has ensure road maintenance such as:

Road Maintenance Realization

Muara Kandis Estate : Road Maintenance realization, January-July 2014 for 14,999 meter

Muara Tawas Estae : Road Maintenance realization, January-July 2014 for 21,983 meter

Facilities for Road Maintenance

Facilities for road maintenance in Muara Tawas Estate are: Road Greader 1 unit, TLB 1 unit and at Muara kandis Estate

are: Road Grader 1 unit

Status: Comply

4.4

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

Company has had water management and water source maintenance SOP with document number:

- SOP/SPO/SMART/LH-05 in term of maintaining water supply and quality. This SOP contains description of type of activity conducted to maintain water supply and quality by planting Guatemala plant in riverbanks, conducting plant maintenance manually in riparian area.
- Protection of riparian area with document number SOP/SPO/SMART/LH-06. This SOP contains procedure like: Making palm oil planting prohibition in riparian area width 50 meter left and right, making prohibition to cultivate land in riparian area, making of peringgian road in managed and protected area.
- Management of riparian area with document number SOP/SPO/SMART/LH-07. This SOP contains procedure like: Prohibition of chemicals usage in riparian area width 50 meter left and right of the river and planting on high land slide risk river cliff with plants which able to avoid erosion.

Efforts conducted to manage water source are:

Muara Kandis Estate

- Realization of vertifer grass and bamboo planting in 2013 for 500 m along riparian area in blok H18 (Lakitan Riparian), H23 (Temani Riparian), C24 (Tawas Riparian), M14 (Bakul Riparian), J41 (Aur Riparian).
- On September 2013 vertifer grass and bamboo planting for 50 clusters in Tawas River has been conducted.

Muara Tawas Estate

- Realization of vertifer grass planting on 2013 is for 1,030 m in Petanang Riparian and Lakitan Riparian, while planting target in 2014 is for 2,206 m.
- On March 29th 2014 vertifer grass planting has been conducted on Blok H52 (Lakitan Riparian) with riparian length 185 m.
- On April 30th 2014 vertifer grass planting in Blok K53 (Petanang Riparian) with riparian length 82 m.

Company has also conducted riparian management by making HCV 1.1, 1.2, and 4.1 signboard the example as it attached on official records of HCV amaran signboard installation and maintenance belows.

Muara Tawas Estate

- On November 13th 2013 the installation of HCV signboard has been conducted in Blok H51 (2 signboards), Blok J51 (2 signboards), N59 (2 signboards), and Blok L53 (2 signboards).

Muara Kandis Estate

- Oktober 30th 2013 the installation of HCV signboard has been conducted in Blok C24, axis road of division 5 and 6, Blok J41, and Blok P38.

Related to POM water source, company has conducted Muara Kandis reservoir maintenance and monitoring as below:

- Repairment and cleansing of water installation in MKNE reservoir on September 26th 2013 and installation of signboard prohibition to not spraying, swimming, littering, and fishing in POM reservoir area.
- Reforestation in nearby Muara Kandis POM area with trembesi tree.
- Official record of vertifer grass planting on November 2013 75 meter along with Muara Tawas Estate reservoir is available.

Efforts of Water Source Monitoring

Company has conducted monitoring on upperground water current which passing plantation area and are consisted of Temani Watershed. Company has conducted monitoring on upper ground watter quality used by community nearby plantation which attached on result report of Environmental Management and Monitoring Plan implementation period of 1st semester (January-June) 2014. According to the test result of UPTB laboratory, Environment Laboratory of South Sumatera Environmental Agency with acreditation number LP-231-IDN it is found that there is no test parameter of

upperground water quality that exceed quality standard. Program of upperground water quality monitoring has been attached on report of Environmental Management - Monitoring Plan period of 1st semester 2014 and is reported to Musi Rawas District Environmental Agency on September 19th 2013.

However, company has not yet conducted water quality test for Petanang River in Muara Tawas Estate. Petanang River has been identified as HCV area and according to the interview with local community, Petanang River is a fish source for the local community. **Nonconformity 2014.02 in indicator Minor 4.4.1 is raised.**

Verification On 5 December 2014

Company show the evidence of river water quality monitoring within estate area, specifically the area that the river is utilized by employees and community nearby. Sampling has been conducted on September 28th 2014 and the result of the analysis has been issued on October 14th 2014. According to the document, the nonconformity 2014.02 **is closed.**

According to test result of UPTB Laboratory, Environment Laboratory of South Sumatera Environment Agency with accreditation number LP-231-IDN it is revealed that there is no effluent parameter that exceed quality standard. Effluent analysis is reported in three month basis, such as:

- 1st Quarter Report of effluent analysis to Musi Rawas District Environmental Agency on April 17th 2013, South Sumatera Province Environmental Agency on April 20th 2013.
- 2nd Quarter Report of waste analysis and 3rd Quarter Report of effluent analysis year 2013 are reported to Musi Rawas District Environmental Agency on December 17th 2013, South Sumatera Province Environmental Agency on May 6th 2014, Ministry of Environment on October 31st 2013.
- 4th Quarter Report of effluent analysis to Musi Rawas District Environmental Agency on March 27th 2014, South Sumatera Environmental Agency on March 4th 2014, Ministry of Environment on January 23rd 2014.
- 1st Quarter of 2014 effluent analysis was reported on May 7th 2014 to Musi Rawas District Environmental Agency, on May 6th 2014 to South Sumatera Province Environmental Agency, and on May 21st 2014 to Ministry of Environment.
- 2nd Quarter of 2014 effluent analysis was reported on July 14th 2014 to Musi Rawas District Environmental Agency, on July 23rd 2014 to South Sumatera Province Environmental Agency, and on July 23rd 2014 to Ministry of Environment.

Company has conducted water usage monitoring for Muara Kandis POM as it attached to documents of water usage and distribution for period of January – July 2014. According to analysis result of water usage efficiency it is revealed that for period of January – July 2014 water usage efficiency in Muara Kandis POM is 1.24 m³/ton FFB

Status: Comply	
-----------------------	--

4.5

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

Company has had Integrated Pest Management (IPM / PHT), such as:

- Program of Palm Leaf Eater Caterpillar early detection is conducted twice in a month.
- Program of rat census is conducted once in three months (January – April, July and October)
- Program of useful plants planting on 2014 which are *Turnera subulata* and *Antigonon leptopus* is available
- Program of *Gupon* (Owl Nest) monitoring and observation on 2014 is available

Result of IPM monitoring for period of August 2014 for example, showed that palm oil lead eater caterpillar and rat attacks still below the threshold, hence, company do not use pesticide application. IPM management has been biologically well-implemented by management unit for example using *Tyto Alba* as rats predator, till August 2014 there are 136 gupon (owl nest) in MKNE and 103 gupon (Owl nest) in MTWE with total 379 owls.

Field observation on blok S53 and blok K33 MKNE it is revealed that company has conducted *Beneficial Plant* planting in form of *Tunera Subulata*, routine maintaining and natural owl predator (*Tyto alba*) is facilitated with maintained BOB (Barn Owl Box).

On the list of pesticide usage it is revealed that company still use active paraquat-substance pesticide. Type of the active substance is considered limited pesticide (According to the Attachment of Agriculture Ministry Regulation Number

1 year 2007). Therefore, workers who use paraquat have to follow special training course held by Local Committee for Pesticide (According to Agriculture Ministry Regulation Number 7 year 2007 Clause 7). According to the result of documents review and interview with spraying workers for example in blok S52 division 1 MKNE, it is revealed that company has conducted training courses for spraying workers on limited pesticide usage type of paraquat which was held by South Sumatera Pesticide Commission on November 8th 2013 (supported with photographs and attendance list). The materials given during training courses were: poisoning prevention, emergency aid procedure, label comprehensive, sprayer maintenance, calibration, safe and effective spraying, and pesticide storing.

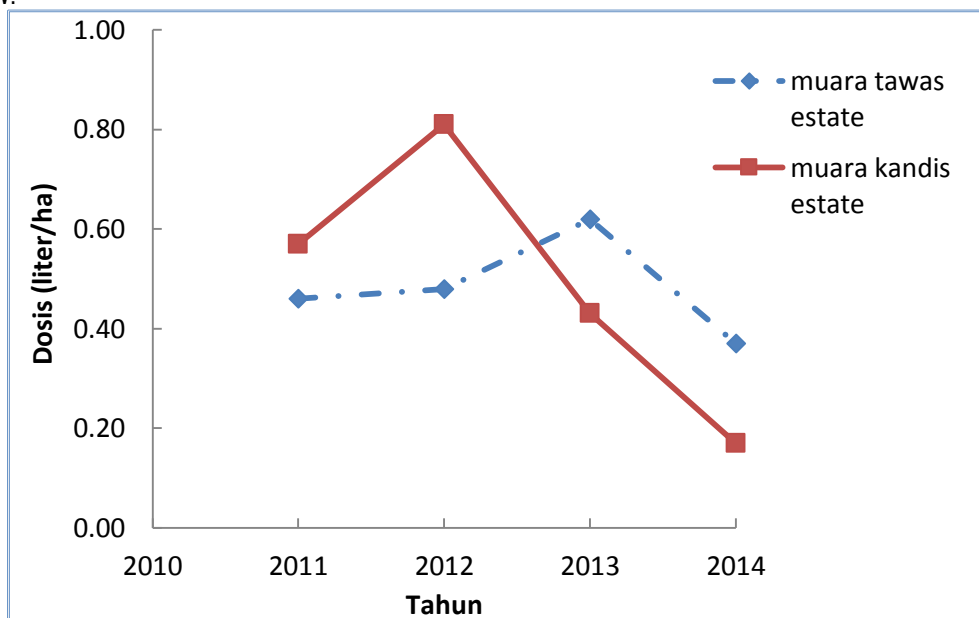
Status: Comply

4.6

Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

Field observation on chemicals warehouse and documents review showed that company only uses 6 types of herbicides which are entirely have been registered and approved by the authorize agency. On the document of pesticide usage for each pesticide has been described type of used herbicide, type of active substance, application area width, and dosage/ha in accordance with usage recommendation. For instance, erkafurone usage with active substance metil metsulfuron for circle spraying activity, dosage/ha is 0.01 liter/ha for MKNE and 0.02 liter/ha for MTWE. Management unit use host plant and natural predator (beneficial plant and owl) instead of using chemicals to control pest.

Company has shown evidence of spraying workers training courses in form of attendance list and training course photographs documentation. Entire records of training courses are well stored and available. According to observation in Agrochemical Warehouse, company has shown that entire MSD is available on bahasa Indonesia which could be understood by entire employees. Result of document review showed that company still uses paraquat active-substance herbicide and company is able to show evidences of paraquat usage reduction every year, the example showed on graphic below:



According to field observation over the used pesticide and fertilizer box washing location in KKNE and MTWE, it is revealed that entire employees has implemented work procedure in accordance with SOP of IK/SPO/SMART/LH-09/01. Which describes that washing process conducted on provided location, used box cleanly washed untill it is clean (minimum 3 times washing process for pesticide and once for fertilizer), used water for washing hazardous waste should not contaminates underground water, for the washed used-pesticide boxes given check mark and stored separately while the washed sacks must be dried and stored on the warehouse then transported by the authorized pesticide

supplier.

Status: Comply

4.7

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

Company conducting OHS program has had policy about OHS, as evidences of company commitment on the implementation of OHS. According to Field Observation in each work units (Estate and POM), Occupational Health and Safety program has been effectively documented and implemented.

Company formed Occupational Health and Safety Guiding Committee in each estate work unit (Estate and POM) which working as OHS program person-in-charge, with organization structure consisted of adviser, leader, vice leader, secretary (OHS-Certified Expert), vice secretary, monitoring section, research section, evaluation section, socialization section, and health section. Occupational Health and Safety Guiding Committee structure in each work units has been legalized by Musi Rawas District Social and Labour Agency.

Work accident insurance for Company employees is in form of Labour Social Assurance (Jamsostek). In general, entire employees (Permanent Employees, Daily Workers, and Contractor) has been registered as Labour Social Assurance (Jamsostek) member. Company is able to show evidence that all employees have been registered on work accident insurance program. According to the result of interview with workers and Worker Union during the Field Observation, it is revealed that they realize that they are registered on work accident insurance program.

Company is identifying high-risk workers which are working on noise area (Mill and Generator Operator) and related to chemicals (laboratory analyst, spraying workers, spraying foreman, and warehouse workers). Then periodic medical check up conducted to high-risk employees in form of audiometri, spirometri and cholinesterase. On Workers Medical Check Up Procedure owned by the company, it describes that workers who work on specific high risk (chemicals, noise, and dust) get additional medical check up in accordance with its work risk. As the implementation of the procedure, company has conducted medical check up on July 11th 2014. According to the result of its medical check up, entire employees work on high risk area are in good condition.

Company has conducted risk assessment to entire office and operational activities, company showed report of Estate and POM risk assessment. On the report of risk assessment, it described information of activity type, information of events frequents, identification of danger source, (source/events and impact), the existing control and anaysis of early risk (possibility level, fatality level, and risk level), according to the result of risk analysis and continued by arranging report of risk analysis response which describes type of activity, identification of potential danger (events and impact) early risk level and next risk control plan (elimination, engineering control, substitution, administration, and PPE usage). According to the result of field observation and interview with employees, it is revealed that the employees of Djuanda Sawit Lestary Company has been aware of danger source which threatened in each work unit and methods to prevent it.

Company has had procedures of alert and emergency response in form of Emergency Response SOP (SOP/SMK3/SMART/LH-09) which legalized by Head of Environment & Sustainability Division on July 1st 2010. Emergency Response Events which are identified are fire, explosion, contamination, natural disaster, riots, demonstration, work accident. In general, SOP contains definition of emergency situation, planning and handling of emergency situation, recovery caused by emergency situation. In order to implement the procedure, company formed emergency response structure which has been legalized on Muara Kandis Estate on September 9th 2013, Muara Tawas Estate on September 14th 2013, and Muara Kandis Mill on November 1st 2013.

Company has provided PPE to employees which are: Safety shoes, Work Uniform, Helmet, Ear Plug, Mask, and Gloves. According to field observation on POM, company has provided PPE for workers for example boiler operator using PPE which are helmet, gloves, earmuff and boots, and for fire handling facilities in form of Fire Extinguisher and hydrant spread on processing station and other supporting equipments. According to field observation to Chemicals Warehouse, Workshop, Hazardous Waste Warehouse of Muara Tawar Estate and Muara Kandis Mill, Standart First Aid Kit has been monthly inspected.

Company has conducted First Aid Training to workers stated by company doctors on November 18th 2013. According to field observation of harvesting activity in Muara Tawas Estate and Muara Kandis Estate, harvest foreman has been equipped with First Aid Equipment and according to the result of interview, foreman has been followed First Aid Training and has been trained to understand first aid method that should be conducted when giving aid if work accident occurred.

Company has conducted monitoring on the occurred work accident, company showed document report of annual work accidents, it described victims data, accident impact, loss estimation and causes of accident. Record of work accident has been well documented for example until July 2014 in Muara Kandis Estate, there are 39 work accident with 102 days of missing days and 15 work accidents with 39 missing days in Muara Tawas Estate. Record of work accidents occurred in Company area has been well documented, and periodically reviewed by Occupational Health and Safety Guiding Committee secretary and preventive action purposed to avoid same accident happens is available.

Status: Comply

4.8

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

Company is able to show Identification of Training Needs according to positions with type of training course that would be followed by Estate and POM Employees, and even smallholder. For instance, POM employees for the operator of Loading Ramp station type of the identified training needs are RSPO Awareness, OHS Awareness, Environmental Impact Aspect Awareness, Environmental Impact and Aspect Awareness, Risk Impact Assessment, Emergency Response Procedure, Sexual Harassment, Chemicals Handling, Handling of Hazardous Materials and Hazardous Waste, Warehouse and Office Administration, and for the plantation workers for example identified type of training for harvester are RSPO Awareness, OHS Awareness, Awareness of Environmental Impact and Aspect, Emergency Response Procedure, and training of harvest technical.

Company is able to show record evidence of employees training which has been well documented. Spraying foreman followed training courses such as selective spraying and limited pesticide training. Result of the field observation revealed that the workers has known how work technical and demonstrating spraying work properly.

Company has had list of contractor that established partnership with company. Evidence which proves that company has employed well trained contractor is available, for instance: Company Profile Sekawan Kontrindo Company (Road Hardening Contractor) is available. The company profile describes that the company has SIUP, SITU, TDP, IUJK from local government, civil certificate, mechanical, architecture from Gapeksind, and has been certified by ISO 9001 -2008 and OHSASS 18001 – 2007.

Status: Comply

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

5.1

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

Company has had document of Environmental Impact Assessment (EIA) which consisted of document of EIA, Environmental Management and Monitoring Plan for Djuanda Sawit Leastari Estate and POM in Muara Kelingi Sub-District and Muara Lakitan Sub-District, Musi Rawas District of South Sumatera which is compiled by Djuandasawit Lestari Company with covered area 14,000 ha and POM Capacity 60 tons FFB/hour. The document of EIA has been approved by Ministry of Agriculture with Decree number 29/ANDAL/RKL-RPL/BA/VIII/1998 and is approved on August 4th 1998.

Company has periodical reporting environmental management activity as shown by Report of Monitoring Record Result of Djuanda Sawit Lestari Environmental Management and Monitoring Plan to Musi Rawas District Environmental Agency, South Sumatera Province Environmental Agency, and Ministry of Environment. Document of report for the 1st semester of 2014 showed that report of Environmental Management and Monitoring Plan has been in accordance with EIA document request and has been supported with description of land fire management activity, POM noise monitoring, and social impact monitoring through interview with nearby village community.

No revision to the document of environmental management due to no specific changes on estate total area or POM capacity.

Status: Comply

5.2

The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.

Company has had result document of area which is identified has high conservation value. Identification is conducted by internal team of Company on June 2010 (data collecting), and public consultation (March 2013).

HCV compiler team is consisted of:

1. Norman FM (Team Leader, division of Ecology, Biodiversity)-Approved HCV Assessor by RSPO
2. Nugroho Wahyu W (Team Member, division of Environmental Service)- Approved HCV Assessor by RSPO
3. Agus Budianto (Team Member, division of flora and fauna ecology)
4. Yosaphat Ardilla (Team Member, division of Socio-Economy and Culture)-Approved HCV Assessor by RSPO

According to the identification result, it is revealed that there are areas of 496,95 Ha which is identified as high conservation value area which consisted of: riparian, existence of protected/nearly extinct species and protected forest. Generally expained as follows:

No.	HCV Type	HCV Area Type	Unit	Area Coverage (Ha)
1	HCV 1.1; 4.1	Petanang Riparian	MTWE	166.11
		Lakitan Riparian	MTWE	95.79
		Temani Riparian	MKNE	86.24
		Tawas Riparian	MKNE	37.42
		Aur Riparian	PNDA	22.80
		Bakul Riparian	PNDA	39.67
2	HCV 1.2	Existance of protected Species/ nearly extinct (12 type of species)		
3	HCV 1.1; 1.3	Protected Forest of Bulian	PNDA	48.92
TOTAL				496.95

These are protected/nearly extinct species:

No	Local Name	Latin Name	Protection Status		
			PP 7 Th 1990	CITES	IUCN
1	Monyet beruk	<i>Macaca nemestrina</i>	-	App II	VU
2	Pelanduk	<i>Tragulus napu</i>	D	-	LC
3	Lutung simpai	<i>Presbytis melophos</i>	-	App II	
4	Macan akar	<i>Prionailurus bengalensis</i>	D	-	-
5	Cekakak belukar	<i>Halcyon smymensis</i>	D	-	-
6	Elang tikus	<i>Elanus caeruleus</i>	D	App II	LC
7	Elang bondol	<i>Haliastur indus</i>	D	App II	LC
8	Elang hitam	<i>Ictinaetus malayensis</i>	D	App II	LC
9	Rangkong	<i>Rhinoceros hornbill</i>	D	-	-
10	Ayam Hutan	<i>Gallus sp</i>	D	-	-
11	Kuntul kerbau	<i>Bulbulcus ibis</i>	D	-	-
12	Ulin	<i>Eusideroxylon zwagerii</i>	D	-	-

HCV Report has been reviewed by independent reviewer (Resit Sozer) on December 2010 and is revealed that there are 11 minor issues and 2 major issues. Major issue is related to plan to review the data regularly and monitoring HCV. All comments from the reviewer has been revised within the HCV report by Djuanda Sawit Lestari. Company has had

programs for HCV management activity on Djuanda Sawit Lestari which are:

1. Installation and Maintenance of signboard related to HCV 1.2 (protected/endangered species and protection of riparian (HCV 4.1))
2. Installation of HCV boundary poles and boundary poles of herbicide application on riparian area in order to avoid river contamination
3. Planting erosion resistance plants which are vertiver grass and bamboo
4. Maintaining palm oil plant located on riparian area manually
5. HCV socialization
6. Monitoring of wild animals

As follow up of management planning program, company has conducted several activities such as

1. Installation of HCV signboard as follows:

MTWE: On November 13th 2013 HCV signboards are located on blok H51 (2 signboards), J51 (2 signboards), N59 (2 signboards), and L53 (2 signboards) were installed.

MKNE: On October 21st 2013 HCV signboards are located on Blok H18 (Lakitan River), Blok H23 (Temani River), Blok C24 (Tawas River), Blok M14 (Bakul River) and Blok J41 (Aur River) were installed.

2. Planting of vertiver grass in HCV riparian area consisted on:

Muara Kandis Estate

- Planting Realization of vertifer grass and bamboo on 2013 for 500 m along riparian in Blok H18 (Lakitan Riparian), H23 (Temani Riparian), C24 (Tawas Riparian), M14 (Bakul Riparian), and J41 (Aur Riparian).
- On September 2013, planting of 50 cluster vertiver grass and bamboo in Tawas River has been conducted.

Muara Tawas Estate

- Planting realization of vertifer grass on 2013 for 1,030 m along Petanang Riparian and Lakitan Riparian, while the target for 2014 is 2,206 m.
- On March 29th 2014 planting of vertifer grass in Blok H52 (Lakitan Riparian) with riparian length 185 m has been conducted.
- On April 30th 2014 planting of vertifer grass in Blok K53 (Petanang River) with riparian length 82 m has been conducted.

Muara Kandis POM:

- Repairment and Cleansing of water installation on MKNE reservoir conducted on September 26 2013 and signboard installation of prohibitions to not to spraying, poisoning, swimming, littering, and fishing in POM reservoir area.
- Reforestation in nearby area of Muara Kandis POM with trembesi tree.
- Official Records of vertifer grass planting on November 2013 75 meters along Muara Tawas Estate reservoir.

3. Record of periodic HCV socialization

- On October 7th 2013 for Muara Kandis Estate in term of HCV socialization and prohibition for hunting protected species which was attended by 60 employees.
- On October 28th 2013 for Muara Kandis POM in term of HCV socialization which was attended by 19 POM employees.
- On March 15th 2014 for Muara Tawas Estate in term of HCV introduction socialization to Muara Tawas employess which was attended by 125 employees.

Djuanda Sawit Lestari Company has assigned HCV Officer in each estate:

- **Muara Tawas Estate:** Assignment Letter No. 006/HCV/SEM-MTWE/06/2013 in term of HCV Officer appointment (HCV Officer), appointed Petrik Emelio Ginting (Agronomy Assisstant) as HCV Officer by June 1st 2013.
- **Muara Kandis Estate:** Assignment Letter No. 006/EM-MKNE/VI/2013 in term of HCV Officer appointment at Muara Kandis Estate, appointed Damar Aji Wicaksono (Assisstant of Division 6 MKNE) as HCV Officer by June 1st 2013.

Documentation of HCV training by staff of Sustainability Division (SADV) to 3 participants (Muara Kandis Estate

Assistant, Assistant of Muara Tawas Estate, and Assistant of Pendawang Estate)

Status: Comply

5.3

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

Effluent and air management SOP is regulated on the following documents: waste management SOP (SOP/SPO/SMART/LH-09) which legalized on July 1st 2010, which regulates several things follows:

- **Mill Waste Management**

- Mill waste in form of gas periodically monitored in order no to exceed environmental quality standard threshold. Dust-collector, multi-cyclone, and dust conveyor are used In order to reduce polution and reduce ashes content and emissoned particulate.
- Solid waste in form of shell, fiber, and empty fruit bunch are fully utilized to support estate and POM activity. Shell and fiber are used for boiler fuel, while empty fruit bunch is used for organic fertilizer on plantation.
- Effluent produced from processed FFB is fully utilized for estate activity as organic waste (Land Application) after processed on WWTP pool in order to complied quality standard requirements.
- Effluent from mill operational is stored on sedimentation tank to precipate soluted solids.

- **Estate Waste Management**

Estate waste in form of frond is arranged on the inter row and between palm oil plants in order to avoid erosion, maintaining humidity, reduce weed growth, stimulate root growth and soil nutrient. Waste in form of water which is used for washing used-pesticide packaging is utilized for diluting pesticide.

Waste produced from maintaining activity in form of agrochemical box waste is managed through process: gathered on warehouse, washing used boxes according to Work Instruction of Washing and Cleaning Ex pesticide; water used for washing is re-utilized to the next amalgamation process; the cleaned used containers are returned to the supplier.

Emission and noise control SOP with document number PT. DSL-MKNE/SOP/17 year 2012 is available. The document regulates division of task, work procedure, and document control on disturbance management from non-moving source in form of emission and noise. This SOP describes:

- Identifying air contamination source
- Conducting control of gas emission and particulate: control for generator is conducted by ensuring the activity which is conducted consistently according to Generator Maintenance Work Instruction, control which caused by land transportation vehicle is conducted by ensuring transport and operational vehicles condition are good and consistently conduct maintenance; control of particulate in form of road dust caused by transporting goods activity is conducted by ensuring transportation vehicles speed do not exceed more than 10 Km/hour and road will be watered by water tank truck/tracktor if needed.
- Control of Noise: operators or employees are responsible for noise source location of environment which impacted by noise disturbance to ensure control equipments conducted well including obligation for the employees to use noise damper (for example ear plug / ear muff).

Conducting odor control: Each employee who work on odor source location or environment which is impacted by odor disturbance has to ensure control equipments are conducted well, including if there is obligation to use odor damper for the employees (for example mask).

As an effort to reduce waste production caused by estate operational activity, company conducted effluent utilization by land application on estate and utilize POM solid waste in form of empty fruit bunch as organic fertilizer.

Record of solid waste and effluent utilization is shown on below table:

Realization of the empty fruit bunch application on 2013

Division	Width (ha)	Nov	Des	Jan	Feb	Mar	Apr	May	June	July	August
1	354.74	68.17	32.58	22.61	6.91	36.23	60.21	41.39	26.65	11.30	63.30
2	117.6	0.70	-	14.73	8.01	0.47	9.45	9.53	44.27	9.46	-
3	160.23	-	52.62	7.76	54.62	21.16	-	15.58	6.27	18.11	3.77

Note : empty fruit bunch application conducted only at Muara Kandis Estate

Company conducted land application as an effort to utilize effluent on estate. Decree of Musi Rawas Regent number 449/KPTS/BLHD/2013 in term of permits extension of CPO industry effluent utilization on palm oil plantation of Djuanda Sawit Lestari Company which was legalized on July 5th 2013 by Musi Rawas Regent and valid for 2 year since it was legalized is available.

According to this permit, areas which are permitted for LA implementation are located on Blok K30 and K36, Blok L28 and L33, Blok M30 and M32 for 380.8 ha.

Realization of effluent application in the land on 2013/2014

Month	Plan (ha)	Realization (ha)	Waste Application (ton)
September	100.29	129.99	16285.15
October	120.97	165.67	186.13
November	88.55	186.13	23318.37
Desember	70.99	162.28	20330.44
January	100.29	134.68	16872.71
February	90.03	72.64	9100.34
March	96.22	101.22	12680.84
April	94.26	76.26	9553.85
May	100.29	81.25	10179.00
June	120.97	131.57	16.483.09
July	88.55	114.99	14.405.95
August	70.99	141.24	17.694.55

Note : LA conducted only at Muara Kandis Estate

Average of daily effluent debit on September 2013 – August 2014, average of daily distributed effluent debit is 464.14 ton/day

Hazardous Waste Management

Hazardous Waste Management Standard Operating Procedure (SOP) ((No. Dokumen: SOP/SPO/SMART/LH-18) on July 1st 2010 which later revised on Revision 1 on October 1st 2010 and legalized by Division Head of Env & Sustainability is available. This SOP contains procedures below:

- Make sure Hazardous Waste Temporary Tank is protected from rainwater and heat of sun, whether upper or side part
- Treat Hazardous Waste in accordance with MSDS
- Record the withdrawal date, input and output of Hazardous Waste Quantity from the Temporary Storage
- Emergency response of Hazardous Waste Temporary Storage

Waste Management SOP no SOP/SPO/SMART/LH-09 year 2010 is available. There are attachments on the SOP for managing medical waste in accordance with procedure below:

- Medical Waste Management
 1. Medical waste was gathered on specific bucket and is given identification label
 2. Waste from several clinic was gathered at central clinic and then delivered once in 3 months to the authorize institution to be destroyed and supported by covering letter
- Used Pesticide Container Waste
 - Management of pesticide container conducted by washing used-pesticide container before it is stored at used warehouse for agrochemical to be later returned to the supplier which is Rolimex Company.
 - Decree of Ministry of Environment with No. B-6301/Dep IV/LH/PDAL/05/2012 year 2012 to Rolimex Kimia Nusantara Company stating that company (SMART Company) must conduct optimalization of pesticide usage, therefore pesticide boxes are not considered Hazardous Materials is available. Company has also conducted test of water waste used for washing pesticide boxes once in 6 months, for example the test result

of on July 2013 showed that no toxicity test parameter of waste water of the used rolixone boxes which exceed quality standard.

- **Used Oil Waste and others**

The produced wastes in form of used oil, used filter, used battery and used TL lamp. Gathered on the licensed Hazardous Waste Temporary Storage in accordance with Government Regulation No. 18 Year 1999 in term of Hazardous Waste Management. Company has had license for storing and utilizing Hazardous Materials with Decree number 408/KPTS/BLHD/2011 in term of permits extension for Hazardous Waste Temporary Storage to Djuanda Sawit Lestari which was legalized on July 19th 2011 by Musi Rawas Regent and valid for 3 year since it was legalized. Licensed Hazardous Waste Temporary Storages are located on:

- Muara Kandis Mill which is located on coordinate of Latitude South 02°55'06.3" and Longitude East 103°10'41.7"
- Muara Kandis Estate which is located on coordinate of Latitude South 02°55'06.3" and Longitude East 103°10'12.7"

After the Hazardous Waste stored in accordance with its valid storing period, Hazardous Waste then is delivered to licensed Hazardous Waste gatherer which are Primanru Jaya Company. There is agreement letter between Company with Primanru Jaya Company on July 2013 in term of hand over of Hazardous Waste in form of used oil, Hazardous Waste contaminated Majun cloth, used oil filter, used light bulb and used battery. According to document observation, permits owned by Primanru Jaya Company are:

- Permit of gathering Hazardous Waste from Ministry of Environment number Nomor 234 year 2011 in term of permits granted for Primanru Jaya Company for Gathering Hazardous Waste on November 8th 2011 and valid for 5 years.
- Recommendation of Deputy IV of Environment Minister of division of Hazardous Waste Management No. B-8462/Dep.IV/LH/PDAL/08/2012 Agustus 29th 2012.
- Recommendation Letter for Transporting Hazardous Waste No. KL.204/3/2/DN-12 from Ministry of Transportation of Sea Transportation Director General which legalized on April 27th 2012.

- **Medical Waste**

Company has created partnership with Hospital of Dr Sobirin, Lubuk Linggau for solid and toxic medical waste with no SPK 013/SEM-MKNE/IX/2013 No. 445/1409.A/RSDS/IX/2013 September 7th 2013 which valid for 2 years. All medical waste from Muara Kandis Estate and Muara Tawas Estate first gathered on central clinic of Muara Kandis, and then are delivered to Hospital of Dr Sobirin, Lubuk Linggau.

Management toward Hazardous Waste which is conducted by company can be showed by record evidence of Hazardous Waste handling that has been documented and company has conducted monitoring and management, for example as shown below:

Manifest of Hazardous Waste Delivery to Primanru Jaya Company on January 6th 2014 from Djuanda Sawit Lestary Company (Muara Kandis Mill and Muara Kandis Estate) with manifest number:

- BC 0014624 with detail of used TL lamp for 33 pieces
- BC 0014625 with detail of used filter for 118 pieces
- BC 0014622 with detail of used oil for 0.834 liter
- BC 0014623 with detail of used battery for 0.074 ton (23 pieces)

Manifest of Hazardous Waste Delivery to Primanry Jaya Company on April 7 014 from Djuanda Sawit Lestary (Muara Kandis Mill and Muara Kandis Estate) with manifest number:

- BC 0016013 with detail of used Battery for 3 EA
- BC 0016014 with detail of used filter for 117 EA (1 dum)
- BC 0016012 with detail of used oil for 1,342 liter (7 drum)
- BC 0016015 with detail of TL Lamp for 35 EA (1 drum)

Waste Balance Sheet and Hazardous Waste log book

- **Muara Tawas Estate**

- There are 55 liter used oil untill May 1st 2014 with recent transport of Hazardous Waste gatherer contractor

on April 7th for 252 liter.

- There are 11 pieces of used filter until May 1st 2014 with the recent transport of Hazardous Waste gatherer contractor on April 7th for 48 pieces.

- **Muara kandis Estate**

- There are 9 pieces of used lamp until May 2nd 2014 with the recent transport of Hazardous Waste gatherer contractor on April 7th 2014 for 23 pieces.
- There are no used battery until May 2nd 2014 with the recent transport of Hazardous Waste gatherer contractor on April 7th 2014 for 3 pieces.
- There are 5 pieces of used oil filter until May 2nd with the recent transport of Hazardous Waste gatherer contractor on April 7th 2014 for 69 pieces.
- There are 31 pieces of used oil filter until May 2nd 2014 with the recent transport of Hazardous Waste gatherer contractor on April 7th 2014 for 732 liter.

- **Muara Kandis POM**

- There is no used lamp until May 2nd 2014 with the recent transport of Hazardous Waste gatherer contractor on January 6th 2014 for 16 pieces.
- There is no used battery until May 2nd 2014, with the recent transport of Hazardous Waste gatherer contractor on January 6th 2014 for 3 pieces.
- There is no used oil until May 2nd 2014 with the recent transport of Hazardous Waste gatherer contractor on April 7th 2014 for 610 pieces.
- There are no used filter until May 2nd 2014 with the recent transport of Hazardous Waste gatherer contractor on January 6th 2014 for 32 pieces.

Medical Waste

Entire medical waste are first gathered on Muara Kandis Estate before delivered to Hospital of Dr. Sobirin. Official Records of medical waste transport from Muara Kandis Estate central clinic to Hospital of Dr. Sobirin, Lubuk Linggau on November 6th 2013 with detail of medical waste for 5 Kg and toxic waste for 3.5 Kg is available.

Type of medical waste on the clinic are: vial, ampul, infuse, needle. Record of infectious waste monitoring on the clinic are as follow:

- There are 11 pieces of Infuse on May 30th 2014, recent transport to Hospital of Dr. Sobirin, Lubuk Linggau on November 6th 2013 for 11 pieces.
- There are 113 pieces of Vials on June 7th 2014 , recent transport to Hospital of Dr. Sobirin, Lubuk Linggau on November 6th 2013 for 232 pieces.
- There are 77 pieces of Ampul on June 6th 2014, recent transport to Hospital of Dr. Sobirin, Lubuk Linggau on November 6th 2013 for for 76 pieces..
- There are 226 pieces of needle on June 9th 2014, recent transport to Hospital of Dr. Sobirin, Lubuk Linggau on November 6th 2013 for 327 pieces.

Quarter Report of Hazardous Waste

Company has had quarter report of Hazardous Waste and evidence of reporting to the related institutions, for instance:

- 1st quarter report of Hazardous Waste balance sheet to Musi Rawas District Environmental Agency on April 21st 2013, South Sumatera Province Environmental Agency on April 20th 2013, and Ministry of Environment on May 21st 2013.
- 2nd quarter and 3rd quarter report of Hazardous Waste Balance sheet on 2013 are reported to Musi Rawas District Environmental Agency on December 17th 2013, South Sumatera Province Environmental Agency on May 6th 2014, Ministry of Environment on October 31st 2013.
- 4th quarter report of Hazardous Waste balance sheet is reported to Musi Rawas District Environmental Agency on March 27th 2014, South Sumatera Province Environmental Agency on March 4th 2014, Ministry of Environment on January 23rd 2014.
- 1st quarter report of Hazardous Waste balance sheet on 2014 that has been reported to Musi Rawas District Environmental Agency on May 7th 2014, South Sumatera Province Environmental Agency on May 6th 2014, Management Center of Sumatera Ecoregion on May 6th 2014, and Ministry of Environment on May 21nd 2014.

Status: Comply

5.4
Efficiency of energy use and use of renewable energy is maximized.

Company has conducted calculation of renewable energy usage and efficiency analysis (energy/ ton CPO). Period of June 2013 – May 2014 as follows:

- Average of processed FFB: 17,825.32 ton
- Average of CPO: 4,792.32 ton
- Average of shell usage: 1,281.46 ton
- Average of fiber usage: 2,228.16 ton
- Average of shell energy: 4,882,355,949.42 Kcal
- Average of fiber energy: 7,577,871,079.00 Kcal
- Average of shell energy Efficiency: 1,158.868.04 Kcal/ton CPO
- Average of fiber energy Efficiency: 3,970,057.73 Kcal/ton CPO

Company has conducted fossil fuel usage monitoring for operational purpose and efficiency analysis;

- Average of processed FFB: 17,825.32 ton
- Average of CPO: 4,792.32 ton
- Average of shell usage: 1,281.46 ton
- Average of fiber usage: 2,228.16 ton
- Average of diesel fuel usage: 17,939.92 liter

Average of diesel fuel usage efficiency: 3.74 liter/ton CPO

Status: Comply	
-----------------------	--

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

According to document review, company does not use fire method (zero burning) for land clearing activity. Company has had technical guidelines for cultivating palm oil (SMA/MCAR/01/05-07) on point 1.2. which discussed the term of replanting area as follow:

- Plants Ages >25 Years
- Plants Height > 13 m
- Production per year < 14 Ton/ha
- Number of Plants < 100 Plants/ha

Replanting SOP (SOP/SMART/MCAR/VI/TA-RPL) and IK/SMART/MCAR/V/TA-RPL/01-REPLANTING are available, in general activity before replanting are

- Stop of manuring 2 year before replanting
- Plant Census
- Ganoderma push and fell
- Ganoderma hole-making
- Sunbathing/Chopping of sick palm oil tree
- Collapsing
- Discharging
- Chopping/chopping (Collapsing and pushing the stand palm oil tree to its root, chopping palm oil tree started from its hump, stalk, and leaf crown with maximum thickness 12 cm and length 60 cm and spreadt evenly using excavator)
- Stacking
- Pile and Plant

Record sample of land clearing as follow:

MKNE

- ✓ Agreement letter of contract No. 01/VI/C TT-MTE/99 between Djuandasawit Lestari Company with Ispoyo on October 10th 1999 for LC in Blok R56 with volume of 92 strips. There are terms and agreement on Cooperative Agreement Letter which are: all woods on the planting point/circle must be design on the radius 2.5 m or untill the widest leaf tips, the chopped wood must be rolled over the circle and stacked on the inter row.

MTWE

Agreement letter of contract No. 01/VI/DIVIII/2000 between Djuandasawit Lestari Company with M. Ali Anang on May 20th 2000 for activity of IMAS (25 ha) and falling (25 ha) with the work term and agreement which regulates: Small woods are cutted to its root, woods diameter which more than 0.5 m cutted using chain saw and its height minimum is 30 cm upper land surface.

Company has shown Emergency Response Handling SOP, No Dokumen SOP/SMK3/SMART/LH – 09, which is legalized on Juli 1st 2010, which divided into three (3) parts which describe type of emergency situation which one of it are fire situation. The SOP describes procedures that must be conducted by each personnel that has been appointed by management, task and responsibility of each personnel and organization handling procedure and prevention for the occurred emergency situation.

Company has had facilities for handling fire, which are:

- List of MKNE evacuation facilities and its placement with No Dokumen FP 07/SMK3-SOP-09, consisted of: 3 unit of Water tanks, 3 unit of trucks, 3 unit of robin pump machines, 3 pcs of hydant hoses, 30 pcs of sacks, 30 pcs of fire clubs, 60 pcs of scopes, 30 pcs of machetes, 30 pcs of spray caps, 6 pcs of handy talkie, 30 pcs of hooking spears, and 30 pcs of hammers and padlocks.
- List of MTWE facilities equipments evacuation and its placement with No Dokumen FP 07/SMK3-SOP-09, consisted of: 1 unit of water tank, 4 unit of trucks, 2 units of robin pump machines, 2 pcs hydrant hoses, 20 pcs of sacks, 10 pcs of fire clubs, 20 pcs of scopes, 10 pcs of machetes, 10 pcs of spray caps, 7 pcs of handy talkie, 10 pcs of hooking spear, and 14 pcs of hammers and padlocks.
- List of MKNM emergency response equipments and its installation position, consisted of: 20 units of Fire Extinguishers, 4 units of hydrants, 1 unit of sand drum, 10 pcs of wet sacks, and 10 pcs of hooking spears.
- Map of fire-potential area on Muara Kandis Estate is available, 22 suspected fire-potential areas are identified. And Map of MKNM fire-potential areas with 5 spots of the suspected fire-potential.
- MKNM fire-potential lay out is available, 7 suspected fire-risk spots in MKNM are identified.

Company has conducted emergency response equipments monitoring which are:

- Report of MKNM Fire Extinguisher monitoring is available. Inspection of the Fire Extinguisher condition on December 11th 2013 revealed that Fire Extinguishers are in good condition and hydrant installation conducted on December 13th 2013 revealed that hydrant is in good condition.
- Report of MKNE and MTWE emergency response equipments on November 11th 2013 is available.
- Report of MTWE and MKNE emergency response equipments on August 19th 2014 is available.

Status: Comply	
-----------------------	--

5.6

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

Document of mill environment aspect list and evaluation contains identification result of pollution and emission source in POM is available as follows:

- Weighing station: Transport vehicle emission of FFB, Hazardous Waste, and Solid Waste
- Grading: Transport vehicle emission of FFB, Hazardous Waste, and Solid Waste
- Loading ramp: Hazardous Waste, Solid waste, Chemical waste
- Sterilizer: Steam, Hazardous Waste, Effluent, Chemical waste, Solid Waste, Noise, Odor
- Threshing: Hazardous Waste, Effluent, Chemical Waste, Solid Waste, Odor
- Pressing: Effluent, Chemical Waste, Hazardous Waste, Solid Waste, and Noise
- Clarification: Oil Liquid, Solid Waste, Hazardous Waste, Effluentm Sludge, Noise, Odor
- Nut&Kernel: Steam, Solid Waste, Effluent, Hazardous Waste, Noise, Odor

- Engine room: Generator Gas Emission, Hazardous Waste, Noise, Temperature
- Boiler: Boiler Chimney Emission, Effluent, Solid Waste, Noise, and Odor
- Demint plant: Effluent, Chemical Waste, Solid Waste
- Despatch PK: Kernel Transport Truck Emission, Solid Waste, Effluent
- Despatch CPO: CPO Transport Truck Emission, Effluent, Hazardous Waste
- Water Treatment Plant: Chemical Liquid, Effluent, Solid Waste
- Warehouse: Hazardous Waste, Solid Waste
- Workshop: Machine's Smoke Emission on Mill, Smoke from Welding activity, Effluent, Noise
- Laboratory: Effluent, Sludge, Oil Liquid, Effluent, Solid Waste, Chemicals
- Final Effluent: Solid Waste, Effluent, Hazardous Waste, Odor
- Housing: Effluent, Solid Waste, Domestic Waste
- Office: Solid Waste

Company has conducted measurement of ambient and air quality test periodically once in 6 months, it is attached on report of Environmental Management and Monitoring Plan in 1st semester of 2014. Measurement result of ambient and air quality test in 1st semester of 2014 is attached on the table below (Test is conducted by UPTB laboratory, Environment laboratory of South Sumatera Environmental Agency with accreditation number LP-231-IDN) :

Ambient Air

Parameter	Unit	Analysis Result		BM
		1	2	
CO	µg/Nm ³	1,145	1,145	3,0000
SO ₂	µg/Nm ³	145	111	900
NO ₂	µg/Nm ³	135	119	400
TSP	µg/Nm ³	24.8	23.9	230
Pb	µg/Nm ³	0.012	0.008	2
noise	dB	57.4	57.8	70

Note : BM used for is South Sumatera Governor Regulation no 17 year 2005

1 = In front of Muara Kandis POM

2 = Housing

According to the result of laboratory test, there is no parameter of ambient air quality test which exceed quality standard.

Boiler Emission Air

Parameter	Unit	Test Result		BM
		1	2	
NO ₂	mg/Nm ³	121	114	1,000
SO ₂	mg/Nm ³	113	104	800
NH ₃	mg/Nm ³	0.015	0.12	0.5
Partikel	mg/Nm ³	26.6	25.4	350
Cl ₂	mg/Nm ³	0.09	0.1	5
HCl	mg/Nm ³	1.3	1.1	5
HF	mg/Nm ³	1.3	1.25	8
Opasitas	%	10	10	35
Kecepatan alir	mg/Nm ³	4.6	4.46	

Note : BM used for is Ministry of Environment Regulation number 7 year 2007

1 = Boiler 1

2 = Boiler 2

According to the result of laboratory test, there is no parameter of boiler emission air quality which exceed quality standard.

On the 1st semester of 2014 monitoring, 152 KVA generator capacity is generator number 1 while generator number 2

and 3 has 385 KVA capacity and result data of Generator emission measurement is shown on table below

Parameter	Unit	Analysis Result			BM
		1	2	3	
NO ₂	mg/Nm ³	126	123	125	1,000
SO ₂	mg/Nm ³	180	186	166	800
CO	mg/Nm ³	120	100	114	600
Partikel	mg/Nm ³	26.4	22.5	20.4	150
Opasitas	mg/Nm ³	10	10	10	20
Kecepatan alir	mg/Nm ³	4.77	4.67	4.36	-

Note : Ministry of Environment Regulation number 21 year 2008

According to the result of laboratory test, there is no parameter of generator emission air quality which exceed quality standard.

Company has conducted Measurement on Work Environment in Djuanda Sawit Lestari Company which are authorized to South Kalimantan Labour Agency, UPTD of Hyperkes and Work Safety on 2014 which conducted once in a year. Several things which are tested on the report are as follow:

1. Lighting intensity: According to the result of measurement, it is revealed that mill area, laboratory, administration of processing office, and administration office of division 1 and 2 have complied lighting requirement.
2. Noise Intensity: According to the result of noise measurement on mill and estate engine room, noise intensity is above 89.6-97.8 unless in Sterilizer and Workshop area are below the allowed quality standard threshold, therefore, there is obligation to implement PPE usage to reduce noise impact.
3. Vibration Whole Body (Vibration): Record of Measurement in Sterilizer Station, Press Station, Kernel Station, Clarification Station, Boiler Station and Engine Room measured, 10-2.8 m/det2 and still below the threshold which is allowed by Ministry of Labour Regulation Number 13 year 2011 for 0.5 m/second
4. Work Climate: According to the measurement of Ball and Wet Temperature Index (ISBB) which conducted in 5 workplace locations which are Sterilizer Station, Press Station, Kernel Station, Klarification Station, Boiler Station, and Estate Workshop measured between 28-30.2 C ISBB. By regulation of 8 hours of workhour, hence, work load is considered medium
5. Repirable Dust: According to the result of respirable dust measurement in boiler station, it measured 1.79 mg/m³ therefore, still on the allowed threshold which are 3.0 mg/m³ (Ministry of Labour Regulation no 13/Men/X/2011)

Company is able to show pollution and emission program in Djuanda Sawit Lestari Company, as shown below

1. Fossil Fuel Usage (Estate and Mill)
 - Substitution of diesel fuel with renewable energy usage (shell and fiber) on CPO production process.
 - Conduct monitoring of diesel fuel usage for mill and estate operational
 - Conduct socialization to the transport driver to optimize transport truck capacity to make diesel fuel usage more efficient
 - Conduct Socialization to shut the vehicle engine when FFB truck taking line to enter POM
 - Monitoring KWH per ton products in mill
2. Fertilizer Usage (Estate)
 - Fertilizer application for estate operational activity in accordance with SMARTRI recommendation effectively and efficiently
 - Record of the efforts to maintain and improve soil fertility using natural agent like legume cover crops and empty fruit bunch application and land application
3. Pesticide Usage (Estate)
 - IPM (Integrated Pest Management) method usage to reduce pesticide usage
 - Using Environmental-Friendly pesticide which has been permitted by Commission of Pesticide
 - Pesticide usage according to Research Team recommendation

4. Electricity Usage (POM and ESTATE)

- Conduct electric economization in housing complex and mill office or estate
- Using low-energy lamp

Socialization of electricity usage in housing complex and office

Effluent and Air Management SOP which is regulated on these documents is available, the documents are: Waste Management SOP (SOP/SPO/SMART/LH-09) which is legalized on July 1st 2010, in term of Effluent management is that the *effluent produced by processed FFB is fully utilized for estate activity as organic fertilizer (Land Application) after processed on WWTP pool in order to comply quality standard requirements.*

Company has conducted monitoring of effluent application on land in 2013/2014

Month	Plan (ha)	Realization (ha)	Application Waste (ton)
September	100.29	129.99	16285.15
October	120.97	165.67	186.13
November	88.55	186.13	23318.37
Desember	70.99	162.28	20330.44
January	100.29	134.68	16872.71
February	90.03	72.64	9100.34
March	96.22	101.22	12680.84
April	94.26	76.26	9553.85
May	100.29	81.25	10179.00
June	120.97	131.57	16.483.09
July	88.55	114.99	14.405.95
August	70.99	141.24	17.694.55

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mill
6.1

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

Company has conducted social and environmental impact assessment which covers positive and negative aspect of estate and mill as shown by:

1. Document of EIA which was compiled on 1998 and was approved by Agriculture Minister.
2. Document of Social Impact Identification (Draft) in Djuanda Sawit Lestari Company which was compiled in 2013-2014. The document was compiled by internal team of Company and led by Vernita Mei Pratiwi. Document of SIA showed positive impacts which are: 1. Absorption of manpower and employees welfare, 2. Social welfare through contribution of CSR and developing village infrastructures 3. Community empowerment through local contractor involvment, tax.
Potential of negative impacts: 1. Community restlessness related to security, 2. Less of manpower absorption, 3. Less of Contribution, 4. Less of road repairment, 5. Decrease of member's reliance to cooperative unit committe.

Company has conducted periodic activity of social management activity on the Monitoring Result document of Environmental Management and Monitoring Plan Implementation to the related institutions. Document of report for the 1st semester on 2014 showed that the report of Environmental Management and Monitoring Plan has been in accordance with EIA guidelines including reporting management and monitoring of social impact assessment according to the result of participative interview with the nearby village community (9 Villages).

According to the document of Environmental Management and Monitoring Plan, there is no environmental document changes due to no significant changes of estate specification in width, capacity, or even other technical specifications.

Company concerns on scheme smallholder business continuity by including scheme smallholder on document of EIA, HCV, and SEIA.

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.

There is procedure of communication and consultation with the stakeholder on the SOP of communication and consultation on SOP No. SOP/SPO/SMART/LH-19 in term of Communication and Consultation. The procedure regulates task divisioning of communication and consultation among units on Company Estate Management from the foreman task to the top manager (RC & PC). It also regulates work procedure of communication and consultation activity which describes: definition of activity, type of activity, description of activity, and implementation of activity.

SOP has been socialized to the internal and external stakeholder through the meeting on June 7th 2014 which was held in Muara Kandis Estate Office. Socialization was attended by 26 participants consisted of Village Administration Government, Community Figure, Worker Union, Village Cooperative Unit, and Company's Representatives.

The available record of communication and consultation with the community are:

1. Record of communication and consultation on land clearing in form of Meeting Official Record of Djuanda Sawit Lestari Inventory and Land Compensation Team with the community on Muara Lakitan Sub-District and Megang Sakti Sub-District which was attended by the local Government (See indicator 2.2.1).
2. Record of communication and consultation of environment impact assessment in form of EIA document which was conducted through interview and questionnaire process with the nearby community.
3. Record of communication and consultation of social impact assessment in form of source list for implemented study which represented community.
4. Record of consultation and communication when analyzing HCV in form of Official Records and the attendance list of public consultation on March 1st 2013 with the related stakeholder like Village Administration Government, Sub-District Administration Government, Village Cooperative Unit, Forestry Agency, Community Figures, and others.
5. Book of communication and consultation in each estate and mill which record community suggestions.

List of stakeholder which is compiled on October 3rd 2013 by each estate and also list of POM stakeholder which is compiled on April 2014 are available. List of estate stakeholder consisted of government officers and related agencies in Musi Rawas District (4 Agencies), Head of Sub-District Conference / Muspika (6 stakeholders), Chief of Village and Community Figures (7 Stakeholders), Worker Union (2 stakeholders), Gender Committee (1 stakeholder) and Labour Social Assurance / Jamsostek. List of Mill stakeholder consisted of District / Province Government Officers and related agencies (5 agencies), Head of Sub-District Conference / Muspika (6 agencies), and Chief of Village and Community Figures (5 stakeholders). However, those lists of stakeholder have not described NGO and nearby company existence as important stakeholders on the estate activity. Company needs to provide information on stakeholder existence from community or NGO which relates to company activity.

There is community aspiration on the book of communication for each estate and mill. The book of communication contains written community aspiration (name of aspirator, address, interest and report receiver) and company responses and follow up. In general, each input aspiration will be responded maximum 1 month after the aspiration letter / report received by the company.

In Muara Kandis Estate, Muara Tawas Estate, and Muara Kandis Mill, the aspirations are commonly in the form of assistance request or notification of worker union activity. Company showed responses to each assistance request letter in accordance with SOP.

Muara Tawas Estate has several record of aspiration delivery from the stakeholder which are: Letter No. 140/Ds.MM/2014 on Agustus 6th 2014 in term of fund assistance request for the 69th Republic of Indonesia Independence Day Celebration and Populace Party from the Chief of Muara Megang Village to Djuanda Sawit Lestari Stakeholder and responded by company management by assissting funds as much as IDR 800,000- to the committee of Republic of Indonesia Independence Day Celebration on August 16th 2014.

Letter No. 02/SPPP.SPSI/MTWE/03/2014 in term of assistance request for employees son mass circumcision which was communicated by Muara Tawas Estate PUK SPPP SPSI on March 2014 and responded by company by giving assistance fund as much as IDR 7,500,000.- on April 19th 2014.

Company has special well trained officers who are responsible on communication and consultation in each unit who are:

1. Idrus Madubun as Person in Charge in Muara Kandis Estate who is responsible for coordinating the implementation of communication and supported by Assisstants of the related staffs Head.
2. Robiduan Damanik as Person in Charge in Muara Kandis Mill
3. Dudy Kuswandi as Person in Charge in Muara Tawas Estate
4. Arman Busran as Officer of Document & License (D&L) who is responsible for communicating with the community

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 parties.

Complaint and Disgruntle Handling SOP on document No. PT DSL-MKNE/SOP/25 July 2nd 2012. SOP regulates complaint handling from internal and external party including procedure of dispute resolution.

For the dispute resolution related to land conflict, Land Compensation SOP No. SOP/NP/SMART/VII/D&L002 July 1st 2010 with purpose to assure estate/mill area is free from the other party's land ownership. Therefore, company is able to conduct business activity on its owned land without any disturbance.

As the implementation, record of community aspiration on the book of complaint for each estate and mill is available. Book of complaint contains list of written aspiration note from the community (the complainant, address, interest, and report receiver) and contains list of company responses and company follow up.

In Muara Kandis Estate, there is no complaint of objections from the stakeholder on the period of 2014. However, in 2013, there was one complaint from the internal stakeholder which has been responded in accordance with the SOP. The complaint was about the complaint of pick up schedule of school kids and the request for security involvement for school kids pick up activity to keep the school kids safe. While in Muara Kandis Mill, there is no complaint of objection from the stakeholder in period of 2014.

Procedure of identification, calculation, and compensation for conversion of legal right and traditional right by involving community on SOP number SOP/NP/SMART/VII/D&L002 on July 1st 2010 is available. SOP is purposed to assure estate / mill land area is free from other party land ownership. Therefore company is able to conduct business activity on the owned land without any disturbance.

SOP describes in detail the procedure of identification, calculation, and payment which is conducted through socialization to nearby community in term of location permit status owned by company, inventory of cultivate land ownership, systematic measurement, negotiation of compensation price transparently by involving third party as witness, completion of compensation payment, making of global owned land unit (*persil*) map is available.

Status: Comply

6.4

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

According to indicator 6.3.2., SOP which describes in detail the procedure of identification, calculation, and payment conducted through socialization to the nearby community in term of location permits status owned by company, inventory of cultivated land, systematic measurement, transparent negotiation of compensation price by involving third party as witness, completion of compensation payment, making of global persil map is available.

Record of identification result of the parties whom were given compensation payment in form of Growing Plant Data for inventory in the location of estate activity is available. The form which was made by land surveyor of the company and village administrator representatives and approved by land owner contains information of: land owner identity, type and ammount of the growing plant, during the starting year, boundaries, and inventory-based map. The form is also attached by declaration letter to lease the land which was signed by land owner and witnessed by chief of village and Head of nearby Sub-District.

According to the result of inventory, total width of the compensated land is 4,862 hectares in Lubuk Pandan Village, Muara Begang, SP 1 Pelita Jaya, SP 2 Karya Sakti, SP 3 Petran jaya, SP 4 Karya Mukti, SP1 Marga Sakti (Muara Kelingi Sub-District), Beliti Jaya, and Muara Lakitan Village by average of land ownership between 2-3 hectares.

For the leasing of community-cultivate land, company has conducted socialization and negotiation of land compensation, as shown by the records below:

1. Report of meeting and socialization to the community of Karya Sakti, Petrans Jaya and Karya Mukti, Muara Kelingi Sub-District, Musi Rawas District, June 30th 1994 which was led by Head of Muara Kelingi Sub-District and was attended by: yang dipimpin oleh camat Muara Kelingi dan dihadiri oleh: Commander of Sub-District Military Base, Head of Police Sector, Chief of Village, Company Representatives, and Community Figures (attendance list is available).
2. Process and result of growing plant inventory owned by community on the areas that are planned for Company Estate.
3. Note of meeting of Djuanda Sawit Company's Inventory and Land Compensation Team in Muara Lakitan Sub-District and Megang Sakti Sub-District on November 13th 1996 The meeting was attended by: Head of Muara Lakitan Sub-District, Head of Megang Sakti Sub-District, Commander of Muara Lakitan Military Base, Head of Muara Lakitan Police Sector, Chief of Lubuk Pandan Village, Chief of Muara Megang Village, Djuanda Sawit Lestari Company.

Complete document of compensation payment in form of: result letter of growing plants inventory supported with map, declaration letter to lease the land, receipt of compensation payment, photograph of payment process, right admission letter which was signed by land owner and Chief of Village and witnesses, official document of right acquisition which was issued by the local head of nearby sub-district is available. Overall, compensation was conducted from 1994 to 2013 with total compensated land of 4,862.6 hectare.

Status: Comply

6.5

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

Company waging system is implemented in accordance with Decree of South Sumatera Governor Nomor 877/KPTS/DISNAKERTRANS/2013 in term of Changes of South Sumatera Governor Decree 870/KPTS/Disnakertrans/2013 in term of Sectoral Minimum Wage of South Sumatera Province in 2014 on December 30th 2013 which describes that minimum wage for sectors of Agriculture, Husbandry, Hunt and Fishery is IDR 1,920,000 (One million nine hundreds and twenty thousand rupiah). According to the result of employee payment records and interview the employees, it is revealed that wage or salary has been paid in accordance with valid regulation / term.

Company has Collective Labour Agreement (CLA) between Djuanda Sawit Lestari Company and Worker Union which is legalized on February 17th 2012. CLA has been expired for now, new compilation CLA draft still in progress due to several clause that has not been agreed by both parties. However, on clause 46 of CLA in term of the valid period, the expired CLA shall valid untill new CLA composed in accordance with agreement which is reached by both parties, hence, the expired CLA terms shall be valid.

According to the result of field observation on the employee housing complex of Muara Kandis Estate, Muara Tawas Estate and Muara Kandis Mill, company has provided proper public facilities, such as:

- Permanent housing complex which is consisted of 2 bedrooms, lobby, kitchen, and bathroom supported by WC. Lighting is derived from mill and generator. Clean water source is derived from mill, reservoir and well.
- Educational facilities, company provided Kindergarten and Elementary School which are located on Muara Kandis Estate, and school bus to pick and take students who far from school.
- Medical facilities, company provided Medical Treatment Stations which are located on each work unit (Estate and POM) which are supported by company doctors and assisted by medical assistants.
- Other public facilities like worship place in form of mosque and church. Company provided sport facilities like soccer field, volley court, tennis court, and badminton court as well, and employees hall as meeting hall and maternal and baby clinic.

Company committed to employ contractor who complies valid regulation on term of manpower. The commitment is written on Contractor Handling SOP No. SOP/SMK3/SMART/LH-26 which has been reviewed and legalized by Division of Head Environment & Sustainability on July 1st 2010. The objective of this procedure is to ensure that all contractor's activity on company concern on aspects of environment and OHS. Procedure of Contractor Handling consisted of contractor selection, review of supplier's proposal, contract of employment, inspection on contractors work and warning and sanction for the contractor. On the Cooperative Labour Agreement between company and contractor, on clause 4 and 6, contractor is able to comply statue regulation of manpower, particularly in term of salary payment and workers age, and to ensure OHS implementatio to the entire workers and support them with PPE. According to the result of public consultation with the contractor, the contractor states that there are requirements for the workers to use Personal Protective Equipment, and on the Cooperative Agreement Letter it is sated that OHS and Labour Social Assurance (Jamsostek) are handled by the industrialist

Status: Comply

6.6

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

Commitment of company to give freedom for the workers to unite is written on the Circular No 094/CEO2-SE/12/2010 December 14th 2010 in term of Freedom to Unite on Worker Union according to Statue No 21 year 2000 in term of Worker/Labour Union, hence, Company need to comply the valid terms and regulation on that Statue, including term of freedom to unite on worker/ labour union which is the crucial right of workers. There are 3 worker unions in Company which are:

Djuanda Bersatu Musi Rawas Worker Union (SBDBMR), Committee of Work Unit SPPPP-SPSI Muara Kandis Estate and PUK SPPPP-SPSI Muara Tawas Estate. Those three worker union has been registered on Musi Rawas District Labour Agency. According to the interview result with the worker union, it is revealed that Company supported worker union activity and Company does not restrict Worker Union Activity.

Company is able to show meeting evidence / record with the worker union, for instance

- Meeting on April 17th 2014 between company with the representatives of worker union discussing Collective Labour Agreement (39 participants)
- Meeting on May 7th 2014 between company with the representatives of worker union discussing Collective Labour Agreement (24 participants)

Status: Comply

6.7

Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.

Company policy related to workers age rquirement is written on Circular from HR Director to entire Unit Head number 002/SE-HRDV/03/09 March 31st 2009 in term of minimum age for workers related to the implementation of statue number 13 year 2003 in term of manpower clause 68 for not hiring underage worker, hence, minimum age for workers is 18 years old.

According to the result of document inspection, there is no under age worker (under 18 years old). Result of the field observation and interview with workers also found that there is no underage workers (Under 18 years old). The workers has understood that minimum age to be employed is 18 year old.		
	Status: Comply	
6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
Company policy on equal opportunity is written on Circular 096/CEO2-SE/12/2010 dated December 14th 2010 in term of the implementation of industrial relation on unit, in order to realize harmonic, dynamic, and fair industrial relation. Therefore, industrial relation is implemented without distinguishing tribe, race, religion, and gender in entire type of work. According to result of field observation and interview with worker union, gender committee, and employees, it is found that there is no discrimination based on tribe, religion, race, and class on work opportunity.		
	Status: Comply	
6.9 Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.		
Company effort to prevent sexual harrashment is written on CEO 2 Circular No. 003/CEO2-SE/01/2011 January 10th 2011 which contains request to the entire head of units for conducting socialization in term of prevention and handling of sexual harrashment.		
Company Policy in term of reproduction rights is regulated on: <ul style="list-style-type: none"> • CEO 2 Circular No. 095/CEO 2-SE/12/2010 December 14th 2010 in term of Menstruation Period Leaves which stated that entire female workers/labours on period of menstruation and according to company doctor's and or medical assisstant's examination and reporting it to the industrialist, hence, do not have obligation to work on the first and second day of the menstruation period. • Memorandum of VPA PSM 2 No. 001/MEMO-VPA PSM2/04/2011 on April 8th 2011, 2008 in term of pregnant and breasfeeding workers states that company does not allow them to work as spraying workers. • Collective Labour Agreement between Company with the worker union: <ul style="list-style-type: none"> - Menstruation Leaves (H1), for female workers are 2 days/month off (the First and Second day) according to doctor's examination. - Delivery Leaves (H2) for 3 months with the detail of 45 days before delivery and 45 days after delivery according to doctor's examination. • Specific complaint response mechanism is available on Disgruntle and Complaint Handling SOP (SOP/NP/SMART/XII/MCAR001) which is legalized by Head of MCAR on July 1st 2010. Procedure of internal, external, female workers complaint resolution are described on the SOP. 		
As for the policy implementation for preventing and handling sexual harrashment case, company has formed Women Comission on POM and Estate, and compiles sexual harrashment handling procedure. Reporting of sexual harrashment incidents which are recorded on Record Book of Sexual Harrashment Reporting is available on POM and Estate. Company has conducted socialization related to gender committee, for example of October 23rd 2013 in Muara Kandis Estate, November 8th in Muara Tawas Estate and March 17th 2014 in Muara Kandis Mill.		
According to the result of the interview with female workers in Gender Committee, it is found that company has protecting women rights as for the policy of H1 and H2, no breasfeeding or pregnant workers work with chemicals and has conducted socialization related to particular complaint handling.		
Implementation evidence record of reproduction rights, for example according to the interview result, there are female workers in pregnant leaves. According to report observation of worker absence and detail list of employees salary whom is in pregnant leaves, her salary is still on company payroll.		
	Status: Comply	

6.10
Growers and mill deal fairly and transparently with smallholders and other local businesses.

In accordance with the agreement between Company with the FFB supplier of Smallholder, valid FFB pricing procedure in Muara Kandis POM is in accordance with South Sumatera Province Plantation Agency and based on the Meeting of South Sumatera Province FFB Pricing Team. Calculation and pricing are updated twice in two weeks in accordance with Decree of Ministry of Agriculture No. 14 tahun 2013 in term of Estate FFB Purchase Pricing Guidelines of South Sumatera.

According to the interview with Sadar Sejahtera Village Cooperative Unit and Pandawa Sakti (FFB Supplier), it is found that FFB price from Plantation Agency always been informed by company to Village Cooperative Unit. FFB price also been socialized through periodic meeting between Company with Village Cooperative Unit manager, farmer group and Village Cooperative Unit committee. The meeting also discusses price, expense, and income which are shared with Village Cooperative Unit.

As for example, copy of South Sumatera Plantation Agency letter to the estate industrialist in South Sumatera in term of FFB price for each estate for August 2014 (period II) as the meeting result between Plantation Agency with South Sumatera Estates is available.

Document verification and interview with Village Cooperative Unit and external contractor showed that all contracts with local business are made fairly, legally, and transparently. Contracts contains descriptions of work specification, price and method of payment, tax and labour social assurance, work facilities and terms of work safety, sanctions, and dispute resolution. The contracts is signed by representatives of company and contractor.

Examination of 4 contracts samples with the third party which are the FFB transport contractor (Hasan Usman and Sodikin), contractor of buildings construction in MTWE (Sukeri), and installation of Spider Arm Thresher showed that entire contracts are paid in time. Evidence of the contracts payment for the jobs in form of: Invoice, Payment Receipt / Giro, Payment Request, PO, and evidence of goods received / service is available.

Status: Comply

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

Record of company contribution on local development is available in form of:

- **Involvement of local business in mill and estate through contracts of** FFB transport, EFB transport, building maintenance, local purchasing such as materials purchasing (sands, stones, corals, timber) from nerby community according to local purchasing PO
- **Payment of local tax and retribution in form of** Land and Building tax from Company which is paid periodically every year, periodic vehicle KR and tax, and local retribution (village) for Temani River surface water usage.

CSR fund distribution. Overall, Muara Kandis Estate CSR distributed CSR funds as much as IDR 52,157,652 in 2013 and IDR 22,580,358 for the period of January to June 2014, for social programs like road repairment, flood victim aid, aid for heavy equipments and vehicles, aid for social facilities, and others. Muara Tawas Estate distributed IDR 31,086,690 for CSR funds in 2014 and IDR 12,752,984 CSR funds in 2013. Programs like road repairment, mass circucision, aid of religion activity and other.

According to the interview result with Village community representatives (stakeholder consultation on September 1st 2014), company built 10 km connecting road from estate boundaries through Semeteh Village intersection in 2003. The record of road hardenning using sand and gravel recapitulation on October 2013 is available.

Company has conducted aid assistance for construction of Semeteh Village Administration Office, Muara Lakita Sub-District witnessed by Head of Semeteh Village, Armanshah, which are:

- Aid for heavy equipment of motor greader for constructing foundation of Semeteh Village Administration Office in Muara Lakita Sub-District with total 12 Hm (IDR 1,953,060) and Backhoe loader on August 25th 2014 with toal 13 Hm (IDR 1,229,946)
- Aid for Ceramics on November 7th 2014 as much as IDR 7,452,000,-

	Status: Comply	
PRINCIPLE #7 Responsible development of new plantings		
7.1 A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
<p>Company has conducted social and environmental impact assessment which covers positive and negative aspects of estate and mill as shown by:</p> <ol style="list-style-type: none"> 1. Document of IEA which was compiled on 1998 and has been approved by Agriculture Minister. 2. Document of Social Impact Identification (Draft) in Djuanda Sawit Lestari Company which was compiled on 2013-2014. Document was compiled by Internal Team of Company led by Vernita Mei Pratiwi. Document of SIA showed positive impact on: <ul style="list-style-type: none"> - Absorption of manpower and employees welfare - Social welfare through CSR and village facilities aid. - Empowerment of nearby community through involvement of local contractor, tax. <p>Potential of negative impact:</p> <ul style="list-style-type: none"> - Community restlessness related to security - Inadequate of manpower absorption - inadequate of aid assistance, - Inadequate of road repairment - Reduce of member reliance on cooperative unit committe. <p>Company has reported periodically environment management activity on the document of Djuanda Sawit Lestari Monitoring Result Report of Environmental Environmental Management - Monitoring Plan to the related agencies (Musi Rawas District Environmental Agency, South Sumatera Environmental Agency, and Ministry of Environment). Document of report for the 1st semester of 2014 showed that the report of Environmental Management - Monitoring Plan has been in accordance with EIA document request including management and monitoring of social impact through interview with nearby village local community.</p> <p>Company has concern on scheme smallholder business by including scheme smallholder on the documents of EIA, HCV, and SEIA.</p>		
	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.		
<p>Untill audit ST-12 conducted, there is no development of new plantation area which is conducted by unit management. The recent palm oil replanting conducted on 2005 in MKNE.</p> <p>Document review and field observation showed that there are no peatland in company operational area. Company has had map of soil and land suitability which describes Land Suitability Class issued by <i>Plantation Monitoring And Planing Divison</i> (PMNP) with scale 1: 60,000 year 2007, which contains information of soil type, land topography, land texture, drainage condition, and boundary factor. According to those survey result, soil dissemination which classified as marginal are soil group of ocaquults type in MKNE for 505,89 ha with drainage boundary factor and soil type endaquults with drainage boundary factor for 420,96 ha in MTWE.</p>		
	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.		
<p>N/A Company is not conducting replanting yet</p>		
	Status: Comply	
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
<p>Document review and field observation showed that there is no peatland area on company operational area. Company</p>		

has had map of soil and land suitability which describes Land Suitability Class (LSC) issued by *Plantation Monitoring And Planing Division* (PMNP) with scale 1: 60,000 year 2007, it contains information of soil type, soil texture, drainage condition, land suitability level, and boundary factor. According to the survey result, soil dissemination which is classified marginal which are group of soil type ocaquults in MKNE for 505.89 ha with drainage boundary factor and soil type of endaquuts with drange boundary factor for 420.96 ha in MTWE are described.

According to result analysis of soil texture, soil is clssified as laterit type and land suitability class is S3 and N, strategies which are implemented by company are by conducting manuring activity according to the dosage recommended by SMARTRI, and conducting empty fruit bunch application with dosage 40 ton/ha.

Status: Comply

7.5

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

NA (Company has no plan to conduct new land clearing)

Status: Comply

7.6

Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

NA (Company has no plan to conduct new land clearing)

Status: Comply

7.7

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

According to SOP Nomor SOP/SMART/MCAR/IV/TA-PLB in term of New Land Clearing in 2012, it is found that new land clearing method for planting palm oil using zero **burning policy (Zero Burning)** in accordance with agronomy technical. Stages of new land clearing process on SOP are initiated by blocking, constructing road, constructing drainage, preparation of ex-coarse grass (chemical system) and constructing terrace (conturterrace, individual terrace platform).

The recent planting program in Company area was conducted in 2005. Entire land clearing activities using zero burning policy. It is proven by Cooperative Agreement Letter between company and contractor who in charge for land clearing program mechanically.

Record samples of zero burning land clearing in form of Cooperative Agreement Letter as shown below:

MKNE

Agreement letter of Piece-Work No. 01/VI/C TT-MTE/99 between Djuanda Sawit Lestari Company with Ispoyo on October 10th 1999 for Land Clearing project in Blok R56 with volume of 92 stripes. There are terms and agreement on Cooperative Agreement Letter which are: entire timbers (tunggul) on the planting point/circle must be design with width radius of 2.5 m or untill the widest tip of leaf, the chopped timber must be rolled out of the circle and stacked on inter row.

MTWE

Agreement letter of Piece-Work No. 01/VI/DIVIII/2000 between Djuanda Sawit Lestari Company with M. Ali Anang on May 20th 2000 for imas activity (25 ha) and cutting down activity (25 ha) with the work requirements: small timber chopped down to the root, timber diameter more than 50 cm is cut down with chain saw and minimum single height is 30 cm from the land surface.

Management unit has prepared emergency response procedure for land fire SOP/NP/SMART/XI/LH002 on July 1st 2010. As for the procedure implementation, company has had record of land fire emergency response in form of training course of Fire Extinguisher usage and land fire emergency response simulation which was held on November 29th 2013 and was attended by 24 employees (MTWE and MKNE) and supported with the evidence of attendance list and photograph documentation. Management unit also has organization which responsible for preventing and handling land fire, organization structure of emergency response in MKNE (legalized by estate manager on September 9th 2013) and

<p>MTWE (legalized by estate manager on September 14th 2013) is available. According to field observation in Emergency Response Posts of MKNE and MTWE, company has consistently providing facilities for handling land fire and map of fire-potential areas for each estate is available.</p>		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
<p>8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p>		
<p>RSPO internal audit was conducted on April 14th – 18th 2014 by Hasto T, Rosidin, Resi Nurlinda, Hendy Azhar, Ardian Rizky. Result of RSPO internal audit found 7 findings which are:</p> <ul style="list-style-type: none"> • Minor indicator 2.1.1 which is there is no index calculation for arrestor on diesel fuel tank yet • Minor indicator 4.6.3 which is there is no policy socialization of prohibition policy for breastfeeding and pregnant women for spraying <p>Minor indicator 5.4.2 which is there is no record of fossil fuel usage monitoring yet</p>		
	Status: Status: Full Compliance	

3.2. Summary of Assessment Report of Supply Chain Requirement

Clauses	(Module E) CPO Mill – Requirement of Mass Balance
1	Documented procedures
1.1	<p>The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.
	<p>Document verification showed that facility has had standard procedure and written work instruction on the implementation of lestari oil palm supply chain. Record of procedure is available on:</p> <ul style="list-style-type: none"> SOP No. PT DSL-MKNM/SOP/24 which was compiled of May 16th 2014 in term of RSPO product Supply chain of Mass Balance model SOP is available. SOP regulates complete procedure of SCCS application in accordance with RSPO requirements and compliance to all valid requirements. SOP nomor: PTDS-MKNM/SOP23 which was compiled on March 10th 2014 in term of Reporting of RSPO-Certified Products and regulates Reporting of RSPO product whether Mass Balance Report or Quarter Segregation Report in accordance with SCCS RSPO requirements is available. The applied-period of report is a quarterly-basis report. <p>As the implementer of supply chain system, description of mill organization structure which describes names of person in charge of activities related to SCCS in mill from weighing to CPO transporting is available.</p>
	Status: Comply
1.2	<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> <p>Procedure of receiving and processing certified and non-certified FFB is available on SOP No. PT DSL-MKNM/SOP/24 which was compiled on May 16th 2014 in term of RSPO product Supply chain of Mass Balance model SOP is available. SOP regulates procedure of receiving and processing certified and non-certified FFB, as described on chapter 6.1. in term of Receiving Raw Material.</p>
	Status: Comply
2	Purchasing and goods in
2.1	<p>The facility shall verify and document the volumes of certified and non-certified FFBs received.</p>
	<p>Document verification and field observation on Muara Kandis POM showed that facility has implemented good system to verify certified FFB and non-certified FFB in accordance with valid SOP. Verification is conducted through:</p> <ol style="list-style-type: none"> Cooperative Agreement Letter of FFB cover letter and weighing ticket which describes weighing ticket number, Cooperative Agreement Letter serial number, source of FFB, transport , harvest date, FFB cut circle, year of planting, block, number of bunch , tonnage, vehicle police number, date of delivery. Computer program connected to SAP system is applied to get information of FFB, CPO, Kernel, and other products receipt. There are list of supplier who are able to supply FFB to Muara Kandis POM in computer application weigh bridge. Unregistered supplier on the list cannot deliver their FFB to POM due to no weighing activity and weighing ticket printing which are able to be conducted. <p>Periodic Report from mill management which describes the received products, date of received products, source of estate, vehicle police number, number of Cooperative Agreement Letter, weighing ticket number, date of delivery, input-output weighing hour, weight of gross weighing, weight of output weighing, netto weight.</p>

	Status: Comply
2.2	
The facility shall inform the CB immediately if there is a projected overproduction.	
Will be verified on surveillance 1 once company get the certificate.	
	Status: Comply
3	Record keeping
3.1	
The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	
Entire records and reports related to supply chain has been made and stored completely by company in form of soft copy on computer and manual archive as the back up. Document storing system in form of soft copy is integrated to SAP application for weighing FFB, CPO, and Palm Kernel, and grading system therefore FFB quality that will be processed is able to be recognized. Documents in form of hard copy (print out) are stored at Muara Kandis POM administration room.	
Muara Kandis POM has periodic reporting system (daily, monthly) which describes recapitulation of entire aspects such as input and processed FFB, Result of CPO capacity and quality, Result of Kernel capacity and quality, CPO and Kernel Delivery, Kernel and CPO Production Stock.	
	Status: Comply
3.2	
Retention times for all records and reports shall be at least five (5) years.	
Company has determined document storing period (including SCCS document) in accordance with its interest which is regulated on Handling Procedure of Document and Record Storing (No. Dokumen SOP/SMART/LH-02 January 2nd 2014). Document of company operational including information request and responses in general has 10 year storing period. Once considered expired, document will be considered to be destroyed once the person in authority approves.	
	Status: Comply
3.3	
The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	
Will be verified in surveillance 1 once company gain certificate, however as for the preparation, SOP No. PT DSL-MKNM/SOP/24 in term of RSPO product Supply chain of Mass Balance model SOP which was compiled on May 16th 2014 and describes record balancing, delivery and sales of RSPO-certified oil palm in accordance with term of RSPO supply chain system is available.	
	Status: Comply
3.4	
The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	
Will be verified in surveillance 1 once company gain certificate, as for the preparation, company has had SOP No. PT DSL-MKNM/SOP/24 in term of RSPO product Supply chain of Mass Balance model SOP which was compiled on May 16th 2014 is also regulates sales procedures of certified and non-certified products.	
	Status: Comply
3.5	
Company does not implement outsourcing of Kernel Crushing.	

	Status: Comply
4	Sales and Goods out
4.1 The facility shall ensure that all sales invoices issued for RSPO palm oil delivered include the following information: (a) The name and address of the buyer (b) The date on which the invoice was issued (c) A description of the product, including the applicable supply chain model (Segregated) (d) The quantity of the product delivered Reference to related transport documentation Will be verified in surveillance 1 once the company gain certificate, as for the preparation, company has had SOP No. PT DSL-MKNM/SOP/24 in term of RSPO product Supply chain of Mass Balance model SOP which was compiled on May 16th 2014 is also regulates sales procedure of certified and non-certified products and issuance of sales invoices.	
	Status: Comply
5	Training
5.1 Evidence of training implementation to the officer related to SCCS process who are: Mill manager, assisstant head interim, laboratory assisstant, lab analyst, grading foreman, Head Of Security, production officers, Security Unit Commander, Process Assisstant I, Head of Administration, Dispatch CPO, Officer of Jakarta sustainability department, and Weight Bridge Operator is available. Training was conducted on June 4th 2014 with trainer from SADV team.	
	Status: Comply
6	Claims
6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems Will be verified in Surveillance 1 once the company gain certificate, as for the preparation, company has had SOP No. PT DSL-MKNM/SOP/24 in term of RSPO product Supply chain of Mass Balance model SOP which was compiled on May 16th 2014 is also regulates communication and claims toward certified products.	
	Status: Comply

3.3. Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
-	Will be verified at the time of surveillance activities.	-
	Status: Not Applicable	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
-	Will be verified at the time of surveillance activities.	-
	Status: Not Applicable	
3.	Implementation of Certificate and Logo is not used on product	X or√
-	Will be verified at the time of surveillance activities.	-
	Status: Not Applicable	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
-	Will be verified at the time of surveillance activities.	-
	Status: Not Applicable	

3.4. Summary of RSPO Partial Certification.

Total companies observed (0.5 √Y) Where Y is the total of uncertified RSPO registered company The Management Unit name : - Date of Observation: -		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
7.3	New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	All subsidiary of Golden Agri Resources Ltd are planned to be RSPO certified.	
	Status: Compliance	

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 ST1 Assessment

NCR No	Ref Std	Findings	Area	Grade	Deadline	Correction	Observation	Status	Date Closed
2014.1	Minor 4.6.2 Minor 4.7.2	Medical Check up for High-Risk Workers According to the result of observation, company has not conducted special medical check up for high-risk workers such as: workers who work with chemicals, noise, and dust, in accordance with SOP of Workers Medical Check Up No Dokumen SOP/SMK3/SMART/LH-23	Potential of NC	Estate & Mill	Before stage 2	Company must be able to shows the evidence of medical check up has been conducted in accordance with company SOP	September 2nd 2014 Company has conducted medical check up for high-risk workers in estate and mill (88 estate employees and 23 mill employees) on July 11th 2014	Closed	September 2nd 2014
2014.2	Major 5.1.2. Minor 6.1.1.	Implementation Report of Environmental Management - Monitoring Plan Company has compiled implementation report of Environmental Management - Monitoring Plan and report it to the related agencies. However, according to EIA document of Company, there are inconsistency which are: 1. Evidence of land fire management is not available 2. Evidence of noise monitoring on mill is not available 3. Supporting evidence of monitoring implementation of social impact in form of community income and social restlessness participatively is not available	Potential of NC	Estate & Mill	Before stage 2	Company must be able to shows implementation report of environmental management and monitoring in accordance with valid regulation.	September 3rd 2014 Company has shown report evidence of Environmental Management - Monitoring Plan in accordance with the request of EIA document. Report document of Environmental Management - Monitoring Plan for 1st semester of 2014 has been supported with descriptions of land fire management, noise monitoring in mill and monitoring of social impact through interview with nearby village community	Closed	September 3rd 2014

NCR No	Ref Std	Findings	Area	Grade	Deadline	Correction	Observation	Status	Date Closed
2014.3	Minor 5.3.2	Record of Hazardous Waste Monitoring/Analysis Company is not able to show evidence of hazardous waste balance sheet which has been reported to the related agencies yet.	Potential of NC	Estate & Mill	Before stage 2	Company must be able to show evidence that the balance sheet for infectious hazardous waste (medical waste) has been reported to the related agencies.	September 3rd 2014 Company has shown the reporting evidence of hazardous waste including infectious waste to Musi Rawas District Environmental Agency on 2014 2nd Quarter report	Closed	September 3rd 2014

3.5.2 Identification of Findings, Corrective Actions and Observations at ST-2 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
2014.1	Major 2.2.2	Maintenance of legal boundaries Company has conducted maintenance of several Land Use Title poles as legal boundaries of land ownership. However, according to field verification and document review, there are still several Land Use Title poles number 122 and 48 in Muara Kandis Estate	Nonconformity	Company	Before the certificate is issued	Company must shows evidence of legal demarcation boundaries / legal area boundaries obviously and well maintained	Root Cause: Implementation of Land Use Title Pole Maintenance does not run well Resolution of Problem: Company has installed the Land Use Title Pole refer to the coordinate informed by National Land Agency. Preventif Action: Company has had procedure of Land Use Title Pole monitoring and Maintenance in form of SOP. Auditor Observation (February 27th 2015): Company has identifying the position of Land Use Title Pole refer to the Map of Land Use Title period of 1999 from National Land Agency and has correcting the legal demarcation boundary by installing the	Closed	February 27 th 2015

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							missing Land Use Title Pole refer to the Map of Land Use Title, specifically pole number 48 and 122. Hence, finding 2014.01 is closed		
2014.2	Minor 4.4.1	Testing of Petanang River water quality Company has conducted testing of Temani River water quality in Muara Kandis Estate. However, the result of water quality testing of Petanang River in Muara Tawas has not yet available. Those rivers has been identified as HCV area and according to the interview with the community of Muara Megang, the river is considered as fish source and is used by nearby community.	Nonconformity	Company	Surveillance 1	Company must shows evidence of upperground (river) water quality monitoring within estate area, especially which is identified as HCV and used by community	<p>Root Cause: Monitoring of Petanang River water quality is not written on the matrix of environment monitoring but the fact Petanang is utilized by community nearby..</p> <p>Resolution of Problem: Sampling has been conducted on September 28th 2014, and the result of analysis has been concluded on October 14th 2014..</p> <p>According to the result of analysis, there were two parameters which exceed the quality threshold. The parameters were pH and O&G (oil and grease). However, it could be concluded that estate operational in PT DSL is not causing the river contamination because it has been contaminated from the upstream.</p> <p>Furthermore, the monitoring of water quality in Petanang river will be routinely conducted each semester..</p> <p>Preventif Action: Managing riparian area alongside the Petanang River.</p>	Closed	December 5 th 2014

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
							Auditor Observation: Company must show the evidence of river water quality monitoring within estate area, specifically the area that the river is utilized by employees and community nearby. Sampling has been conducted on September 28 th 2014 and the result of the analysis has been issued on October 14 th 2014. According to the document, the nonconformity is considered closed.		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	Minor 4.6.3	Company should re-evaluate period of pregnant check up to ensure that there are no pregnant or breastfeeding workers work as sprayer.
2	Minor 5.6.1	Company should make program/plan which is purposed to reduce pollution and emission.
3	Minor 6.2.1.	Company need to provide information of company stakeholder existence in nearby plantation, community groups, or NGOs related to the estate.
4	Minor 6.3.1.	Company is encouraged to conducted recording and handling of complaint and objection which is delivered orally due to local costum.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		Company's commitment to implement principles of sustainable palm oil management.
2		Personal competence (Staff) in in each field.
3		Company has achieved certificate of ISCC in 2014, Award of Ministry of Environment (Rating Assessment Program of Company Performance on Environment Management – PROPER with Blue Ribbon),
4		Company has conducted well environmental management
5		Company has commitment to provide well document

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

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
1. Musi Rawas District Plantation Agency Positive Issues: <ul style="list-style-type: none"> • Good relation among company and agencies. • Company has conducted Plantation Business Assessment (PUP) and has been routinely conducted reporting of plantation business development • There is no reporting of disputes with smallholder • Despite there is no obligation related to scheme smallholder development, company has conducted construction of smallholder plantation for the nearby community • There is no issue or reporting related to land disputes / claims • Company has proposed for certificate which informs that the seeds are certified-seed. 	<p>Management Unit will keep ensure that management of estate will be in acceptance with all applied oragnisationand maintain condusive for the surrounding estates.</p>	<p>Company needs to maintain positive performance and expected to improve sustainable correction.</p>
2. Musi Rawas District Environmental Agency. Positive Issues: <ul style="list-style-type: none"> • Permit for land application owned by company is not expire yet. • Permit for period extension of Hazardous Waste Temporary Tank is still on progress • Company has routinely conducted reporting of environment monitoring and Hazardous Waste reporting. • There is no environmental issues or complaints of environment contamination within Djuanda Sawit Lestari area. 	<p>Management unit will keep ensuring the environment monitoring has been reffered environmental document owned by the company. Therefore company operasional dose not cause environmental imoact.eksternal aiftdah mukena</p>	<p>Company need to maintain positive performance and expected to improve sustainable correction</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
3. Musi Rawas District Labour Agency Positive Issues <ul style="list-style-type: none"> Area of Company has had Occupational Health and Safety Guiding Committee which has been registered and legalized by local Labour Agency. Secretary of Occupational Health and Safety Guiding Committee has had expert certificate for general OHS. Good relation among company and agencies Reporting of Occupational Health and Safety Guiding Committee and manpower has been routinely conducted Company has conducted waging according to valid Agriculture Sector Minimum Wage Negative Issues: <ul style="list-style-type: none"> Agencies do not gain information that Operators of equipments which are owned by company has had Operator License There are indications that the equipments in mill for example boiler has expire license. Cooperative Agreement Letter between company and employees has not reach an agreement yet. 	<ul style="list-style-type: none"> Company has had Operator License from Ministry of Labour and shall be reported to Musi Rawas District Labour Agency License for equipments in Company is not expire yet. License for Boiler has not yet expire till November 12th 2014 According to clause 123 verse 4 UU No. 13/2003 "if in the Collective Labour Agreement between company and employees does not reach an agreement as mentioned on verse 3, hence, the previous Cooperative Labour Agreement will valid for 1 year. Company and Worker Union shall arrange next negotiation ASAP. 	
4. Office of Musi Rawas District National Land Agency Positive Issues: <ul style="list-style-type: none"> Good relation between company and National Land Agency. There are no issues or reporting related to land disputes / claims Company has had Decree of Ministri of Agraria / Head National Land Agency <u>Nomor: 3/HGU/BPN/99</u> in term 	<p>Managemen unit has ensured that there is nocommunmity claim regarding to land conflict in Compay area.</p>	<p>Company need to maintain positive performance and expected to improve sustainable correction</p>









RSPO ASSESSMENT REPORT

SPO – 4006a.5

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>River, Dingin River, and Tawas River.</p> <ul style="list-style-type: none"> - In Lubuk Sari Village, fish-source river which will be auctioned is Petanang River. - Community demand for managing riparian area for \pm 1 Ha due to the area is not managed by company. <p>Aspirations</p> <ul style="list-style-type: none"> - Absorption of local workers, particularly in POM. - Request for realization of community plantation and land purposed for the program is available. - Request for honorarium of school teacher, Islam subject teacher, and students with achievement. <p>2. Alvian (SP 2 Karya Sakti Village)</p> <p>In general, company relation with community is good. It is supported by the land transportation access which is now opened and initiated by company, absorption of workers and smallholder plantation has increased economy opportunity for village community. Aid which are given by company are: heavy equipments, constructing water tank, funds/materials aid for worship place.</p> <p>Aspirations</p> <ul style="list-style-type: none"> - Education fund aid for teacher and students with achievement. - Honorarium for the village apparatus. <p>3. Kamsi (Desa Beliti Jaya Village)</p> <p>In general, company relation with community is good. It is supported by the land transportation access which is now opened and initiated by company, absorption of workers and</p>	<p>HCV to the community through installation of signboards at HCV location (riparian).</p> <ul style="list-style-type: none"> - Company has conducted effort to keep river clean by not conducting planting program on riparian and prohibits spraying activity using chemicals on riparian. <p>Aspirations:</p> <ul style="list-style-type: none"> - Local workers which are employed on MKNE POM is 55% of the total workers. Company conducted recruitment according to the need and competence. - 2,600 Ha Community Smallholder Plantation nearby nucleus plantation has been built, for Lubuk Pandan Village, company will consider the plan according to process capacity of MKNM POM and the valid procedure. Lubuk Pandan Village has been given aid for flood victim, road repairment, and aid for Lubuk Pandan Mosque. <p>2. Aspirations</p> <ul style="list-style-type: none"> - Aid that is given by company has been in accordance with CSR program which is approved by company management. Company will always improve social activity to the nearby villages. <p>3. Aspirasi</p> <p>Company has no authority to provide ATM machine,</p>	

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>smallholder plantation has increased economy opportunity for village community. Aid which are given by company are: heavy equipments, constructing water tank, funds/materials aid for worship place.</p> <p>Aspiration</p> <ul style="list-style-type: none"> - Aid for providing ATM machine on plantation. (financial transaction security) <p>4. Herman (Lubuk Sari Village) In general, company relation with community is good. It is supported by the land transportation access which is now opened and initiated by company, absorption of workers and smallholder plantation has increased economy opportunity for village community. Aid which are given by company are: Aid for heavy equipments for village road hardenning.</p> <p>5. Jamil (Chief of Hamlet in Muara Megang) In general, company's relation with community is good. It is supported by the land transportation access which is now opened and initiated by company, absorption of workers and smallholder plantation has increased economy opportunity for village community. Aid which are given by company are: Aid for heavy equipments for road maintenance.</p>	<p>ATM machine is Bank policy.</p> <ul style="list-style-type: none"> • 	
<p>6. Board of Company Worker Union Estate Operational Unit of Muara Tawas Estate, Bejo Handoyo (Chairman), Darman (Secretary)</p> <ul style="list-style-type: none"> - Company supported worker union program - There are no problems related to manpower issues (bipartite institution has been formed) - Welfare and facilities for employees are proper and are considered enough 	<p>Company has had policy of career development for the employees.</p>	<p>Company need sto maintain positive performance and expected to improve sustainable correction.</p> <p>Company needs to improve social communication and consultation in order to monitor the environment and for the Community</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> - Community economy sectors are driven since the establishment of company - Discussion is almost done, despite several points are not reached yet - No indications of discrimination of Race, Tribe, and Religion - Classification between Estate Operational Unit Employees 		<p>Development.</p> <p>Communication need to be conducted in order to prevent and ensure that the management of riparian has been comprehensively understood.</p>
<p>7. Company Gender Committee Muara Tawas Estate</p> <ul style="list-style-type: none"> - Company has actively socializing Gender Committee to the employees. - Company has socializing policy for pregnant and breastfeeding workers who work with chemicals - There are no potentials or discrimination between men and women to get job opportunity. 	<p>Company will maintain positive performance and expected to improve sustainable correction</p>	<p>Company needs to maintain positive performance and expected to improve sustainable correction</p>

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> <table><tr><td><p>Company Name Management Representative</p><p><u>Ismu Zulfikar</u> Monday, 30 March 2015</p></td><td><p>Mutuagung Lestari Lead Auditor</p><p><u>Bukti Bagja</u> Monday, 30 March 2015</p></td></tr></table>	<p>Company Name Management Representative</p>  <p><u>Ismu Zulfikar</u> Monday, 30 March 2015</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Bukti Bagja</u> Monday, 30 March 2015</p>
<p>Company Name Management Representative</p>  <p><u>Ismu Zulfikar</u> Monday, 30 March 2015</p>	<p>Mutuagung Lestari Lead Auditor</p>  <p><u>Bukti Bagja</u> Monday, 30 March 2015</p>		

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

No	Instansi/LSM/Masyarakat	Alamat	No. Telp/e-mail	Tipe Konsultasi	Tanggal
	Dinas Perkebunan Kabupaten Musi Rawas	District Of Musi Rawas	-	Public Meeting	01 September 2014
	Badan Lingkungan Hidup Kabupaten Musi Rawas.	District Of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Dinas Tenaga Kerja dan Transmigrasi Kabupaten Musi Rawas	District Of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Kantor Badan Pertanahan Nasional Kabupaten Musi Rawas	District Of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Bahtiar (Tokoh masyarakat Desa Lubuk Pandan)	Village of Lubuk Pandan, Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Alvian (SP 2 Desa Karya Sakti)	Village of Karya Sakti, Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	01 September 2014
	M. Ali Mustain (Kepala Desa Lubuk Pandan)	Village of Lubuk Pandan, Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Bahri (Kepala Dusun di Desa Lubuk Pandan)	Village of Lubuk Pandan, Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Kamsi (BPD dan Pengurus Koperasi di Beliti Jaya)	Village of Beliti Jaya Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Gunawan (Kepala BPD Lubuk Sari)	Village of Lubuk Sari Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Herman (Kepala Dusun di Lubuk Sari)	Village of Lubuk Sari Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Jamil (Kepala Dusun di Muara Megang)	Village of Muara Megang Sub District Muara Lakitan, District of Musi Rawas	-	Focus Group Discussion	01 September 2014
	Perkumpulan Untuk Pembaharuan Hukum Berbasis Masyarakat dan Ekologis	-	huma@huma.or.id ; huma@cbn.net.id	Questioner by email	25 August 2014
	Greenpeace Indonesia)	-	info.id@greenpeace.org	Questioner by	25 August

				email	2014
	Aliansi Masyarakat Adat Nusantara	-	rumahaman@cbn.net.id	Quesioner by email	25 August 2014
	Wahana Lingkungan Hidup Indonesia	-	informasi@walhi.or.id atau info@walhi.or.id	Quesioner by email	25 August 2014
	WWF Indonesia	-	wwf-indonesia@wwf.or.id	Quesioner by email	25 August 2014
	Sawit Watch	-	info@sawitwatch.or.id	Quesioner by email	25 August 2014
	Linkar Komunitas Sawit (Links)	-	info@links.or.id	Quesioner by email	25 August 2014

Appendix 2. Assessment Program

DATE / TANGGAL	31 August – 5 September 2014	
PLANNED TIME RENCANA WAKTU	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
Sunday/Minggu, 31 August 2014		
06.00 – 08.30	JAKARTA → PALEMBANG	• BB / MY / SM / YH / PH
10.00 – 18.00	PALEMBANG → PT. DJUANDASAWIT LESTARI	• BB / MY / SM / YH / PH
Monday/Senin, 01 September 2014		
07.30 – 08.00	Opening Meeting	• BB / MY / SM / YH / PH
08.00 – 12.00	Stakeholders consultation to Related Government Institution to Musi Rawas District Government and local NGO.	• SM / YH
08.00 – 12.00	Stakeholders consultation to Company surrounded village and community leader (confirmation for meeting venue)	• BB / PH / MY
12.00 – 14.00	BREAK	
14.00 – 17.00	<ul style="list-style-type: none"> • RSPO & ISPO Document Review and Review of Previous Visit Non-conformance (Stage-1) • Clarification of Public Consultation 	• BB / MY / SM / YH / PH • BB / MY / SM / YH / PH
Tuesday/Selasa, 02 September 2014		
08.00 – 12.00	Field Observation to Muara Tawas Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism)\ • Hazardous Waste Material (B3) management • Legal operational and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect.. 	• MY / SM • BB / YH • PH
12.00 – 14.00	BREAK	
14.00 – 16.00	• Continue Field Observation to Muara Tawas Estate and field observation clarification	• BB / MY / SM / YH / PH
16.00 – 17.00	• RSPO & ISPO Document Review and Review of Previous Visit Non-conformance (Stage-1)	• BB / MY / SM / YH / PH
Wednesday/Rabu, 03 September 2014		
08.00 – 12.00	Field Observation to Muara kandis Estate <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, IPM, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Hazardous Waste Material (B3) management • Legal operational and Conservation Area • Worker facilities (housing, health clinic, clean water, etc) and • Land Fire facilities, Storage, ect.. 	• MY / SM • BB / YH • PH

DATE / TANGGAL	31 August – 5 September 2014	
PLANNED TIME RENCANA WAKTU	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
12.00 – 14.00	BREAK	
14.00 – 16.00	<ul style="list-style-type: none"> Continue Field Observation to Muara Kandis Estate and field observation clarification 	<ul style="list-style-type: none"> MY / YH / PH
16.00 – 17.00	Observation to Muara Kandis POM. <ul style="list-style-type: none"> WWTP (IPAL), Operational, K3 (OHS), Supply Chain, Hazardous Waste Material (B3) management RSPO & ISPO Document Review 	<ul style="list-style-type: none"> BB / SM BB / MY / SM / YH / PH
Thursday/Kamis, 04 September 2014		
08.00 - 10.00	<ul style="list-style-type: none"> Continue Field Observation to Estate; POM and Public Consultation to Company surrounded village and community leader (if needed) 	<ul style="list-style-type: none"> BB / MY / SM / YH / PH
10.00 - 12.00	<ul style="list-style-type: none"> Completion of checklist and RSPO & ISPO Document Review 	<ul style="list-style-type: none"> BB / MY / SM / YH / PH
12.00 - 14.00		<ul style="list-style-type: none"> BB / MY / SM / YH / PH
14.00 – 15.30	<ul style="list-style-type: none"> Audit finding preparation (Internal Meeting) 	<ul style="list-style-type: none"> BB / MY / SM / YH / PH
16.00 - 21.30	<ul style="list-style-type: none"> Closing Meeting Trip to Palembang 	<ul style="list-style-type: none"> BB / MY / SM / YH / PH
Friday/Jumat, 05 September 2015		
07.00 – 12.00	<ul style="list-style-type: none"> Completion report 	<ul style="list-style-type: none"> BB / MY / SM / YH / PH
14.30 -	<ul style="list-style-type: none"> Trip to Jakarta 	

Appendix 3. Glossary

AMDAL (SEIA)	:	Analisis mengenai dampak lingkungan (Social Environmental Impact Assessment))
APAR	:	Alat Pemadam Api Ringan (Fire Extinguisher)
APD (PPE)	:	Alat Pelindung Diri (Personal Protective Equipment)
B3	:	Bahan berbahaya dan beracun (Hazardous Waste)
BLH	:	Badan Lingkungan Hidup (Environmental Agency)
BOD	:	Biological oxygen demand
BHL	:	Buruh Harian Lepas (Daily worker)
BPJS	:	Badan Penyelenggara Jaminan Sosial (Social Insurance Agency)
BPN	:	Badan Pertanahan Nasional (National Land Agency)
CHE	:	Cholinesterase
CPO	:	Crude palm oil
CSR	:	Company Social Responsibility
DPPL	:	Dokumen Pengelolaan dan Pemantauan Lingkungan (Environment Monitoring Document)
E	:	<i>Emergency</i>
FFA	:	<i>Free Fatty Acid</i>
FR	:	<i>Frequency Rate</i>
HCV (NKT)	:	<i>High Conservation Value (Nilai Konservasi Tinggi)</i>
HGB	:	Hak Guna Bangunan (Building Title)
HGU	:	Hak Guna Usaha (Land Use Title)
HPT	:	Hama Penyakit Tanaman (Pest and Disease)
IK	:	Instruksi Kerja (Work Instruction)
IPAL (WWTP)	:	Instalasi Pengolahan Air Limbah (Waste Water Treatment Plant)
ISBPR (HIRARC)	:	Identifikasi Sumber Bahaya dan Pengendalian Resiko (Hazard Identification Risk Assessment and Risk Control)
IUP	:	Izin usaha perkebunan (Plantation Business License)
Jamsostek	:	Jaminan Sosial Ketenagakerjaan (Worker Social Insurance)
JHT	:	Jaminan Hari Tua
JKK (EFB)	:	Janjang Kosong (Empty Fruit Bunch)
JKK	:	Jaminan Kecelakaan Kerja (Work Accident Insurance)
JKM	:	Jaminan Kematian
K3 (OHS)	:	Kesehatan dan Keselamatan Kerja (Occupational Health and Safety)
KCP	:	Kernel Crushing Plant
KTD	:	Kesiapsiagaan Tanggap Darurat (Emergency Response)
LA	:	<i>Land Application</i>
LC	:	Land Clearing
LCC	:	Legume Cover Crop
LSU	:	Leaf Sampling Unit
MKNE	:	Muara Kandis Estate
MKNM	:	Muara Kandis Mill
MTWE	:	Muara Tawas Estate
NPWP	:	Nomor Pokok Wajib Pajak (Tax Registration Number)
P2K3	:	Panitia Pembina Kesehatan dan Keselamatan Kerja (Occupational Health and Safety Committee)
P3K	:	Pertolongan Pertama Pada Kecelakaan (First Aid)
PBB	:	Pajak Bumi dan Bangunan (Land and Building Tax)
Pcs	:	<i>Pieces</i>
PHT (IPM)	:	Pengendalian Hama Terpadu (Integrated Pest Management)
PK	:	Palm Kernel
PKB	:	Perjanjian Kerja Bersama (Work Agreement)
PKO	:	Palm Kernel Oil

PKS (POM)	:	Pabrik Kelapa Sawit (Palm Oil Mill)
POME	:	Palm Oil Mill Effluent
PP	:	Peraturan Pemerintah (Government Regulation)
R	:	<i>Routine</i>
RKL	:	Rencana kelola lingkungan (Environment Management Plan)
RPL	:	Rencana pemantauan lingkungan (Environment Monitoring Plan)
RTRWP	:	Rencana Tata Ruang Wilayah Provinsi
RTRWK	:	Rencana Tata Ruang Wilayah Kabupaten/Kota
SBSI	:	Serikat Buruh Seluruh Indonesia (Indonesian Labor Union)
SCCS	:	<i>Supply Chain Certification Standard</i>
SD	:	Sekolah Dasar (Elementary School)
SEL	:	Studi Evaluasi Lingkungan (Environmental Evaluation Study)
SIA	:	<i>Social Impact Assessment</i>
SK	:	Surat Keputusan (Decree)
SKU H	:	Syarat Kerja Umum Harian (Daily employee)
SMK3 (OHSAS)	:	Sistem Manajemen Keselamatan dan Kesehatan Kerja (Occupational Health and Safety Management System)
SPSI	:	Serikat Pekerja Seluruh Indonesia (Indonesian Worker Union)
SOP	:	Standar Operations Procedure
SR	:	<i>Severity Rate</i>
STP	:	Sarana Titian Permata
TBS (FFB)	:	Tandan Buah Segar (Fresh Fruit Bunch)